SEÑALIZACIÓN VIALES E IMAGEN S.A.U.

FINANCIAL STATEMENTS

2013

No. SV 0214	Date: 31 March 2014
ACTIVITY:	Audit Report of 2013 Abridged Financial Statements
COMPANY:	SEÑALIZACIÓN VIALES E IMAGEN, S.A.U
ADDRESS:	Polígono Industrial La Variante, C/La Grajera, No. 2 26140-Lardero (La Rioja)
COMMISSIONED BY:	The General Meeting
ADDRESSED TO:	The Shareholder
AUDITED DOCUMENTS:	Abridged Financial Statements of year 2013
CARRIED OUT BY AUDITOR:	L.I.Tahoces Escrivá de Romaní No. 22.330 of R.O.A.C Member of the Spanish Institute of Chartered Accountants, which is member of the F.E.E., I.F.A.C. and I.A.S.B.

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

AUDIT REPORT ON ABRIDGED FINANCIAL STATEMENTS

To the Shareholder of Company SEÑALIZACIÓN, VIALES E IMAGEN, S.A.U

I have audited the Abridged Financial Statements of:

SEÑALIZACIÓN, VIALES E IMAGEN, S.A.U.

which include the Abridged Balance Sheet as of 31st December 2013, the Abridged Profit and Loss Account, the Abridged Statement of Changes in the Equity and the Abridged Notes of the fiscal year then ended. The Directors of the Company are responsible for preparing the Abridged Financial Statements according to the Regulatory Frame of Financial Information applicable to the Company (as indicated in Note 2 of the attached Report) and in particular with the accounting principles therein contained. My responsibility is to express an opinion on said Abridged Financial Statements 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 Abridged Financial Statements and the evaluation of whether its presentation, the accounting principles used and the estimates made comply with the Regulatory Frame of Financial Information as applicable.

IN MY OPINION, the enclosed Abridged Financial Statements of the period 2013 express in all significant aspects a fair view of the Shareholders Equity and of the financial position of SEÑALIZACIÓN, VIALES E IMAGEN, S.A.U. as of 31st December 2013 as well as the result of the operations and of the cash flow corresponding to the annual period ended on that date, in accordance with the Regulatory Frame of Financial Information applicable and in particular with the accounting principles therein contained.

Without affecting my auditing opinion, I would like to draw the attention to the information contained in Notes 2.4 and 10.3 of the Abridged Notes attached, which describes the situation that the Company is facing, as well as reasons causing or dispelling doubts on the principle of going concern. The Directors consider that these Abridged Financial Statements are drawn up subject to the principle of going concern.

The shareholder, Elsamex, S.A., has expressed its intention to provide financial support if required, for the extent and during the period necessary.

Madrid, 31st March 2014

Laura I. Tahoces Escrivá de Romaní
Chartered Accountant
ROAC No. 22.330

SEÑALIZACIÓN VIALES E IMAGEN S.A.U

ABRIDGED BALANCE SHEET AS AT DECEMBER, 31ST 2013

(Euros)

ASSETS	Notes	Year 2013	Year 2012	EQUITY & LIABILITIES	Notes	Year 2013	Year 2012
NON-CURRENT ASSETS		**5.806.638**	**5.981.475**	**EQUITY**	**Note 10**	**(2.768.752)**	**(2.187.755)**
Intangible fixed assets	**Note 4.1**	**108.372**	**145.477**	***OWN FUNDS-***		**(2.768.752)**	**(2.187.755)**
Computer software		-	980	**Capital**		**688.025**	**688.025**
Research and Development		108.372	144.497	Subscribed capital		688.025	688.025
Property, plant and equipment	**Note 4.2**	**3.684.442**	**3.846.960**	**Reserves**		**(590.564)**	**(590.564)**
Land & buildings		2.411.841	2.458.188	Legal and statutory		15.006	15.006
Technical installations and other items		1.272.601	1.388.772	Other reserves		(605.571)	(605.571)
Under construction and advances		**-**	**-**	**Prior period's losses**		**(3.685.215)**	**(2.746.531)**
Non-current investments		**2.064**	**2.064**	**Other shareholder contributions**		**1.400.000**	**1.400.000**
Other financial assets		2.064	2.064	**Profit/(loss) for the year**		**(580.997)**	**(938.685)**
Deferred tax asset	**Note 13**	**2.011.760**	**1.986.974**				
				NON-CURRENT LIABILITY		**4.161.957**	**4.282.675**
				Non-current payables	**Note 11**	**861.957**	**982.675**
				Debts with credit entities	**Note 7**	835.406	924.895
				Other financial liabilities		26.550	57.780
				Group companies and associates, non-current	**Notes 11 y 17**	**3.300.000**	**3.300.000**
CURRENT ASSETS		**729.650**	**489.801**				
Inventories		**427.641**	**391.778**				
Materials & finished goods		427.641	387.658	**CURRENT LIABILITIES**		**5.143.083**	**4.376.355**
Advances to suppliers		-	4.120	**Current payables**	**Note 11**	**94.109**	**85.025**
Trade and other receivables	**Note 8.2**	**298.675**	**68.629**	Debt with financial institutions		-	725
Trade receivables		292.985	67.871	Finance lease payables	**Note 7**	87.571	83.897
Personnel		759	759	Other financial liabilities		6.537	403
Other credits with Public Administration		4.931		**Group companies and associates, current**	**Note 17**	**4.802.670**	**4.033.641**
Current investments	**Note 8.2**	**-**	**16.356**	**Trade and other payables**	**Note 11**	**245.503**	**257.690**
Other financial assets		-	16.356	Suppliers		209.188	254.113
Prepayments for current assets		**-**	**3.884**	Personnel(salaries payable)		1.425	1.420
Cash and cash equivalents		**3.334**	**9.153**	Public entities, other	**Note 13**	34.890	2.157
Treasury		3.334	9.153	**Advances from customers**		**801**	-
TOTAL ASSETS		**6.536.288**	**6.471.276**	**TOTAL EQUITY & LIABILITIES**		**6.536.288**	**6.471.275**

The Notes 1 to 19 described in the attached Report form an integral part of the balance sheet at 31st December 2013

SEÑALIZACION VIALES E IMAGEN S.A.U

ABRIDGED INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31ST, 2013

(Euros)

	Notes	Year 2013	Year 2012
CONTINUED OPERATIONS			
Turnover	**Note 15a**	**965.410**	**618.608**
Sales		363.708	550.795
Provision of services		601.702	67.812
Stock variation		**241.269**	**(241.269)**
Supplies	**Note 15b**	**(869.958)**	**(355.379)**
Consumption of raw materials and other consumables		(744.018)	(257.678)
Works carried out by other companies		(125.940)	(97.702)
Other income		**3.245**	**-**
Operating subsidies included in the year result		3.245	-
Personnel expenses	**Note 15c**	**(428.112)**	**(417.479)**
Wages, salaries and similar		(319.402)	(307.974)
Social charges		(108.711)	(109.505)
Other exploitation expenses	**Note 15e**	**(180.676)**	**(178.351)**
Outside services		(175.474)	(171.372)
Taxes		(5.202)	(6.980)
Amortization of fixed assets	**Note 5 y 6**	**(200.549)**	**(221.499)**
Other income/(losses)		**50.375**	**1.149**
EXPLOITATION RESULT		**(418.996)**	**(794.221)**
Financial expenses		**(410.831)**	**(603.885)**
For debt with group companies and partners		(379.477)	(548.805)
For debts with third parties		(31.353)	(55.080)
Exchange differences		**(168)**	**(2)**
NET FINANCIAL GAINS/(LOSSES)		**(410.999)**	**(603.887)**
PROFIT BEFORE TAX		**(829.995)**	**(1.398.108)**
Income tax	**Note 13**	248.999	459.423
PROFIT FOR THE YEAR		**(580.997)**	**(938.685)**

The Notes 1 to 19 described in the attached Report form an integral part of the loss and profit account corresponding to year 2013

SEÑALIZACION VIALES E IMAGEN S.A.U

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

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

(Euros)

	Notes	Year 2013	Year 2012
RESULT OF THE LOSS AND PROFIT ACCOUNT (I)		**(580.997)**	**(938.685)**
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)		**(580.997)**	**(938.685)**

The Notes 1 to 19 described in the attached Report form an integral part of the statement of recognized incomes and expenses corresponding to year 2013

SEÑALIZACION VIALES E IMAGEN S.A.U

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

B) ABRIDGED STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Reserves	Prior period's losses	Other shareholder contributions	Profit/ (loss) of the year	TOTAL
FINAL BALANCE OF YEAR 2011	**688.025**	**(584.009)**	**(2.278.594)**	**-**	**(467.937)**	**(2.642.515)**
Corrections from 2011 and prior years	-	(6.556)	-	-	-	(6.556)
ADJUSTED INITIAL BALANCE 2012	**688.025**	**(590.565)**	**(2.278.594)**	**-**	**(467.937)**	**(2.649.071)**
Application of profit 2011	-	-	(467.937)	-	467.937	-
Other shareholder contributions	-	-	-	1.400.000	-	**1.400.000**
Total recognized incomes and expenses	-	-	-	-	(938.685)	**(938.685)**
FINAL BALANCE OF YEAR 2012	**688.025**	**(590.565)**	**(2.746.531)**	**1.400.000**	**(938.684)**	**(2.187.755)**
Application of profit 2012	-	-	(938.684)	-	938.684	-
Total recognized incomes and expenses	-	-	-	-	(580.997)	**(580.997)**
FINAL BALANCE OF YEAR 2013	**688.025**	**(590.565)**	**(3.685.215)**	**1.400.000**	**(580.997)**	**(2.768.752)**

The Notes 1 to 19 described in the attached Report form an integral part of the statement of changes in net equity corresponding to year 2013

Señalización Viales e Imagen S.A.U.
Abridged Report for
year ending
31st December 2013

1. Incorporation and activity

Incorporation

Señalización Viales e Imagen S.A.U. (hereinafter, the Company), was incorporated by notarized deed on 18th March 1994 under the name Luminosos Publineon, S.L. On 1st October 2004, it was converted into a public limited company. Afterwards, on 25th August 2006, its corporate name was changed to Señalización Viales e Imagen S.A. Finally, on 29th December 2008, it was converted into a single-member public limited company. Its corporate address is in calle La Grajera, 2 Lardero (La Rioja).

Corporate Purpose

The purpose of the Company is:

a. The manufacturing, study, installation, conservation and repair of all kinds of signals, panels and signs, as well as corporate image, advertising, electrical and lamp items.

b. The purchase, sale, operation, administration, holding, construction and lease of any kind of properties.

All activities for which special requirements are required by Law and not fulfilled by the Company shall be excluded. If required by Law, any activity subject to the holding of some sort of professional title, authorization or special registration shall be carried out by a person holding said required title, or else the activity shall not be started until the administrative requirements are fulfilled.

These activities could also be indirectly performed by the Company, totally or partially, through the holding of stakes in other company or companies engaging in identical or analogous activities.

The Company is part of Elsamex Group, whose parent company is Elsamex, S.A., with corporate address in calle San Severo, 18, Madrid; this is the company that prepares the consolidated financial statements. The consolidated financial statements of Elsamex Group for period 2013 have been prepared by the Directors in the meeting of the Board of Directors held on 28th March 2014. The consolidated financial statements for period 2012 were approved at the General Shareholders' Meeting of Elsamex, S.A., held on 5th June 2013, and they were deposited in the Business Registry of Madrid. In turn, Elsamex Group is controlled by an international group whose controlling company is "Infrastructure Leasing & Financial Services Limited (IL&FS)", with business address in Bombay [Mumbai] (India) Bandra – Kurla Complex.

2. Presentation principles for the abridged financial statements

2.1 Financial Information Framework applicable to the Company

The abridged financial statements have been prepared by the Directors in accordance with the financial information framework applicable to the Company, established in:

a) Code of Commerce and other additional mercantile legislation.

b) General Accounting Plan, approved by Royal Decree 1514/2007, and sector adaptations.

c) Mandatory regulations approved by the Institute of Accounting and Accounts Auditing in the development of the General Accounting Plan and complementary rules.

Other applicable Spanish accounting regulations.

2.2 True and fair view

The attached abridged financial statements have been obtained from the Company's account registers and are presented in accordance with the financial information framework described in Note 2.1, so as to show a true view of the assets, the financial situation and the results of the Company during the corresponding period. These abridged financial statements, which have been prepared by the Company Directors, will be submitted for the approval of the Sole Shareholder, and are expected to be approved without any amendment. The financial statements for period 2012 were approved by the Sole Shareholder on 5th June 2013.

According to corporate legislation in force, the Company has no obligation to submit their abridged financial statements for auditing; however, and for the sole purposes of improving transparency in financial reporting, the Administrative Body has deemed appropriate to bring these abridged financial statements for year 2013 for verification of an external auditor. They will be subsequently submitted for approval of the Sole Shareholder, and expected to be approved without modification.

2.3 Non-obligatory accounting principles applied

Non-obligatory accounting principles have not been applied. In addition, the Directors have prepared these financial statements taking into consideration the totality of obligatory applicable accounting principles and standards which have a significant effect on said abridged financial statements. There is not any obligatory accounting principle that has not been applied.

2.4 Critical aspects in the measurement and estimation of uncertainty

In preparing the attached abridged financial statements estimates were made by the Company's Directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. Basically these estimations refer to:

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

- The evaluation of possible losses by degradation of certain assets (see Notes 4.1, 4.2, 4.4 and 4.5).

- The calculation of supplies (see Note 4.4).

- The calculation of executed works pending invoicing and works certified in advance.

Although these estimates were made on the basis of the best information available at 2013 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

The Company has incurred losses which meant a significant reduction in shareholders' equity, and there is a negative working capital of a significant amount. These reasons could question the continuance of the accounting principle of the operating company, and in consequence, the capacity of the Company to settle its assets and liabilities for the amounts and according to the classification found on the attached abridged balance sheet, which was prepared assuming that such activity will continue. There are significant reasons which contribute to reduce or eliminate doubts about the capacity of the Company to continue as an operative company. These reasons are the financial support notified by the Sole Shareholder, as well as the possibility of reducing expenses without decreasing the operating capacity of the Company, as it can be inferred from the budget for year 2014 and the business plan approved by the Company's Directors. Said Business Plan is based on certain ideas and trends of the market, namely: a market expansion plan focused on specific market niches and a search of clients outside the Group, both aiming at obtaining enough revenues to reach a positive result from year 2014, as well as generating positive cash flows in the same period.

2.5 Comparative information

The information contained in these abridged notes to the financial statements referring to the financial year 2013 is presented alongside the information for the financial year 2012 for comparative purposes.

2.6 Grouping of entries

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are significant, the information is broken down in the related notes to the financial statements. There are not any equity items entered in two or more entries.

2.7 Changes in accounting principles

During the accounting period 2013 no changes in accounting principles have arisen with regards to the principles applied in the accounting period 2012.

2.8 Correction of errors

In preparing the accompanying abridged financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2012.

3. Distribution of profits

The Directors shall propose to the Sole Shareholder to allocate the loss of the period to negative results of previous years, to be offset with future profits.

4. Accounting standards and measurement bases

The main accounting standards and measurement bases used by the Company in the preparation of their abridged financial statements, in accordance with those set out by the General Accounting Plan, were the following:

4.1 Intangible fixed assets

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

If there are indications of loss of value, the Company estimates by means of the “Impairment test” the possible losses of value that reduce the redeemable value of said assets to an amount below their book value.

a) Research and development expenditure:

With respect to the research and development expenditure, these are capitalized when they fulfil the following conditions:

- It is specifically individualized by projects and their cost may be clearly established.
- There are sound reasons to foresee the technical success and economic and commercial profitability of the related projects.

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

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

4.2 Property, plant and equipment

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

If there are indications of loss of value, the Company estimates by means of the "Impairment test" the possible losses of value that reduce the redeemable value of said assets to an amount below their book value.

The Company amortizes property, plant and equipment following the linear method, applying annual amortization percentages calculated depending on the estimated years of useful life of the respective assets, in accordance with the following detail:

	Percentage
Land and buildings	2
Other installations, tools and furniture	10-15
Transport items	15

The expenses for conservation and maintenance of property, plant and equipment elements are allocated to the profit and loss account of the period in which they are incurred. However, the amounts invested in improvements that contribute to increasing the capacity or efficiency or to expanding the useful life of said assets are registered as a higher cost.

4.3 Leasing

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

When the Company is the lessee – Finance lease

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower 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 that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total capital charge of the contract is allocated to the profit and loss account for the period in which it is accrued, the effective interest rate method being applied. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

4.4 Financial Instruments

4.4.1 Financial assets

Financial assets of the Company are classified in the following categories:

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

b) Financial assets held for negotiation: those that are acquired with the objective of transferring them in the short-term or those that form part of a portfolio for which there is evidence of recent activity with the said objective. This category also includes those derivative instruments that may not be contracted from capital guarantees (e.g. bank guarantees) and have not been designated coverage instruments.

c) Investments in the equity of the companies of the group, associates and multi-group: those companies considered to be part of the group are those connected to the Company through a relationship of control, and associated companies are those over which the Company exerts significant influence. In addition, within the multi-group category those companies are included over which, under an agreement, control is exercised in conjunction with one or more partners.

Initial recognition-

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

Subsequent measurement –

Loans, items receivable and investments maintained until maturity are valued by their amortized cost.

Held-for-trading financial assets are measured at fair value and the gains and losses arising from changes in said fair value are recognised in the net profit or loss for the year.

At least at the close of each period the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When it occurs, this impairment is entered in the profit and loss account.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

4.4.2 Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the business and those which, not having commercial substance cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.4.3 Equity instruments

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

Capital instruments issued by the Company are entered in the net equity for the amount received, net of issuing costs.

4.5 Stock

Inventories are measured at the lower of acquisition or production cost and net realisable value. Trade discounts, rebates, other similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase.

Production cost includes the costs of direct materials and, where applicable, direct labour and production overheads.

Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The cost of inventories is assigned by using the first-in-first-out (FIFO) method.

The Company makes the appropriate value corrections, entering them as a cost in the profit and loss account when the net realisable value of the stock is lower than its acquisition price (or than its cost of production).

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

4.6 Transactions in currency other than Euro

The Company's functional currency is the Euro. Consequently, operations in currencies other than Euro are considered as foreign currency and entered in accordance with the exchange rates prevailing on the dates of the operations.

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

4.7 Corporate tax

Tax expense (tax on profits) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current tax expense is the amount payable by the Company as a result of tax on profits settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, as well as tax loss carryforwards from prior years effectively offset in the current year, reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, as well as the negative tax bases pending compensation and the credits for tax credit not fiscally applied. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit nor taxable profit, and except for those associated with investments in subsidiaries, associates and joint ventures in which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, on the other hand, are only recognised to the extent that it is considered probable that the Company will have sufficient taxable profits in the future against which it will be possible to recover them.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised directly in equity.

4.8 Environment

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

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

4.9 Revenue and expenditure

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes, incorporated interests or similar items.

In order to adjust revenues in the period in which they are accrued, the Company adopts the principle of provisioning the revenues of projects in progress at year-end, in accordance with their level of advancement, notwithstanding the date of issue of the invoice.

The estimations used in calculating the level of advancement include the effect that the margin of certain liquidations under process might have, and that the Company estimates at the moment as reasonably achievable.

The account "Clients by works or services pending certification or invoice", included in the heading "Clients by sales and provision of services" of the asset of the balance sheet, represents the difference between the amount of the contract work executed, including the adjustment to registered margin by applying the level of advancement, and that certified until the date of the financial statements.

If the amount of the production at origin of a work is below the amount of the certifications issued, the difference is contained in heading "Advances Clients" of liabilities in the balance sheet.

4.10 Provisions and contingencies

In preparing the abridged financial statements, the Company Directors differentiate between:

a) Provisions: credit balances covering present obligations arising from past events, whose cancellation will probably cause an outflow of resources, although they are uncertain in their amount and/or timing of cancellation.

b) Contingent liabilities: possible obligations arising as a consequence of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events, not wholly within the Company's control and which are not reasonably calculable.

The abridged financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled Contingent liabilities are not included in the abridged financial statements, but the information about them can be found in the report notes, provided they are not considered as remote.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences; adjustments made to provisions are recognised as a financial cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable. In this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

4.11 Termination benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying abridged financial statements do not include any provision in this connection, since no situations of this nature are expected to arise. The Company undertook an official labour force adjustment plan during part of 2013.

4.12 Principles used in transactions between related parties

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

In any case, related parties are:

a) Companies which are considered to be a company of the group, associate or multi-group, in accordance with article 42 of the Commercial Code.

b) Natural persons who, directly or indirectly, hold participation in the voting rights of the Company, or in its dominant entity, to enable them to exercise a significant influence over one or another. Close relatives of these natural persons are also included.

c) The key staff of the Company or of its dominant entity, understood as the natural persons with authority and responsibility over the planning, management and control of the Company's activities, either directly or indirectly, including the directors and executive managers. Close relatives of these natural persons are also included.

d) Companies over which any of the persons mentioned in b) and c) above can exercise a significant influence.

e) Companies that share any director or manager with the Company; except in case this person does not have any significant influence in the financial and management policies of the Company.

f) Persons who are considered as close relatives of the Company administration's agent, if this person is a legal person.

g) The pension plans for the employees of the Company or of any other which is a party linked to this.

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

a) The spouse or person with an analogous relationship;

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

c) The ascendants, descendants and siblings of the spouse or persons with an analogous relationship;

d) Persons for whom the spouse or person with an analogous relationship is responsible for or persons with an analogous relationship;

The Company carries out all its operations with entities linked to market values. In addition, transfer prices are adequately supported so that the Company Directors consider that there are not any significant risks related to this aspect from which liabilities for future consideration could be derived.

5. Intangible assets

The movements occurring under this heading of the balance sheet during periods 2013 and 2012, as well as the most significant information affecting this section are as follows:

Financial Year 2013

	Euros		
	31-12-2012	Additions	31-12-13
Cost:			
Research	180,623	-	180,623
Computer software	22,970	-	22,970
	203,593	-	203,593
Accumulated Amortization:			
Research	(36,126)	(36,125)	(72,250)
Computer software	(21,990)	(980)	(22,970)
	(58,116)	(37,105)	(95,221)
Net value	**145,477**	**(37,104)**	**108,373**

Financial Year 2012

	Euros		
	31-12-2011	Additions	31-12-2012
Cost:			
Research	-	180,623	180,623
Computer software	22,970	-	22,970
	22,970	180,623	203,593
Accumulated Amortization:			
Research	-	(36,126)	(36,126)
Computer software	(18,899)	(3,090)	(21,989)
	(18,899)	(39,216)	(58,116)
Net value	**4,071**	**141,406**	**145,477**

At 2013 year-end, the Company had fully amortized intangible assets amounting to 22,970 Euros; it did not have any intangible assets abroad. This amount was 13,558 Euros at the close of 2012.

The research project aims at expanding applications and improvements of different lighting systems (led-based) so they can be applied to different signalling of the same brand, optimizing elements and costs, durability, capacity and light output.

6. Property, plant and equipment

The movements occurring under this heading of the balance sheet during periods 2013 and 2012, as well as the most significant information affecting this section is as follows:

Financial Year 2013

	Euros		
	31-12-2012	Additions	31-12-13
Cost:			
Lands	422,802	-	422,802
Construction	2,315,528	-	2,315,528
Machinery	1,244,638	926	1,245,564
Other installations, tools and furniture	1,737,871	-	1,737,871
Equipment for information processing	109,721	-	109,721
Transport items	36,777	-	36,777
	5,867,337	926	5,868,263
Accumulated Amortization:			
Construction	(280,142)	(46,347)	(326,489)
Machinery	(1,109,888)	(71,448)	(1,181,336)
Other installations, tools and furniture	(484,069)	(45,429)	(529,498)
Equipment for information processing	(109,500)	(221)	(109,721)
Transport items	(36,777)	-	(36,777)
	(2,020,376)	(163,445)	(2,183,821)
Net value	**3,846,960**	**(162,519)**	**3,684,442**

Financial Year 2012

	Euros			
	31-12-2011	Additions	Write-offs	31-12-2012
Cost:				
Lands	422,802	-	-	422,802
Construction	2,315,528	-	-	2,315,528
Machinery	1,244,638	-	-	1,244,638
Other installations, tools and furniture	1,737,871	-	-	1,737,871
Equipment for information processing	109,721	-	-	109,721
Transport items	54,320	-	(17,543)	36,777
	5,884,879	-	(17,543)	5,867,337
Accumulated Amortization:				
Construction	(233,795)	(46,347)	-	(280,142)
Machinery	(1,022,825)	(87,064)	-	(1,109,888)
Other installations, tools and furniture	(435,463)	(48,607)	-	(484,069)
Equipment for information processing	(109,234)	(265)	-	(109,500)
Transport items	(54,320)	-	17,543	(36,777)
	(1,855,637)	(182,283)	17,543	(2,020,376)
Net value	**4,029,242**	**(182,283)**	**17,543**	**3,846,961**

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment elements are subject. The Company Directors consider that the coverage of these risks on 31 December 2013 and 2012 is the appropriate.

At 2013 year-end, the Company had fully amortized property, plant and equipment elements still in use to the value of 1,276,602 Euros; this amount was and 1,218,567 Euros at 2012 year-end.

As it is shown in Note 7, at the closing of tax years 2013 and 2012 the Company had several financial leasing operations on its property, plant and equipment elements.

7. Leasing

Financial leasing

At the close of accounting periods 2013 and 2012 the Company, as a financial lessee, has some leased assets included in accordance with the following information:

Financial Year 2013

	For goods valued at their fair value	Total
Property, plant and equipment	2,738,330	2,738,330
Total	**2,738,330**	**2,738,330**

Financial Year 2012

	For goods valued at their fair value	Total
Property, plant and equipment	2,738,330	2,738,330
Total	**2,738,330**	**2,738,330**

The Company has three financial leasing contracts on an industrial warehouse located in calle La Grajera, 2 - Industrial area "La Variante", Lardero (La Rioja), in which the Company develops its activity.

The financial leasing contracts and their main characteristics are described below:

- Financial leasing contract with Bank Pastor. This contract, amounting to 662,041 Euro, started on 16 September 2005, for a term of 15 years. The nominal value of the purchase option is 99,306 Euro. In addition, the interests paid in periods 2013 and 2012 amounted to 6,275 and 11,154 Euro, respectively. Capital pending amortization at 2013 and 2012 year-end amounts to 308,629 and 337,362 Euro, respectively.

- Financial leasing contract with Caja Rioja (now Bankia). This contract, amounting to 662,041 Euro, started on 16 September 2005, for a term of 15 years. The nominal value of the purchase option is 99,306 Euro. In addition, the interests paid in periods 2013 and 2012 amounted to 6,973 and 11,071 Euro, respectively. Capital pending amortization at 2013 and 2012 year-end amounts to 308,638 and 337,129 Euro, respectively.

- Financial leasing contract with Bank Espiritu Santo. This contract, amounting to 662,041 Euro, started on 16 September 2005, for a term of 15 years. The nominal value of the purchase option is 99,306 Euro. In addition, the interests paid in periods 2013 and 2012 amounted to 7,056 and 12,080 Euro, respectively. Capital pending amortization at 2013 and 2012 year-end amounts to 305,710 and 333,796 Euro, respectively.

At the close of accounting periods 2013 and 2012 the Company has contracted with the lessors the following minimum leasing quotas (including, if appropriate, options to purchase), in accordance with the contracts currently in force, and not taking into account implications of common expenses, future increases due to the CPI or future updates in income agreed under contract:

	2013		2012	
	Nominal value	Current value	Nominal value	Current value
Less than one year	104,491	87,571	108,347	83,897
Between one and five years	417,964	367,663	435,592	357,307
More than five years	480,778	467,743	599,813	567,588
Total	**1,003,233**	**922,977**	**1,143,752**	**1,008,792**

There are no contingent quotas.

8. Financial assets (long and short-term)

8.1 Long-term financial assets

The balance of the account in the heading “Long-term financial investments” at 2013 year-end groups the bonds given for operating lease contracts signed with third parties.

8.2 Short-term financial assets

Credits and entries receivable

The detail of the abridged balance sheet at 31st December 2013 and 2012 is as follows:

	Euros	
	2013	2012
Customers by sales and provision of services:		
Customers	292,985	67,871
Delinquent Customers	1,725,172	1,725,172
Impairment of value of credits for commercial operations	(1,725,172)	(1,725,172)
	292,985	67,871
Personnel	759	759
Other financial assets	-	16,356
TOTAL	**293,744**	**84,986**

9. Information on the nature and level of risk of financial instruments

The management of the financial risks of the Company is centralized in Financial Management, which has established the necessary mechanisms to control exposure to variations in the interest rates, as well as to the credit and liquidity risks. The main financial risks that impact on the Company are mentioned below:

a) Credit risk:

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

b) Liquidity risk:

In order to guarantee the liquidity and to be able to fulfil all the payment commitments deriving from its activity, the Company relies on the Treasury shown in its balance, as well as on short-term financial investments which are detailed in Note 8.

c) Market risk:

Both the Treasury and the short-term financial investments of the Company are exposed to the interest rate risk, which could have an adverse effect on the financial results and on the cash flow. Therefore, the Company has a policy of investing in financial assets which are almost not exposed to interest rate risks; financial assets are chosen for the solidity of their financial worth and of their issuing institutions.

10. Own funds

10.1 Share capital

At 2013 year-end the Company's share capital amounted to 688,025 Euros, represented by 11,448 shares of 60.10 Euros nominal value each, all of the same class, fully subscribed and paid by Elsamex S.A.

The shares are not quoted on the Stock Exchange.

10.2 Legal reserve

In accordance with the Consolidated Text of the Spanish Corporations Act, a figure equal to 10% of the period's profit must be allocated to the legal reserve until this reaches, at least, 20% of the share capital. Such reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for that purpose.

Any distribution of profits is not allowed unless the amount of the reserves available is at least the same as the amount of the research and development expenses entered in the assets of the Balance sheet.

10.3 Equity Situation

Pursuant to article 363 of the Corporate Enterprises Act, a corporate enterprise shall be dissolved due to losses that reduce its equity to an amount lower than one half of the share capital, except where the capital is increased or decreased as required and application for insolvency protection is not warranted.

In accordance with article 36 of the Spanish Code of Commerce, for the purposes of distribution of profit, for mandatory reduction of the share capital and mandatory dissolution due to losses, the net assets shall be considered the amount classified as such to the criteria to prepare the annual accounts, increased by the amount of the share capital underwritten but not called, as well as the amount of the face value and issue premiums, or share capital undertakings underwritten, which is registered on the books as a liability. Also for said purposes, adjustments for changes in value resulting from hedging instruments of cash flow hedges pending to be attributed to the profit and loss statement shall not be considered as net assets.

Additionally, pursuant to article 20 d) of Royal Decree-Law 7/1996 of 7 July, BOE 139 of 8 June 1996, participating loans are considered net worth for the purposes of mercantile law. As indicated in Note 11, the Company was granted two participating loans for a total amount of 3,300,000 Euro. Therefore, net assets for mercantile purposes is as follows at 2013 and 2012 year-end:

	Euros	
	31.12.2013	31.12.2012
Net assets of annual accounts at year-end	(2,768,752)	(2,187,755)
Participating loan	3,300,000	3,300,000
Net assets at year-end for the calculation of provisions of article 20 d) of Royal Decree-Law 7/1996	**531,248**	**1,112,245**

Therefore, at 2013 and 2012 year-end, the Company is not to be dissolved.

11. Financial liabilities

Debit and items payable

The detail of this heading of the abridged balance sheet at 31st December 2013 and 2012 is provided below:

	Euros	
	2013	2012
Long-term financial liabilities:		
Other financial liabilities	26,550	57,780
Financial leasing creditors (Note 7)	835,406	924,895
Long-term debts with Group companies and associates (Note 16)	3,300,000	3,300,000
Total long-term financial liabilities	**4,161,956**	**4,282,675**
Short-term financial liabilities:		
Short-term debts:		
Debts with credit institutions	-	725
Financial leasing creditors (Note 7)	87,571	83,897
Other financial liabilities	6,537	404
	94,108	85,026
Debts with other Group companies	4,802,670	4,033,641
Trade creditors and other accounts payable:		
Suppliers	209,188	254,113
Personnel	1,425	1,420
	210,613	255,533
Total short-term financial liabilities	**5,107,391**	**4,374,200**

Long-term debts with Group companies and associates

The Company recognizes in this heading a participating loan dated 29th December 2008 amounting to 2,600,000 Euros, granted by the parent company Elsamex, S.A., with maturity date on 1st December 2018, which accrues an Euribor fixed interest of + 1.75% each 31st March and an annual floating rate adjusted depending on the annual profits before taxes, according to a scale. In 2013 the interest accrued was 147,446 Euros (Note 17).

In addition, on 31st December 2011 a new participating loan amounting to 700,000 Euros was granted by Grusamar Ingeniería y Consulting, with maturity date on 31st December 2016, which accrues an Euribor fixed interest of +1.75% and an annual floating rate adjusted depending on the annual profits before taxes, according to a scale. In 2013 the interest accrued was 26,460 Euros.

12. Information on the postponement of payments to suppliers. Additional third disposition. "Duty of information" of Law 15/2010, of 5th July.

Below, the information required by the Additional third disposition of Law 15/2010 of 5 July is detailed.

	Payments made and pending payment at the closing date of the period.			
	Financial Year 2013		Financial Year 2012	
	Euros	% (a)	Euros	% (a)
Within the maximum legal term (b)	435,013	60.13%	206,098	37.17%
Rest	288,438	39.87%	348,372	62.83%
Total payments of the year	723,451	-	554,470	-
PMPE (days) of payments	88.90	-	40.29	-
Postponements that at closing date exceed the maximum legal term	120,920	-	110,854	-

Data contained in the chart above on payments to suppliers refer to those which, by nature, are commercial creditors by debts with suppliers of goods and services, so they include data related to the item "Suppliers" of the current liabilities of the balance sheet.

The excess pondered average term (PMPE) of payments has been calculated as the quotient formed in the numerator by adding the products of each payment to suppliers made in the period with a deferment above the legal term of payment and the number of days of deferment which exceeds the term, and in the denominator the total amount of payments made in the period with a deferment above the legal term of payment.

The maximum legal term of payment applicable to the Company for period 2013 according to Law 3/2004 of 29 December, which establishes measures against delinquency in commercial operations, is 60 days.

13. Public Administrations and fiscal situation

The composition of this section of the attached balance sheet at 31st December 2013 and 2012 is as follows:

	Euros			
	2013		2012	
	Balances Debtors	Balances Creditors	Balances Debtors	Balances Creditors
Deferred tax assets	2,011,760	-	1,986,974	-
Long-term balances with Public Administrations	**2,011,760**	**-**	**1,986,974**	**-**
Income tax payments	-	14,578	-	7,623
Social Security institutions payable	4,931	20,312	5,466	
Short-term balances with Public Administrations	**4,931**	**34,891**	**5,466**	**7,623**

Value Added Taxes

By decision of the Sole Shareholder's Meeting on 26th December 2011, it was chosen to tax in the Value Added Tax through the tax consolidation regime in accordance with Chapter IX of Title IX of the Value Added Tax Act since 1st January 2008; the parent Company, Elsamex S.A., is responsible for filing and paying the Value Added Tax of the tax group. For this reason, at the end of the period the payable or receivable balances for the Value Added Tax are included classified in current accounts with group companies.

Tax on Profits

By decision of the Sole Shareholder's Meeting on December 26th 2011, it was chosen to tax in the Corporate Tax through the tax consolidation regime in accordance with Chapter VII of Title VII of the Corporate Tax Act since October 1st 2007; the parent Company, Elsamex S.A., is responsible for filing and paying the Corporate Tax of the tax group. For this reason, at the end of the financial year the payable or receivable balances for the Corporate Tax are included classified in current accounts with group companies.

Accounting reconciliation and taxable base result

The reconciliation between accounting result and taxable base of the Corporate Tax is as follows:

Financial Year 2013

	Euros	
	Base	Expense
Accounting result before Taxes (Losses)	(829,995)	(248,998)
Amortization limit	60,165	
Taxable base	769,830	(248,998)
Amount to be returned by the Group / Expense (30%)	**(230,949)**	**(248,998)**
Expense/(Income) for Tax on profits		**(248,998)**

Financial Year 2012

	Euros	
	Base	Expense
Accounting result before Taxes (Losses)	(1,398,108)	(419,432)
Differences		(39,991)
Taxable base	1,398,108	(459,423)
Amount to be returned by the Group / Expense (30%)	**(419,432)**	(459,423)
Expense/(Income) for Tax on profits		(459,423)

Temporary differences originating in previous years arise because, during year 2008, the Company decided to include in equal parts in the taxable base of the Corporate Tax, and during the first three tax periods, accounting adjustments recognized in Equity due to the first application of the new General Accounting Plan.

The detail of the balance of Assets for deferred tax on profits during 2013 and 2012 is as follows:

	Euros	
	Balance at 31-12-13	Balance at 31-12-2012
Temporary Differences (withholding taxes):		
Originated in previous years due to application of the new General Accounting Plan	116,563	116,563
Tax credits for R+D+i	90,312	90,312
Tax credits due to negative tax bases	1,774,313	1,774,313
Deductibility limit	30,572	5,786
Total deferred tax assets	**2,011,760**	**1,986,974**

Increases are due to deferred assets generated by the limit on amortization and financial expense applied as expense of the period.

At 2013 year-end, the maturity of negative tax bases, recognized or not, in the attached balance sheet pending use by the Company is as follows:

	Amount	Due date
Year 2003	501,460	Year 2019
Year 2004	1,446,810	Year 2020
Year 2006	450,164	Year 2022
Year 2007	1,237,259	Year 2023
Year 2008	189,284	Year 2024
Year 2009	359,601	Year 2025
Year 2010	1,302,658	Year 2026
Year 2011	1,175,287	Year 2027
	6,662,523	

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At close of period 2013 the Company has not any ongoing inspection. The Directors consider that the above-mentioned tax obligations have been adequately settled. Therefore, in the event of a fiscal inspection and considering there were any disagreements in the usual prevailing interpretation because of the fiscal treatment granted to operations, future resulting liabilities, if any, would not significantly affect these abridged financial statements.

14. Contingent Liabilities

At 31st December 2013, the Company has been granted several guarantees demanded in order to contract with Public Bodies for an amount of 67,911 Euros. The amount granted under this heading during 2012 amounted to 317,862 Euros.

15. Revenue and expenditure

a) Net amount of the turnover

The net amount of the turnover entered by the Company corresponds to the revenues obtained through the activity considered in their Corporate purpose.

The detail for this section in the profit and loss account at 31st December 2013 and 2012 is as follows:

Division	Euros	
	2013	2012
Sales to third parties	363,708	550,795
Services to third parties	601,702	67,813
	965,410	**618,608**

All services rendered have been in national territory.

The details are as follows:

Projects	Euros	
	Sales	%
"Regulación del rio Mula" (River Mula Regulation)	15,928	1.65%
Corporate Image	330,851	34.27%
Petrol Station Image	462,177	47.87%
Traffic signals	156,155	16.21%
	965,410	**100.00%**

b) Purchases

The breakdown of this section of the profit and loss account for the accounting period ending on 31th December 2013 and 2012 is as follows:

	Euros	
	2013	2012
Purchase of other materials	744,018	257,678
Works carried out by other companies	125,940	97,701
	869,958	**355,379**

The breakdown of purchases according to the geographical area of origin is as follows:

	Euros	
	Purchases	%
International	17,602	2.02%
European Union	8,260	0.95%
National	844,096	97.03%
	869,958	**100.00%**

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account at 31st December 2013 and 2012 is as follows:

	Euros	
	2013	2012
Wages, salaries and similar expenses	319,402	307,974
Employer social security costs	108,710	109,505
Total	**428,112**	**417,479**

The average number of persons employed during accounting periods 2013 and 2012, broken down into categories, is as follows:

Categories	2013	2012
Management	1	1
Technical personnel and middle management	3	2
Administration personnel	1	1
Unqualified personnel	8	9
Total	13	13

In accordance with the requirements of Art. 260.9 of the Corporate Law, distribution by gender is shown for the end of the period for the Company's personnel, broken down by category for the accounting periods 2013 and 2012:

	2013		2012	
Categories	Men	Women	Men	Women
Management	-	1	-	1
Technical personnel and middle management	1	2	-	2
Administration personnel	-	1	-	1
Unqualified personnel	7	1	8	1
Total	8	5	8	5

d) Data relating to senior management personnel:

Name	Responsibilities or duties that they hold or carry out in the company	Remuneration period 2013
Managers	Management	38,624

e) Other operating expenses

The detail for this section of the attached profit and loss account for accounting periods 2013 and 2012 is as follows:

	Euros	
	2013	2012
Leases and royalties	1,228	7,058
Repairs and maintenance	1,957	4,444
Independent professional services	14,156	14,215
Transport	556	-
Insurance premiums	18,894	10,398
Bank services and other similar	394	2,893
Supplies	29,380	25,135
Other services	108,909	107,228
Other taxes	5,202	6,980
	180,676	**178,351**

During periods 2013 and 2012, the fees for account auditing services and other services provided by the auditor of the Company until March 2013, Mr. Bernardo Tahoces, have been as follows:

Description	**Euros**	
	2013	**2012**
Auditing Services	6,000	12,185
Total auditing and related services	**6,000**	**12,185**
Total professional services	**6,000**	**12,185**

During 2013, the fees for account auditing services and other services provided by the auditor of the Company since March 2013, Ms. Laura Tahoces, have been as follows:

Description	**Euros**
	2013
Auditing Services	6,196
Other verification services	-
Total auditing and related services	**6,196**
Other services	-
Total professional services	**6,196**

16. Environmental aspects

In view of the main business activities carried out by the Company, it does not have any significant responsibilities, expenses, assets or provisions or contingencies of an environmental nature in relation to the equity, financial situation and results. For this reason, they are not included in the specific breakdowns in this report. It does not have assigned or acquired any greenhouse gas emission allowance either.

The Company's Directors consider that there are no contingencies related to the protection and improvement of the environment and do not consider it necessary to enter any resource to the provision for risks and expenses of an environmental nature as at 31st December 2013 and 2012 in the abridged financial statements.

17. Operations with related parties

17.1 Balance and transactions with Group companies

The detail of the balances and transactions made during accounting periods 2013 and 2012 between the Company and Elsamex Group companies is as follows:

Period 2013:

	Euros			
	Accounts payable	Income	Expenditure	
	Loans	Services provided	Services received	Interests
Ciesm-Intevía S.A	462,853	-	-	23,321
Atenea, Seguridad y Medio Ambiente, S.A.	151,414	-	-	7,629
Control 7, S.A.	334,711	-	-	16,864
Elsamex S.A.	3,351,687	558,637	366,555	302,468
Elsamex Internacional, S.L	22,225	-	-	1,120
Grusamar Ingeniería y Consulting, S.L.	34,364	-	-	28,075
Interests participating loan Elsamex, S.A.	392,496	-	-	-
Interests participating loan Grusamar I y C, S.L	52,920	-	-	-
TOTAL	**4,802,670**	**558,637**	**366,555**	**379,477**

Period 2012:

	Euros			
	Accounts payable		Income	Expenditure
	Loans	Short-term loans	Services provided	Services received
Ciesm-Intevía S.A	-	439,532	-	-
Atenea, Seguridad y Medio Ambiente, S.A.	-	143,786	-	-
Control 7, S.A.	-	317,847	-	-
Elsamex S.A.	2,600,000	2,809,512	480,326	150,752
Elsamex Internacional, S.L	-	21,105	-	-
Grusamar Ingeniería y Consulting, S.L.	700,000	30,348	378	-
Interests participating loan Elsamex, S.A.	-	245,050	-	-
Interests participating loan Grusamar I y C, S.L	-	26,460	-	-
TOTAL	**3,300,000**	**4,033,640**	**480,704**	**150,752**

The Company has included in its accounts throughout period 2013 the amount of 63,352 EUR for structure expenses allocated by the parent company; last year, that amount was 45,510 EUR.

17.2 Detail of shares in companies with similar activities and performance of the Administrative Body of similar activities on their own or another's behalf

In compliance with the provisions of Article 229 of the Corporate Act, introduced by Royal Decree 1/2010 of 2nd July, in order to reinforce corporate transparency, it is noted that at the close of accounting periods 2013 and 2012 the members of the Board of Directors of Señalización, Viales e Imagen, S.A.U have not held shares in companies with the same, analogous or complementary type of activity of the corporate purpose of the company. Similarly, no activities have been carried out or are being carried out, on their own or another's behalf, with the same, analogous or complementary type of activity of the Company's corporate purpose.

During accounting periods 2013 and 2012 the members of the Company's Board of Directors did not receive any remuneration in consideration of their responsibility.

The Company has not contracted any obligation related to pensions, bonds, guarantees, life insurance or of any other type in favour of the members of the Company's Board of Directors.

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

18. Segment information

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

	Signalling	Corporate Image
Sales	159,080	806,330
EBITDA	(41,280)	(177,168)
Depreciation	(33,046)	(167,503)
EBIT	(74,326)	(344,670)

19. Subsequent Events

After the close of the period, and until the date of preparation of these abridged financial statements, no significant subsequent events have occurred that should be mentioned.

Procedure for Preparation of Abridged Financial Statements

In compliance with the provisions established in the Corporations Act, the Board of Directors of Señalización, Viales e Imagen, S.A.U. prepared on 28th March 2014 the abridged financial statements for accounting period 2013, which shall be submitted for the approval of the General Shareholders' Meeting.

Mr. Fernando Bardisa Jordá	Mr. Juan Manuel González Alonso	Mr. Mallikarjun Baswanappa Bajulge

Mr. Ashutosh Chandwar