

Grusamar Ingeniería y Consulting, S.L.U.

Financial statements for the
year ending
31 December 2016
and Management Report, along with the
Independent Auditor's Report

INDEPENDENT AUDIT REPORT OF FINANCIAL STATEMENTS

To the Sole Shareholder of GRUSAMAR INGENIERIA Y CONSULTING, S.L.U.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the Financial statements of the Company GRUSAMAR INGENIERIA Y CONSULTING, S.L.U., which include the balance sheet as of 31 December 2016, the profit and loss account, the statement of changes in the net worth, the statement of cash flow and the notes of the financial year ended on that date.

Responsibility of the Directors with regard to the financial statements

The Directors of the Company are responsible for the preparation of the attached financial statements so as to faithfully express the assets, the financial status and the profit and loss account of GRUSAMAR INGENIERIA Y CONSULTING, S.L.U. in compliance with the Regulatory Framework for financial reporting applicable to the Company in Spain, as indicated in Note 2.1 of the attached notes. They are also responsible for the internal control considered necessary to enable the preparation of the financial statements free of material inaccuracy due to fraud or mistake.

Responsibility of the auditor

Our responsibility is to express an opinion regarding the attached financial statements based on our audit report. We have audited in compliance with the Spanish accounts auditing regulations in force. Those regulations require ethics compliance, as well as planning and performance of the audit so as to reasonably ensure that the financial statements are free of material inaccuracy.

An audit report requires implementing the procedures to obtain audit evidence regarding the amounts and the information in the financial statements. The chosen procedures depend on the Auditor's decision, including the material inaccuracy risk assessment for the financial statements, due to fraud or mistake. When performing said risk assessments, the Auditor takes into consideration the internal control for the preparation of the financial statements by the Directors of the Company, with the goal of designing adequate auditing procedures depending on the circumstances, and not with the goal of expressing an opinion regarding the efficiency of the internal control of the Company. An audit report also includes the assessment of the suitability of the accounting policies applied and the reasonableness of the accounting estimations made by the management, as well as the assessment of the overall presentation of the financial statements.

We consider that the audit evidence obtained is enough reason for our audit opinion.

Opinion

In our opinion, the attached financial statements faithfully express, in all significant aspects, the assets, the financial status of the Company GRUSAMAR INGENIERIA Y CONSULTING, S.L.U. as of 31 December 2016, as well as its profit and loss account and cash flows corresponding to the financial year ending on said date, in compliance with the applicable Regulatory Framework for financial reporting and, in particular, with the accounting principles and criteria therein.



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Highlighted paragraphs

Grusamar Ingeniería y Consulting, S.L.U. is a subsidiary of the Group "Elsamex" and, depending on the cash-pooling policy of the Group, the Company provides and receives financial support from those group companies that require it in the extent and period as necessary. At December 31, 2016 the balance presented by the financial statements in respect of credit lines delivered and / or received in respect of this policy is classified in the balance sheet items denominated "Current Investments in Group companies or Associates" or "Current liabilities from Group or Associates companies" as appropriate.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The attached management report of financial year 2016 includes the explanations that the Directors of the Company consider appropriate regarding the situation of the Company GRUSAMAR INGENIERÍA Y CONSULTING, S.L.U. the evolution of their business and other matters, and it is not an integral part of the financial statements. We have verified that the accounting information therein is consistent with the financial statements of financial year 2016. Our work as auditors is limited to the verification of the management report with the scope mentioned in this paragraph and does not include any review of information other than the information obtained from the accounting records of the Company GRUSAMAR INGENIERÍA Y CONSULTING, S.L.U.

May 15th 2017

CABALLERO AUDITORES, S.L.
R.O.A.C. n° S-2265

Angel Caballero Antón
Partner



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GRUSAMAR INGENIERIA Y CONSULTING S.L.U.

BALANCE SHEETS AT DECEMBER 31ST, 2016

(Euros)

ASSETS	Notes of the Report	Year		PASIVO	Notes of the Report	Year	
		2016	2015			2016	2015
NON-CURRENT ASSETS				EQUITY	Note 11		
Intangible fixed assets	Note 5	3.176.680	3.538.564	OWN FUNDS-			
Goodwill		1.094.315	1.425.839	Capital		4.512.459	4.631.078
Research and Development		765.009	850.010	Subscribed capital		4.560.514	4.567.729
Property, plant and equipment	Note 6	329.306	575.829	Reserves		3.494.897	3.494.897
Technical installations and other items		75.447	62.675	Legal and statutory		1.510.638	1.517.853
Non-current investments in group companies and associates	Note 8.1	1.599.743	1.599.743	Other reserves		201.223	200.594
Equity instruments	Note 8.2	454.816	454.816	Prior period's losses		1.309.415	1.317.259
Loans to companies	Note 9.1	1.144.927	1.144.927	GRANTS, DONATIONS AND LEGACIES RECEIVED		(445.021)	(445.021)
Non-current investments		6.308	2.670	Foreign Exchange Fluctuation Reserve		90.741	6.284
Other financial assets		6.308	2.670			(138.795)	57.065
Deferred tax asset	Note 14	400.866	447.637			(138.795)	57.065
				NON-CURRENT LIABILITY		1.752.943	1.498.985
CURRENT ASSETS				Non-current payables	Note 13	23.748	9.804
Inventories		9.647	15.598	Finance lease payables	Note 7.1	23.748	9.804
Advances to suppliers		9.647	15.598	Group companies and associates, non-current	Note 13 y 18	1.729.181	1.489.181
Trade and other receivables	Note 9.2	7.184.867	4.584.468	Deferred tax liabilities		14	-
Trade receivables		3.806.169	3.579.619	CURRENT LIABILITIES		5.732.915	3.720.367
Trade receivables from group companies and associates	Note 9.2 y 18	3.123.340	862.495	Current provisions	Note 12	-	39.486
Other receivables	Note 9.2	74.314	24.777	Current payables	Note 13	187.585	94.777
Personnel	Note 13	36.529	12.994	Debt with financial institutions	Note 7.1	82.467	8.567
Current tax assets	Note 13	72.683	40.519	Finance lease payables		11.523	4.907
Other credits with Public Administration	Note 13	71.831	64.065	Other financial liabilities		93.595	81.303
Current investments in group companies and associates	Note 9.2 y 18	789.477	964.040	Group companies and associates, current	Note 13 y 18	1.365.669	915.779
Other financial assets		789.477	964.040	Trade and other payables		4.179.662	2.670.325
Current investments	Note 9.2	376.224	472.421	Suppliers	Note 13	1.303.002	1.828.515
Other financial assets		376.224	472.421	Suppliers, Group companies and associates		2.002.500	-
Prepayments for current assets		2.697	4.718	Sundry creditors	Note 13	-	15.342
Cash and cash equivalents		458.725	270.622	Personnel	Note 13	118.062	118.478
Treasury		458.725	270.622	Public entities, other	Note 14	157.910	252.902
				Advances from customers	Note 13	598.187	455.088
TOTAL ASSETS		11.998.318	9.850.430	TOTAL EQUITY AND LIABILITIES		11.998.318	9.850.430

The Notes 1 to 22 described in the attached Report form an integral part of the balance sheet at 31st December 2016



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GRUSAMAR INGENIERIA Y CONSULTING S.L.U.

INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31ST, 2016

(Euros)

	Notes of the Report	Year 2016	Year 2015
CONTINUED OPERATIONS			
Turnover	Nota 16.a	9.278.453	8.284.638
Provision of services		9.278.453	8.284.638
Supplies	Nota 16.b	(2.828.214)	(1.862.017)
Consumption of raw materials and other consumables		(75.570)	(134.005)
Works carried out by other companies		(2.752.643)	(1.728.012)
Other income		18.480	335
Accessory incomes and other of current management		18.480	335
Personnel expenses	Nota 16.c	(4.339.712)	(4.476.916)
Wages, salaries and similar		(3.368.150)	(3.335.423)
Social charges		(971.563)	(1.141.493)
Other exploitation expenses	Note 16.d	(1.640.988)	(1.592.703)
Outside services		(1.595.270)	(1.567.240)
Taxes		(25.598)	(21.013)
Other operating expenses		(20.120)	(4.450)
Amortization of fixed assets	Note 5 y 6	(349.029)	(272.339)
Other income/(losses)		19.756	13.167
EXPLOITATION RESULT		158.747	94.165
Financial income		79.121	263.776
From shares in equity instruments		21.102	46.418
-In group companies and partners	Note 18	21.102	46.418
From negotiable values and other financial instruments		58.019	217.358
- From group companies and partners	Note 18	57.970	58.005
- From third parties	Note 18	49	159.353
Financial expenses		(116.592)	(111.857)
For debt with group companies and partners		(99.491)	(86.049)
For debts with third parties		(17.101)	(25.809)
Exchange differences		3.157	(726)
FINANCIAL RESULT		(34.313)	151.193
RESULT BEFORE TAXES		124.434	245.357
Income tax	Note 14	(33.693)	(239.073)
RESULT OF THE YEAR FROM CONTINUED OPERATIONS		90.741	6.284
PROFIT OF THE YEAR		90.741	6.284

The Notes 1 to 22 described in the attached Report form an integral part of the loss and profit account corresponding to year 2016



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STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST, 2016 A) STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31ST, 2016 (Euros)

	Year 2016	Year 2015
RESULT OF THE LOSS AND PROFIT ACCOUNT (I)	90.741	6.284
Prior period's adjustment	-	-
Foreing exchange variances	(195.860)	41.039
TOTAL INCOMES AND EXPENSES DIRECTLY CHARGED ON NET EQUITY (II)	(195.860)	41.039
TOTAL TRANSFERS TO LOSS AND PROFIT ACCOUNT (III)		-
TOTAL RECOGNIZED INCOMES AND EXPENSES (I+II+III)	(105.119)	47.323

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 2016



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GRUSAMAR INGENIERIA Y CONSULTING S.L.U.

STATEMENT OF CHANGE IN NET WORTH OF THE YEAR ENDED DECEMBER 31ST, 2016

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Reserves	Neg. results Previous year	Result of the year	Adjustments for changes in value	TOTAL
FINAL BALANCE OF YEAR 2014	3.494.897	1.450.457	(626.575)	248.950	16.026	4.583.755
Application of profit 2014	-	67.396	181.554	(248.950)	-	-
Total recognized incomes and expenses	-	-	-	6.284	41.039	47.323
FINAL BALANCE OF YEAR 2015	3.494.897	1.517.853	(445.021)	6.284	57.065	4.631.078
Application of profit 2015	-	-	-	(6.284)	-	(6.284)
Other changes in net assets	-	(7.215)	-	90.741	(195.860)	(7.215)
Total recognized incomes and expenses	-	-	-	-	-	(105.119)
FINAL BALANCE OF YEAR 2016	3.494.897	1.510.638	(445.021)	90.741	(138.795)	4.512.459

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 2016

GRUSAMAR INGENIERIA Y CONSULTING S.L.U.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31ST, 2016

(Euros)

	Notes of the Report	Year 2016	Year 2015
CASH FLOW OF EXPLOITATION ACTIVITIES (I)		(567.290)	84.338
Result of the year before taxes		124.434	245.357
Adjustments to result:		383.342	121.146
- Amortization of fixed assets	Note 5	349.029	272.339
- Financial income		(79.121)	(263.776)
- Financial expenses		116.592	111.857
- Other Incomes and expenses		(3.157)	726
Changes in current capital		(996.375)	(194.285)
- Stocks		5.950	(3.797)
- Debtors and other receivables		(2.600.399)	(1.501.649)
- Other current assets		280.308	507.679
- Creditors and other payables		1.509.337	775.277
- Other current liabilities		(27.195)	(51.757)
- Other non-current assets and liabilities		(164.377)	79.961
Other cash flows of the exploitation activities		(78.691)	(87.881)
- Interests payments		(116.592)	(112.583)
- Interest accruals		79.121	263.776
- Accruals (payments) for profit tax		(41.220)	(239.073)
CASH FLOWS OF THE INVESTMENT ACTIVITIES (II)		(32.113)	6.710
EXPLOITATION RESULT			
Payments for investments		(32.113)	6.710
- Group companies and partners	Note 9.2		(361)
- Tangible fixed assets	Note 6	(28.476)	22.829
- Other financial assets	Note 9.2	(3.638)	4.590
- Other assets	Note 5		(20.348)
CASH FLOWS OF THE FINANCIAL ACTIVITIES (III)		784.350	(182.922)
Collection and payments for financial liability instruments		784.350	(182.922)
- Debt emission with group companies		115.813	16.140
- Debt emission with credit entities		689.890	-
- Devolution and amortization of debts with credit entities		(21.353)	(975)
- Devolution and amortization other debts with group companies		-	(198.087)
EFFECT OF THE VARIATION OF EXCHANGE RATES (IV)		3.157	41.039
INCREASE/DECREASE OF CASH FLOWS OR EQUIVALENTS (I+II+III+IV)		188.104	(50.835)
Cash flow or equivalents at start of year		270.622	321.456
Cash flow or equivalents at end of year		458.725	270.622

The Notes 1 to 21 described in the attached Report form an integral part of the statement of cash flow corresponding to year 2016



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Grusamar Ingeniería y Consulting, S.L.U.

Notes for the
year ending
31 December 2016

1. Incorporation and activity

Incorporation

Grusamar Ingeniería y Consulting S.L. (hereinafter the Company), was incorporated on 11 June 2002 under the name Grusamar Ingeniería y Consulting S.L., as limited company for an indefinite period of time. Its corporate offices are in calle San Severo 18, Madrid, Spain.

On 22 June 2011, Grusamar Ingeniería y Consulting was declared an individual company with Elsamex S.A. as the only partner.

Corporate Purpose

The purpose of the Company is:

- a. The preparation and follow-up of studies and projects, quality control, and technical management of all types of public or private works, including industrial, agricultural, civil engineering, hydraulic, railway, airports, road and environmental projects.
- b. Technical assistance in general and especially in matters of management and protection of the environment, including inspection, testing, surveillance and diagnostics in issues concerning environmental quality, business advice and management and administration of all types of businesses, companies or ventures; the transfer of technology of all types of construction products and systems, transport and management of hazardous waste, excluding all activities for which special requirements are required by Law and are not fulfilled by the Company.
- c. Technical assistance and consulting for those Companies or Public or Private Entities which so require, concerning business technical organization systems, technical situation and research and laboratory works for new industrial products, quality controls, both for raw materials and finished products and for works of any nature.
- d. To issue research and technical reports on projects, construction, conservation and operation works, safety in roads, airports, railway, urban routes and communication roads, environment, as well as to provide arbitration for any kind of subject that may arise in these activities.
- e. To promote and settle cooperation agreements in any type of entities and bodies, either public or private, aiming at the development and improvement on roads, urban routes, airports, railway, communication roads and environmental technology.
- f. To provide to natural and legal persons all kind of services related to systems audit for labour risk prevention.
- g. To carry out training, education and rehabilitation courses concerning labour risks prevention.
- h. To carry out research and issue technical reports concerning labour risks prevention.
- i. To perform research, development and innovation works of all kinds in the field of labour health and safety.
- j. The purchase, sale and hiring of construction or works materials, vehicles and equipment.



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These activities could also be indirectly performed by the Company, totally or partially, through the holding of shares in other company or companies engaging in analogous activities. All activities for which special requirements are required by Law and not fulfilled by the Company shall be excluded.

The Company carries out its activity directly or through Joint Ventures (UTE's) and Branches abroad. The Company currently has branches in Colombia, Ecuador, Peru, Kazakhstan, Chile and Bolivia.

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 2016 have been prepared by the Directors in the meeting of the Board of Directors held on 31 March 2017. The consolidated financial statements for period 2015 were approved at the General Shareholders' Meeting of Elsamex, S.A., held on 16 June 2016, 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 financial statements

2.1 Financial Information Framework applicable to the Company

These financial statements have been carried out 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.
- d) Other applicable Spanish accounting regulations.

2.2 True and fair view

The attached 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, the results of the Company and the cash flows during the corresponding period. These 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 2016 were approved by the Sole Shareholder on 30 June 2016.

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 all the obligatory accounting principles and standards of application that have a significant effect on said financial statements. There is not any obligatory accounting principle that has not been applied.

2.4 Critical aspects of valuation 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 evaluation of possible losses by impairment of certain assets (see Notes 4.1, 4.2, 4.4 and 4.5).

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



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The calculation of supplies (see Note s 4.11 and 12).

The calculation of executed works pending invoicing and works certified in advance (See Note 4.10).

Although these estimates were made on the basis of the best information available at 2016 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.

2.5 Comparative information

The information contained in these notes to the financial statements referring to the financial year 2015 is presented alongside the information for the financial year 2016 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 Change in accounting policies

During the accounting period 2016 no changes in accounting principles have arisen with regards to the principles applied in the accounting period 2015.

2.8 Correction of errors

In the preparation of the attached financial statements no significant error has been detected that might involve the recalculation of the amounts included in the financial statements of the accounting period 2014.

3. Distribution of profits

The proposal for the application of results of the period prepared by the Company's Directors, to be submitted for the approval of the Sole Shareholder, is the following:

	Euros
Distribution basis:	
Profit and loss (Profit)	90,741
	90,741
Distribution:	
To legal reserve	9,074
To offsetting of losses from previous years	81,667
	90,741

The Company is required to assign 10% of the profits of the period to legal reserve, until this reaches, at least, 20% of the share capital. Until it reaches 20% of the share capital, this reserve is not distributable to the shareholders (see note 11 on Own Funds).

Once the provisions established by Law or by the by-laws are fulfilled, dividends will only be distributed charged to the income of the financial year or to unrestricted reserves, if:

- The provisions established by Law or by the by-laws are fulfilled.



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- Net equity is not below share capital, or is not below share capital as a consequence of the distribution. For these purposes, the profits taken directly to equity shall not be directly or indirectly distributed. If there are losses from previous years which lower the value of the Company's net worth below the social capital, the income shall be used to offset those losses.

It is equally forbidden all distribution of profits unless the worth of the available reserves is, as a minimum, equal to the expenses of investigation and development and there are no available reserves for an amount equal to the amounts pending of repaying of the previous accounts.

In any case, a restricted reserve equal to the goodwill that appears on the assets of the balance must be made available, using to that end a part of the profit representing, at least, 5% of said goodwill. If there was no profit, or this was insufficient, unrestricted reserves will be used.

4. Accounting standards and measurement bases

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

4.1 Intangible assets

The Company recognises in this heading a goodwill already existing at the date of transition to the General Accounting Plan, approved by Royal Decree 1514/2007. The goodwill is recognized at its net accounting value at 1st January 2008, that is, at its cost less the accumulated amortization and impairment recognized at said date, according to accounting standards in force at that moment.

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

After the initial assessment, the goodwill shall be assessed based on its acquisition price minus the accumulated amortisation and, if applicable, the accumulated amount due to value correction due to impairment.

The goodwill is amortised throughout its useful life, which is estimated to be 10 years (unless proven otherwise), with a linear recovery. Said useful life has been determined separately for each cash-generating unit which has been allocated goodwill.

The cash-generating units which have been allocated goodwill are measured for impairment at least once a year. If there are any indications of impairment, they are measured for a fall in value and, if applicable, the impairment correction is registered. During 2016 there have not been any value adjustments for impairment.

Any value adjustments for impairment acknowledged as goodwill may not revert in subsequent years.

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
Other installations, tools and furniture	10-25
Machinery	12
Computer equipment	25
Transport items	12

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.

When the Company is the lessee – Operating lease

Expenditure arising from operating lease agreements is charged on the profit and loss statement in the year in which they accrue.

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

4.4 Financial Instruments

4.4.1 Financial assets

Classification –

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.



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- 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 and receivables are measured at amortized cost

Financial assets held for negotiation are valued at their reasonable value, the result of the variations in the said reasonable value being entered in the profit and loss account.

Investments in the group's companies, associates and multi-group are valued by their cost, reduced, if required, by the amount accrued from the corrections to value through impairment. These corrections are calculated as the difference between their book value and the amount redeemable, this being understood as the larger amount between their reasonable value minus the costs of sale and the actual value of the future cash flow resulting from the investment. Unless there is better evidence of the amount redeemable, the net equity of the participating entity is taken into consideration, corrected by the capital gains implied on the date of valuation (including any goodwill there may be).

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 are those debits and items payable that the Company has and which originate in the purchase of goods and services through the Company's trading operations, and also those which do not have a commercial origin and cannot be considered 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.

4.5 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 weighted average cost formula.

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.

6.6 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, monetary assets and liabilities denominated in foreign currency are converted by applying the exchange rate on the date of the consolidated balance sheet. The profits or losses shown are 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 net equity.



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By decision of the General 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 the parent company at short term.

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 Joint ventures (Joint business)

The Company's financial statements include the effect of the proportional integration of the Joint Ventures in which it participates.

Temporary joint ventures (UTE's) have been incorporated under each heading of the balance sheet, the profit and loss account and the statement of cash flows, using the method of proportional consolidation, according to the percentage of participation of the Company.

The main figures that the Joint Venture contributes to the balance sheet and the profit and loss account for the accounting periods ending on 31 December 2016 and 2015 are:

Concepts	Euros	
	2016	2015
Total Assets	588,710	614,004
Non-current assets	7,735	(49,583)
Current assets	580,975	663,586
Net amount turnover	1,083,586	1,442,626
Services rendered	1,493,827	2,105,435
Elimination of consolidation	(410,241)	(662,809)

4.10 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 balance sheet.

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.

The interest received from financial assets is included using the effective interest rate method. In any case, the interest on financial assets accrued after the date of acquisition are recognized as income on the profit and loss account.

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

4.11 Provisions and contingencies

In preparing the 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 financial statements include all the provisions regarding which it is considered that the probability of having to meet the obligation is very high. Contingent liabilities are not included in the financial statements, but the information about them can be found in the report notes, provided they are not considered as very unlikely.

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.

4.12 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 financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

4.13 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.



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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.

4.14 Subsidies, donations and legacies

The Company accounts for subsidies, donations and legacies received as follows:

a) Non-refundable subsidies, donations and legacies related to assets: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary, and they are taken to income in proportion to the period depreciation taken on the assets for which the subsidies were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss except for subsidies received from shareholders or owners, which are recognised directly in equity and do not give rise to the recognition of any income.

b) Refundable subsidies: while they are refundable, they are recognised as a liability.

c) Operational subsidies: they are credited to income when granted, unless their purpose is to finance losses from operations in future years, in which case they are allocated to income in those years. If subsidies are received to finance specific expenses, they are allocated to income as the related expenses are incurred.

5. Intangible assets

The movements occurring under this heading of the balance sheet during periods 2016 and 2015, as well as the most significant information affecting this section are as follows:

Financial Year 2016:

	Euros				
	31/12/2015	Additions	Exchange difference	Disposals	31/12/2016
Cost:					
Goodwill	850,010	-	-	-	850,010
Computer software	253,901	-	29	(815)	253,115
Research	1,224,873	-	-	-	1,224,873
	2,328,784	-	29	(815)	2,327,998
Accumulated Amortization:					
Goodwill		(85,001)	-	-	(85,001)
Computer software	(253,901)	-	(29)	815	(253,115)
Research	(649,044)	(246,523)	-	-	(895,567)
	(902,945)	(331,524)	(29)	815	(1,233,682)
Net value	1,425,839	(331,524)	-	-	1,094,315

Financial Year 2015:

	Euros			
	31/12/2014	Additions	Exchange difference	31/12/2015
Cost:				
Goodwill	850,010	-	-	850,010
Computer software	253,821	-	80	253,901
Research	1,204,525	20,348	-	1,224,873
	2,308,356	20,348	80	2,328,784
Accumulated Amortization:				
Computer software	(253,821)		(80)	(253,901)
Research	(403,181)	(245,863)	-	(649,044)
	(657,002)	(245,863)	(80)	(902,945)
Net value	1,651,354	(225,515)	-	1,425,839

Under the heading "Research" the following projects are being depreciated:

- Development of a new methodology for monitoring the creation and implementation of asphalt mixtures (AUSCULTMAR) for the amount of 817,608 Euro.
- New skid resistance test (ENREDETRANS) amounting 407,265 Euro.



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At the end of accounting period 2016 and 2015, the Company had intangible assets that were completely amortized and which continued in use for a value of EUR 263,084 and EUR 253,901, respectively.

6. Property, plant and equipment

The movements occurring under this heading of the balance sheet during periods 2016 and 2015, as well as the most significant information affecting this section are as follows:

Financial Year 2016

	Euros					Balance at 31/12/2016
	Balance at 31/12/2015	Increases (Allocations)	Transfers	Conversion Differences Adjustments	Write-offs	
Gross value:						
Machinery	74,409	-	-	1,306	-	75,716
Other installations, tools and furniture	67,500	2,069	69	1,609	(858)	70,389
Equipment for information processing	32,653	8,114	1,401	467	-	42,636
Transport items	64,591	36,281	(1,470)	5,369	(39,744)	65,027
	239,154	46,464	-	8,751	(40,602)	253,767
Accumulated Amortization:						
Machinery	(53,091)	(4,541)	(181)	(5,435)	-	(63,248)
Other installations, tools and furniture	(55,103)	(1,953)	-	(411)	-	(57,181)
Equipment for information processing	(31,266)	(2,735)	-	(183)	286	(34,134)
Transport items	(37,019)	(8,276)	181	(920)	22,328	(23,706)
	(176,479)	(17,505)	-	(6,949)	22,614	(178,320)
Property, plant and equipment	62,675	28,959	-	1,802	(17,989)	75,447

Financial Year 2015

	Euros					Balance at 31/12/2015
	Balance at 31/12/2014	Increases (Allocations)	Conversion Differences Adjustments	Write-offs		
Gross value:						
Machinery	69,964	2,360	2,086	-	74,409	
Other installations, tools and furniture	70,810	18	(3,329)	-	67,500	
Equipment for information processing	33,052	-	(398)	-	32,653	
Transport items	140,044	1,470	(9,574)	(67,347)	64,591	
	313,870	3,848	(11,216)	(67,347)	239,154	
Accumulated Amortization:						
Machinery	(49,479)	(3,016)	(596)	-	(53,091)	
Other installations, tools and furniture	(53,725)	(1,813)	435	-	(55,103)	
Equipment for information processing	(29,938)	(1,419)	92	-	(31,266)	
Transport items	(68,747)	(20,228)	3,013	48,942	(37,019)	
	(201,891)	(26,476)	2,944	48,942	(176,479)	
Property, plant and equipment	111,980	(22,628)	(8,272)	(18,405)	62,675	



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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 2016 and 2015 is the appropriate.

At the end of years 2016 and 2015 the Company had property, plant and equipment elements completely amortized which were still in use to the value of 93,974 Euros and 103,252 Euros respectively.

At 31 December 2016 the Company had the following investments in tangible fixed assets located abroad:

Description	Country	Euros		
		Book Value (gross)	Accumulated depreciation	Net Net
Machinery	Ecuador	27,887	(19,780)	8,107
Software	Ecuador	2,232	(2,221)	11
Furniture	Ecuador	355	(181)	174
Transport items	Ecuador	10,232	(7,808)	2,423
Computer software	Ecuador	42	(21)	21
Machinery	Colombia	5,083	(1,424)	3,660
Software	Kazakhstan	633	(49)	584
Furniture	Kazakhstan	3,583	(1,583)	2,001
Furniture	Colombia	782	(782)	-
Software	Colombia	4,676	(3,009)	1,667
Electrical installations	Colombia	17,024	(5,941)	11,083
Transport items	Colombia	18,514	(14,943)	3,571
Software	Bolivia	3,251	(285)	2,966
Furniture	Bolivia	1,412	(66)	1,346
Total		95,707	(58,095)	37,612

7. Leasing

7.1 Financial leasing

The detail for the financial leasing contracted by the Company, as of 31 December 2016, is the following:

	Contract initiation date	Number of instalments	Euros		
			Asset value	Call option	Amortised capital
Transport items	07/12/2016	36 months	36,281	1,010	1,010



The detail for the pending instalments at 31 December 2016 is the following:

	Euros			
	2016		2015	
	Nominal value	Current value	Nominal value	Current value
Less than one year	12,123	11,523	7,627	4,907
Between one and five years	24,246	23,748	10,476	9,804
Total	36,369	35,271	18,103	14,711

7.2 Operative leasing

At the end of accounting periods 2016 and 2015 the Company has contracted the following minimum leasing quotas with the lessors, in accordance with the current contracts 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:

Operating leases Minimum quotas	2016 Nominal value	2015 Nominal value
Less than one year	209,752	183,213
Total	209,752	183,213

In their capacity of lessor, the most significant operating leasing contracts that the Company has at the close of period 2016 are the following:

- Lease of an office on the first floor in calle Verónicas, in Murcia. The lease contract started on 1 September 2011, with a duration until 31 August 2012. Since then, it has been renewed annually. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.
- Lease of two apartments in Cartagena. The lease contract started on 3 September 2007 for a period of 1 year, having been renewed annually.
- Nevertheless, most of the accrued expenditure under this heading corresponds to the rental of vehicles and machinery for the contracts.



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8. Group, multi-group and associated companies

8.1 Equity instruments

Financial Year 2016

Investee	Address	Activity	% Participation	Euros			
				Participa tion	Equity		
					Capital Company	Reserves	Result
Grusamar India LTD (1)	The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai, 400051, Maharashtra, India	Consultancy	100%	7,434	7,073	104,803	(4,312)
Grusamar Albania SHPK	Rr. Hik Kolli 26, Tirana (Albania)	Consultancy	51,00%	430	826	(42,972)	-
ESM Mantenimiento Integral de S.A. de CV(1)	Presidente Masaryk, 61 piso 7 Colo. Chapultepec Morales CP 11570 deleg. Miguel Hidalgo (Mexico)	Mantenimiento	70.00%	211,608	345,689	118,116	2,712
Sociedad Concesionaria A4 Madrid, S.A. (1)	C/ Caballero Andante, nº 8 Madrid Spain	Concession	2.25%	235,344	9,413,370	(12,102,038)	2,296,848
				454,816			

(1) These companies have been audited by an auditor different to that of the Company.

Financial Year 2015

Investee	Address	Activity	% Participation	Euros			
				Participa tion	Equity		
					Capital Company	Reserves	Result
Grusamar India LTD (1)	The IL&FS Financial Centre, Plot No. C-22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai, 400051, Maharashtra, India	Consultancy	100%	7,434	7,073	92,119	12,684
Grusamar Albania SHPK	Rr. Hik Kolli 26, Tirana (Albania)	Consultancy	51,00%	430	826	(42,972)	-
ESM Mantenimiento Integral de S.A. de CV(1)	Presidente Masaryk, 61 piso 7 Colo. Chapultepec Morales CP 11570 deleg. Miguel Hidalgo (Mexico)	Mantenimiento	70.00%	211,608	345,689	57,810	60,306
Sociedad Concesionaria A4 Madrid, S.A. (1)	C/ Caballero Andante, nº 8 Madrid Spain	Concession	2.25%	235,344	9,413,370	(13,652,137)	2,292,396
				454,816			

(1) These companies have been audited by an auditor different to that of the Company.



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8.2 Credits to businesses

In this heading, the Company registers the participating loan granted to the Concessionaire Company of Autovía A-4 in accordance with the following paragraph, amounting to a total of EUR 444,927. The interest accrued amounted to EUR 28,339 in 2016, and EUR 29,097 in 2015 (see Note 18).

The Company participates together with two other partners in the Highway A-4 Concessionary Company, the successful bidder in 2007 for a contract for the construction and operation as an administrative concession for the stretch of highway A-4 from P.K. 3.78 to P.K. 67.5 (R4) in the province of Madrid. During accounting period 2008 the concessionary company for Highway A-4 took out a syndicated loan for the financing of the construction works deriving from the concession contract, conditional upon the fulfilment of specific ratios of financial autonomy. Specifically, this syndicated loan requires the partners of the concessionary company to pay out in the manner of a participative loan or by means of the issue of new shares in the concessionary company, for an amount equivalent to 29.4% of the amount provided by the said loan.

In 2011 the Company concluded a participating loan contract with a subsidiary of the Group of Señalización, Viales e Imagen, SAU amounting to €700,000, which accrues a fixed annual interest of Euribor plus 1.75%. During financial years 2016 and 2015 the annual interest accrued has amounted to EUR 26,460 (see Note 18).

8.3 Joint ventures

The details for the turnover contributed by the Joint Ventures in which the Company participates to the Company's turnover are as follows:

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

Name of Temporary Union of Company:	Percentage participation	Euros Sales
Grusamar –Progescan Ute Areas de Servicio	100%	-
Grusamar- Ineco- Inastecan Ute Arucas	40%	31,262
Betancourt –Grusamar Ute Río Alhama	50%	-
Ute Grusamar – OHS Ingeniería y Urbanismo Ute Travesía de Hermigua	50%	-
Betancourt – Grusamar Ute Linares	50%	51,803
Grusamar- Elsamex – Atenea Ute seguridad vial Murcia	50%	38,745
Intevia-Grusamar-Dair Ute Seguridad Vial Bizkaia	10%	-
Ute Almanzora	65%	-
Ute Autovía de Santiago	50%	103,950
Ute Tren Mallorca	80%	-
Ute Grusamar-Eyser	50%	76,407
Ute Inserco Rambla de Retamar	50%	-
Ute Dallas (USA)	50%	(21,033)
Ute Grusamar-Intecsa-Inarsa-Atenea	30%	-
Ute Asistencia Molinar	52%	-
UTE AP-9 Santiago	50%	454,862
UTE Autobuses	20%	11,385
Ute Seguridad Murcia II	50%	107,715
Ute Mar Menor	50%	15,562
Ute LCA-Grusamar	50%	-
Consorcio Epsilon (Colombia)	35%	212,928
Consorcio Grusamar-Elsamex Ecuador (Ecuador)	50%	-
Grusamar Total		1,083,586



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9. Financial assets (long and short-term)

9.1 Long-term financial assets

The balance of the account in the heading "Long-term Financial Assets" at the close of accounting financial years 2016 and 2015 groups the bonds given in consequence of operating lease contracts signed with third parties, as described in Note 7.

9.2 Short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the periods 2016 and 2015:

	Euros	
	2016	2015
Customers by sales and provision of services:		
Customers	3,806,169	3,579,619
Delinquent Customers	266,151	266,151
Impairment of value of credits for commercial operations	(266,151)	(266,151)
	3,806,169	3,579,619
Clients, group companies and associate companies (Note 18)	3,123,340	862,495
Sundry debtors	74,314	24,777
Personnel	36,529	12,994
Short-term financial investments in Group companies and associates (see Note 18)	789,477	964,040
Short-term financial investments	376,224	472,421
Other financial assets	376,224	472,421
Total	8,206,054	5,916,345

In section "Short-term financial investments" the Company has registered mainly interest accrued by public clients which are pending payment and the part of the joint ventures' current accounts that has not been eliminated.

10. 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.

In addition, it must be pointed out that, despite the fact that it maintains a significant volume of operations with a significant number of customers, the solvency of the majority of them is guaranteed as they are largely Public Bodies and so there is no significant credit risk with third parties.

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 9.2.

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. On the other hand, the financial instruments used have been chosen for the solidity of their financial worth and the issuing institutions.

11. Own funds

11.1 Share capital

At the close of period 2015 the share capital amounted to €3,494,897, represented by 29,246 shares which individual nominal value amounts to €119.5. They are all of the same class, with equal rights, fully subscribed and they are not quoted on the stock exchange, in accordance with the following details:

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

11.2 Legal reserve

Under the Consolidated Corporate Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve 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.

11.3 Voluntary reserves

These are unrestricted reserves.

11.4 Conversion differences

The conversion differences for the period 2016 are brought about integrally by the impact of the inclusion in the Company's balance sheet in this period of balances coming from subsidiaries that the Company has abroad.

The Company applies the rate of exchange at close to the assets of the subsidiary located abroad expressed in an operating currency other than the Euro. The difference that arises with respect to the amount by which they are included in the Company's equity, is accounted directly against the net equity, given that the entries denominated in operating currency are not converted into Euros in the short term and, consequently, will not affect the Company's cash flow.

11.5. Goodwill Reserves

The use of goodwill reserve is restricted until the Goodwill is totally depreciated.



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12. Provisions

The detail for provisions of the balance sheet at the closing of year 2016, as well as the main movements registered during the year are the following:

Year 2016

	Euros				31/12/2016
	31/12/2015	Additions	Adjustments	Write-offs	
Variable remuneration	39,486	-	-	(39,486)	-
	39,486	-	-	(39,486)	-

13. Financial liabilities

The Company's financial liabilities are itemized as follows at close of years 2016 and 2015:

	Euros	
	2016	2015
Long-term financial liabilities:		
Financial leasing creditors (Note 7.1)	23,748	9,804
Debts with group companies and partners (Note 18)	1,729,181	1,489,181
Total long-term financial liabilities	1,752,929	1,498,181
Short-term financial liabilities:		
Short-term debts:		
Debts with credit institutions	82,467	8,567
Financial leasing creditors (Note 7.1)	11,523	4,907
Other financial liabilities	93,595	81,303
	187,585	94,777
Debts with group companies (Note 18):	1,365,669	915,779
Trade creditors and other accounts payable:		
Suppliers	1,303,002	1,828,515
Sundry creditors	-	15,342
Suppliers group companies and partners (Note 18)	2,002,500	
Advances Clients	598,187	455,088
Personnel	118,062	118,478
	4,021,752	2,417,423
Total short-term financial liabilities	5,575,005	3,427,979



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14. Public Administrations and fiscal situation

The composition of this section of the attached balance sheet at 31 December 2016 and 2015 is as follows:

	Euros			
	2016		2015	
	Balances Debtors	Balances Creditors	Balances Debtors	Balances Creditors
Deferred tax assets	400,866	14	447,637	-
Long-term balances with Public Administrations	400,866	14	447,637	-
Public Treasury, debtor for VAT, IGIC, IPSI	71,831	-	64,065	-
Public Treasury, debtor for Corporate Tax	72,683	-	27,174	-
Public Treasury, withholdings and pre-payments	-	-	13,345	-
Public Treasury, creditor Joint Ventures	-	-	-	14,140
Public Treasury, creditor for VAT, IGIC	-	6,690	-	1,723
Public Treasury, withholdings Income Tax (IRPF)	-	36,607	-	143,965
Tax payable, Corporate Tax	-	14,406	-	7,543
Social Security institutions payable	-	100,208	-	85,530
Short-term balances with Public Administrations	144,514	157,910	104,584	252,902

From 2010, the Company taxes in tax consolidation regime, and the head of the group is Elsamex S.A., therefore the amount to be charged by the Public Treasury for the Corporation Tax and for VAT correspond to the consolidated amount. This regime means that the Company has accounts receivable and payable with the dependant companies, according to the corresponding individual settlement.

Deferred tax assets

The movement of assets due to deferred taxes in financial year 2016 has been as follows:

	Euros			
	Balance at 31/12/2015	Increases	Decrease	Balance at 31/12/2016
Negative tax bases	74,953	2,521	-	77,474
Assets due to limited deductibility of amortisations	65,582	-	(49,292)	16,290
R&D deduction	307,101	-	-	307,101
	447,637	2,521	(49,292)	400,866

Increases are due to deferred assets generated by the limit on amortization applied as expense of the period. The decreases are due to the application of the definitive taxes for financial year 2014.

The assets due to deferred taxes are recognised insofar as the realisation of the corresponding fiscal profit through future fiscal profits is possible.

The detail of the negative tax bases pending enjoyment as of 31 December 2016 is as follows (in EUR):



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	Amount
Year 2007	161,106
Year 2009	44,861
Year 2010	70,727
	276,694

In accordance with current legislation, fiscal losses of a financial year may be offset, for tax purposes, against the profits of tax periods with no tax limit. However, for financial year started on 1 January 2015 there is a quantitative limitation of the compensation of negative taxable bases. Specifically for taxpayers whose volume of operations, calculated based on the provisions of Article 121 of the VAT Law, has exceeded EUR 6,010,121.04 during the twelve months before the date of commencement of the financial year in 2015, the limits are as follows: (i) The compensation is limited to 50% of the taxable base before the application of the capitalisation reserve to that compensation when in those twelve months the net turnover amount is between EUR 20 Mn and EUR 60 Mn, and (ii) The compensation is limited to 25% of the taxable base before the application of the capitalisation reserve to that compensation when in those twelve months the net turnover amount is at least EUR 60 Mn.

However, we need to take into consideration the fact that the final amount to be offset by these fiscal losses may be amended in consequence of the comparison of the accounting periods in which they occur. In this regard, in compliance with the law in force, we need to take into consideration that the Authorities shall have the right to verify these negative bases for 10 years.

Deductions due to R&D can be applied within 15 years. The detail for these as of 31 December 2016 is the following:

	Amount	Expiration
Year 2011	165,191	Year 2026
Year 2012	141,911	Year 2027
	307,101	

Deferred tax liabilities

The movement of liabilities due to deferred taxes in financial year 2016 has been as follows:

	Euro		
	31/12/2015	Additions	31/12/2016
Deferred tax liabilities arising from leasing	-	14	14

Tax on Profits

By decision of the Sole Shareholder on 26th December 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 1st October 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.



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Accounting reconciliation and taxable base result

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

Financial Year 2016:

	Euros	
	Share Payable	Expense
Earnings before taxes	124,434	(31,109)
Permanent differences:		
Adjustment due to permanent establishments abroad	(81,088)	20,272
Temporary differences:		
Depreciation limit reversal	(49,841)	
Differences arising from leasing contracts	(55)	
Taxable base (Tax result)	(6,550)	(10,837)
Gross tax accrued (25% of the taxable base)	(1,638)	
Corporate tax receivables of Consolidated Group	(1,638)	
Deductions		6,273
Regularisation adjustments previous years	-	(16,348)
Income tax of foreign branches		(12,781)
Corporate tax expenses	-	(33,963)

Financial Year 2015:

	Euros	
	Share Payable	Expense
Earnings before taxes	245,357	68,700
Temporary differences:		
Amortization limit	81,700	
Permanent differences:		
Non-tax deductible expenses	1,718	481
Adjustment due to permanent establishments abroad	10,089	134,116
Taxable base (Tax result)	338,865	203,297
Gross tax accrued (28% of the taxable base)	94,882	-
Corporate tax receivables of Consolidated Group	94,882	-
Regularisation adjustments previous years	-	35,776
Corporate tax expenses	-	239,073

Income tax expense is calculated applying the different tax rates applicable in each country where the Company has activity through its Branches. The main tax rates are:

Country	2016	2015
Spain	25%	28%
Kazakhstan	30%	30%
Peru	30%	30%
Colombia	34%	34%
Chile	35%	35%

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Bolivia	25%	25%
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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 the end of financial year 2015 different inspections of Grusamar Ingeniería y Consulting, S.L.U. were started with regards to the Corporate Tax and the Value Added Tax for 2011, 2012 and 2013 and the negative taxable bases declared by Grusamar Ingeniería y Consulting, S.L.U. in 2010. As of today, the outcome of said inspections are not yet known. However, as a result of the different possible interpretations of the fiscal law in force, additional liabilities may arise from the inspection. Anyhow, the Managers consider that said liabilities would not have a negative impact on the annual accounts.

The Company's directors consider that the aforementioned taxes have been settled correctly and that, therefore, even if discrepancies arose with respect to its interpretation of current legislation in its tax treatment of transactions, any potential liabilities, should they arise, would not have a material effect on the accompanying financial statements.

15. Contingent Liabilities

As of 31 December 2016, the Company has been granted several guarantees demanded in order to contract with Public Bodies for an amount of 1,296,083 Euros. The amount granted under this heading during 2014 amounted to 853,270 euros.

16. Revenue and expenditure

a) *Net turnover amount*

The detail for this section in the profit and loss account as of 31 December 2016 and 2015 is as follows:

	Euros	
	2016	2015
Services to third parties	9,278,453	8,284,638
	9,278,453	8,284,638

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

The distribution of net turnover for periods 2016 and 2015 by geographical markets is as follows:

	Euros	
	2016	2015
National	5,311,064	4,972,457
International-		
Europa	32,854	-
Asia	3,189,224	1,385,009
America	745,311	1,528,005
Africa	-	24,800
	9,278,453	8,284,638



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b) Purchases

The breakdown of this section of the profit and loss account for the accounting period ending on 31 December 2016 and 2015 is as follows:

	Euros	
	2016	2015
Purchase of other materials	75,570	134,005
Works carried out by other companies	2,752,644	1,728,012
	2,828,214	1,862,017

The distribution of this section of the profit and loss account for financial years 2016 and 2015 by geographical markets is as follows:

	Euros	
	2016	2015
National	2,435,163	981,963
International-		
Europe	1,028	1,942
Asia	190,939	290,906
America	201,084	577,206
Africa	-	10,000
	2,828,214	1,862,017

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account as of 31 December 2016 and 2015 is as follows

	Euros	
	2016	2015
Wages, salaries and similar expenses	3,368,150	3,335,423
Employer social security costs	971,562	1,141,493
Total	4,339,712	4,476,916

The average number of persons employed during accounting periods 2016 and 2015, broken down into categories, is as follows:

Categories	2016	2015
Management	2	2
Intermediate management	100	88
Administration personnel	16	14
Unqualified personnel	7	6
Total	125	110

The average number of persons employed by the Group during 2016, with a disability equal or greater than 33% by category, broken down into categories, is as follows:



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Categories	2016
Administration personnel	3
Work force	3
Total	6

In accordance with the requirements of Art. 260, 8th 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 2016 and 2015:

Categories	2016		2015	
	Men	Women	Men	Women
Management	2	-	2	-
Technical personnel and middle management	73	27	63	25
Administration personnel	6	10	4	10
Unqualified personnel	7	-	6	-
Total	88	37	75	35

During the period, no amount has been incurred for allowances or remunerations of any kind in favour of the Company's Directors. Also, there is not any kind of loan advance, life insurance, pension plan or benefit for any other concept.

Data relating to senior management personnel:

In financial years 2016 and 2015 as Senior Management Staff Expenses

Name	Responsibilities or duties that they hold in the company	Remuneration period 2016	Remuneration period 2015
Managers	Management	91,819	178,816

d) Other operating expenses

The detail for this section of the attached profit and loss account for accounting periods 2015 and 2014 is as follows:

	Euros	
	2016	2015
Leases and royalties	209,751	190,136
Repairs and maintenance	4,304	7,923
Independent professional services	199,735	183,304
Transport	6,007	7,283
Insurance premiums	16,229	117,844
Bank services and other similar	12,328	8,168
Advertising and PR	9,093	270
Supplies	14,003	16,339
Other services	1,123,820	1,035,973
Other taxes	25,598	21,013
Other current management expenses	20,120	4,450
	1,640,988	1,592,703

During financial years 2016 and 2015, the fees for account auditing services and other services provided by the auditors of the company Caballero Auditores, have been as follows (in EUR):

Description	2016	2015
Auditing Services	10,000	10,000
Other services	120	300
Total professional services	10,120	10,300

17. 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.

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 31 December 2016 and 2015 in the financial statements.

18. Operations with related parties

The detail of the balances and transactions made during accounting periods 2016 and 2015 between the Company and Elsamex Group companies and other binding parties is as follows:



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Financial Year 2016:

	Euros										
	Assets			Liabilities			Income			Expenditure	
	Long-term credits to Group companies (see Note 8.2)	Clients, Group companies and associate companies (Note 9.2)	Other short-term financial assets (Note 9.2):	Long-term debts with Group companies (Note 13)	Short-term debts with Group companies (Note 13)	Suppliers group companies and partners	Services rendered	Financial income due to credits	Income due to dividends	Services received	Financial expenditure
2016											
CIESM-INTEVIA, S.A.U.	-	6,707	-	1,489,181	757,907	-	6,707	-	-	12,317	82,765
Señalización, Viales e Imagen, SAU	700,000	5,965	172,033	-	-	-	5,965	28,290	-	-	-
CGI-8, S.A.	-	-	-	-	-	-	-	-	-	-	-
CONTROL 7, S.A.	-	8,677	-	-	32,249	-	8,677	-	-	-	1,485
ELSAMEX, S.A.	-	216,134	61,345	-	248,639	2,002,500	496,865	-	-	2,329,223	717
Elsamex Portugal Engenharia e Sistemas	-	39,000	-	-	-	-	-	-	-	-	-
Elsamex Internacional SLU	-	3,160	446,887	-	80,853	-	36,014	-	-	30,795	3,602
Atenea Seguridad y Medio Ambiente, SAU	-	8,200	-	-	246,021	-	140,827	-	-	180,297	10,421
Alcantarilla Fotovoltaica, S.L.	-	-	18,372	-	-	-	6,122	672	-	-	-
Beasolarta, S.L.U.	-	-	20,162	-	-	-	7,067	668	-	-	-
Grusamar Macedonia	-	-	5,748	-	-	-	-	-	-	-	-
Grusamar Albania, SHPK	-	-	-	-	-	-	-	-	-	-	-
Consorcio Epsilon	-	197	64,930	-	-	-	9,346	-	-	-	-
Soc. Concesionaria Autovia A-4 Madrid, SA	444,927	-	-	240,000	-	-	-	28,339	21,102	-	500
IL&FS Transportation Network, Ltd.	-	325,300	-	-	-	-	630,531	-	-	-	-
Kiratpur Nerchowk Expresswa Limited	-	2,510,000	-	-	-	-	2,536,400	-	-	-	-
TOTAL	1,144,927	3,123,340	789,477	1,729,181	1,365,669	2,002,500	3,884,522	57,970	21,102	2,552,631	99,491



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Financial Year 2015:

	Euros									
	Assets			Liabilities		Income			Expenditure	
	Long-term credits to Group companies (see Note 8.2)	Clients, Group companies and associate companies (Note 9.2)	Other short-term financial assets (Note 9.2):	Long-term debts with Group companies (Note 13)	Short-term debts with Group companies (Note 13)	Services rendered	Financial income due to credits	Income due to dividends	Services received	Financial expenditure
2015										
CIESM-INTEVIA, S.A.U.	-	-	-	1,489,181	705,792	-	-	-	34,832	77,272
Señalización, Viales e Imagen, SAU	700,000	-	143,473	-	-	-	28,347	-	-	-
CGI-8, S.A.	-	-	-	-	-	-	-	-	-	-
CONTROL 7, S.A.	-	-	-	-	30,764	2,943	-	-	22,175	915
ELSAMEX, S.A.	-	-	270,149	-	-	304,112	-	-	824,592	2,129
Elsamex Portugal Engenharia e Sistemas	-	114,000	-	-	-	114,000	-	-	-	-
Elsamex Internacional SLU	-	-	388,672	-	-	-	-	-	-	-
Atenea Seguridad y Medio Ambiente, SAU	-	-	-	-	179,223	110,367	-	-	-	-
Alcantarilla Fotovoltaica, S.L.	-	-	10,292	-	-	5,494	279	-	-	-
Beasolarta, S.L.U.	-	-	10,943	-	-	6,030	282	-	-	-
Grusamar Albania, SHPK	-	-	64,930	-	-	-	-	-	-	-
Soc. Concesionaria Autovía A-4 Madrid, SA	444,927	-	75,312	-	-	3,558	29,098	46,418	-	-
IL&FS Transportation Network, Ltd.	-	748,495	-	-	-	1,366,709	-	-	-	-
TOTAL	1,144,927	862,495	964,040	1,489,181	915,779	1,713,213	58,006	46,418	1,038,492	86,049

Section "Debts with Group companies and associates" includes, as of 31 December 2016 and 2015, a loan granted by the Group Elsamex company Ciesm-Intevia, S.A.U. This loan was signed on 31 December 2012 and was renewed in 2015. The principal amount is EUR 1,489,181 and the maturity is 31 December 2019. It accrues an annual interest of the Euribor plus 3%. Both the capital and the interest accrued shall be paid upon finalisation. Also under this heading, the Company registers a loan obtained from Sociedad Concesionaria Autovia A-4 Madrid, S.A. amounting 240,000 Euro with a fixed interest rate of 4% annual. This loan was granted on November 30, 2016 and the maturity is May 26, 2026.

The Company has included in its accounts throughout period 2016 the amount of 491,383 EUR and in 2015 the amount of 424,223 EUR for structure expenses allocated by the parent company. The rest of the expenses incurred are for invoicing of usual expenses.

The income due to consulting services provided to the parent company Elsamex S.A. are for engineering services provided in international projects and are registered in accordance with the normal market prices.

During financial year 2016 dividends amounting to EUR 21,102 have been accrued to the subsidiary Sociedad Concesionaria Autovia A-4 Madrid, S.A.. In 2015, this amounted to EUR 46,418.

19. 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 231.1 d) of the Capital Corporations Act, introduced by Law 26/2003 of 17th July, by which is amended Law 24/1988 of 28th July, of the Securities Market, and the Revised Corporation Act, for the purpose of reinforcing corporate transparency, it is advised that at the close of accounting periods 2015 and 2014 the members of the Grusamar Ingeniería S.L.U. board have not held shares in the capital of companies foreign to the Elsamex- ITNL Group, analogous or complementary type of activity to that constituting the corporate objective of the companies that make up the Elsamex Group. 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 2016 and 2015 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.

20. Information on the average period of payment 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:

	2016	2015
	Days	Days
Average period of payment to suppliers	59	43
Ratio of operations paid	52	40
Ratio of operations pending payment	80	62
	Euros	Euros
Total payments made	1,026,830	1,054,645
Total outstanding payments	322,901	169.347



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21. Segment information

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

	Projects	Special studies	Technical Assistance for Execution of Works	Total
Sales	1,981,656	1,118,574	6,178,222	9,278,453
EBITDA	6,367	82,200	419,208	507,776
Depreciation	70,885	40,012	238,132	349,028
EBIT	-64,517	42,188	181,076	158,747

22. Subsequent Events

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



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Grusamar Ingeniería y Consulting, S.L.U.
Management Report for the
Financial year ending on
31 December 2015

Development of business and Company situation

GRUSAMAR INGENIERIA Y CONSULTING, S.L.U., (GRUSAMAR) was incorporated in June 2002 and is currently completely consolidated as an engineering consulting company of Group Elsamex.

During 2016, GRUSAMAR has submitted offers to several calls for tenders to provide Technical Assistance for the Preparation of Projects and Surveys, for the Control and Surveillance, and for the Management of Works to various Autonomous Administrations, the Ministry of Public Works and the Ministry of Environment, as well as domestic and international private clients.

The Company's turnover due to service provision during this financial year has amounted to EUR 9,278,453, which is a 10.7% increase from 2015. Out of this turnover, 58% is due to the control and surveillance of works and 42% is due to projects and trials of different kinds. We would like to highlight the fact that, in compliance with the targets set for 2016, the company has continued to increase the balance between the sales of control and surveillance of works and those of projects and trials (63.9% and 36.1% in 2015, respectively), which is a key factor for long-term stability in GRUSAMAR.

Throughout this year, the relative position of GRUSAMAR in the domestic market has been consolidated, considering that the market has grown slightly. The company has new contracts amounting to EUR 6.14 Mn, which ensure that the 2017 sales will be higher than those of 2016.

In terms of the international market, consolidation has continued in Latin America and in Eurasia (CIS countries). Construction Control and Surveillance contracts in Bolivia and Kazakhstan have been obtained for joint amounts of 3.1 million Euros, and the negotiations for the extension of the Project Management contract for the concession of a Runner Ruta Caribe, in Colombia, for an amount that will exceed 1.5 million Euros. Particularly noteworthy is the development of Grusamar's activities in Kazakhstan, with the award of a major 2.7 million Euro contract for the supervision of works on a section of motorway, which together with the already ongoing consultancy, means consolidation of the Grusamar branch and the excellent position for the future in an area of great political and economic stability and enormous power of development of the Infrastructures market.. Also in 2016 a significant consolidation of the GRUSAMAR operations in India was achieved, with New contracts obtained amounting to 0.5 million Euros and the short-term possibility of important contracts in collaboration with our parent company, ITNL.

The sales targets set for 2017 are EUR 12.1 Mn, which is a 30.0% increase with regards to 2016. The contracts which have been awarded so far, alongside the business expectations resulting from the aforementioned environment, lead us to believe that these targets are reasonably achievable.

Subsequent Events

At the date of preparation of this Management Report, there have not been any significant subsequent facts which may affect the Financial Statements for year 2016.

Operations with Company shares

During the year there has not been any sale or purchase of Company shares.

Company use 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



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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.

In addition, it must be pointed out that, despite the fact that it maintains a significant volume of operations with a significant number of customers, the solvency of the majority of them is guaranteed as they are largely Public Bodies and so there is no significant credit risk with third parties.

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 9.2.

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. On the other hand, the financial instruments used have been chosen for the solidity of their financial worth and the issuing institutions.



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Ángel Caballero

Miembro nº 4.925

Declaration of Submission of Annual Accounts and Management Report

In compliance with the provisions established in the Corporations Act, the Board of Directors of Grusamar Ingeniería y Consulting S.L.U prepared on 16th March 2017 the Annual Accounts for financial year 2016, which shall be submitted for the approval of the Sole Shareholder.



Mr. Fernando Bardisa Jorda



Mr. Enrique Pérez Rebanal



Mr. Carlos Alcolea Sánchez



Mr. David Rivas López



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