

ELSAMEX INTERNACIONAL S.L.U.

FINANCIAL STATEMENT

2014

INDEPENDENT AUDIT REPORT OF FINANCIAL STATEMENTS

To the Sole Shareholder of ELSAMEX INTERNACIONAL, S.L.U.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the Financial Statements of the Company ELSAMEX INTERNACIONAL, S.L.U., which include the balance sheet as of 31st December 2014, the profit and loss account, the statement of changes in the equity, the statement of cash flow and the notes of the financial year ended on said date.

Responsibility of the Directors with regards 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 ELSAMEX INTERNACIONAL, 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. Said 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 annual accounts. The chosen procedures depend on the Auditor's decision, including the material inaccuracy risk assessment for the annual accounts, 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 ELSAMEX INTERNACIONAL, S.L.U. as of 31stDecember 2014, 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.

Highlighted paragraphs

Without qualifying our audit opinion, we draw attention to what is mentioned in Note 2.4 of the attached Notes, which mentions that the Board of Directors has formulated the accompanying financial statements for the year ended December 31st2014 following the principle of going concern to understand that the measures and actions detailed in the Business Plan approved by the Directors enable it to continue normal development of the Company and to meet its obligations, also getting results and positive cash flows in the next exercises to recover the asset and offset the deferred tax assets activated.

The Company ELSAMEX INTERNACIONAL, S.L.U. is a company belonging to the Group "Elsamex" and, depending on the policy of the Group cash-pooling, the Company provides and receives financial support from those companies of the group that require to the extent and period necessary. At December 31st 2014 the balance presented by the financial statements in respect of credit lines delivered and / or received is classified in the balance sheet items denominated " *Short-term investments with group companies* " or " *Current Payable to Group Companies* " as appropriate.

Without qualifying our audit opinion, we draw attention to what is mentioned in Note 21 of the attached Notes, which mentioned the existence of various litigations for and against the Company, where the outcome is uncertain.

The Company undertakes significant transactions with the parent company of the Group due to the usual operations of their business as described in Note 19.1 to the accompanying notes.

Paragraph regarding other issues

The comparative figures of financial year 2013 were audited by the previous auditor, who issued her audit report and expressed her qualified opinion on 31stMarch 2014.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The attached management report of financial year 2014 includes the explanations that the Directors of the Company consider appropriate regarding the situation of the Company ELSAMEX INTERNACIONAL, S.L.U. the evolution of their business and other matters, and it is not an integral part of the annual accounts. We have verified that the accounting information therein is consistent with the financial statements of financial year 2014. 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 ELSAMEX INTERNACIONAL, S.L.U

May 14th2015

CABALLERO AUDITORES, S.L.
R.O.A.C. nº S-2265

Angel Caballero Antón
Partner



Elsamex Internacional S.L.U.

Financial statements for the
year ending on
31st December 2014
and Management Report, along with the
Independent Auditor's Report

ELSAMEX INTERNACIONAL, S.L.U.

BALANCE SHEET AS AT DECEMBER 31ST 2014

(Euros)

ASSETS	Notes	Year 2014	Year 2013	NET EQUITY & LIABILITIES	Notes	Year 2014	Year 2013
NON-CURRENT ASSETS		11.166.454	11.155.053	NET EQUITY		5.183.275	7.875.725
Intangible assets	Note 5	2.200.346	2.200.346	<i>STOCKHOLDERS' EQUITY</i>	Note 12	7.460.887	8.233.626
Goodwill		2.200.346	2.200.346	Capital		14.310.555	14.310.555
Property, plant and equipment	Note 6	538.618	579.220	Registered capital		14.310.555	14.310.555
Land and buildings		102.393	93.882	Reserves		1.151.985	533.540
Technical installations and other items		436.225	485.338	Legal and statutory reserves		146.528	146.528
Real state investments	Note 7	358.364	346.507	Other reserves		1.005.457	387.012
Buildings		358.364	346.507	Prior period's losses		(6.921.660)	(6.407.563)
Non-current investments in group companies and associates	Note 8	4.694.703	6.460.888	Prior period's losses		(6.921.660)	(6.407.563)
Equity instruments		4.251.213	4.251.213	Profit/(loss) for the year		(1.079.993)	(202.906)
Loans to companies		443.490	2.209.676	VALUATION ADJUSTMENTS		(2.277.612)	(357.901)
Non-current investments		1.767.174	870	Foreign Exchange Fluctuation Reserve		(2.277.612)	(357.901)
Other financial assets		1.767.174	870				
Deferred tax assets	Note 15	1.607.249	1.567.222				
				NON-CURRENT LIABILITIES		19.973	21.329
CURRENT ASSETS		24.755.581	26.140.301	Non Current provisions		19.973	9.309
Inventories		348.161	440.508	Non-current payables	Note 14	-	12.020
Raw materials and other supplies	Note 11	141.711	187.558	Debt with financial institutions		-	12.020
Advances to suppliers		206.450	252.949				
Trade and other receivables	Note 9	14.776.747	16.573.158	CURRENT LIABILITIES			29.398.300
Trade receivables		12.842.935	14.637.848	Current provisions	Note 13	28.547.571	97.836
Trade receivables from group companies and associates	Note 19	406.038	484.776	Current payables	Note 14	31.205	351.200
Other receivables		378.912	346.448	Debt with financial institutions		76.968	290.884
Personnel		10.081	16.546	Other financial liabilities		3.891	60.316
Current tax assets	Note 15	238.458	319.975	Group companies and associates, current	Note 19	73.077	24.787.308
Other receivables from Public Entities	Note 15	900.323	767.565	Trade and other payables		23.633.635	4.161.848
Current investments in group companies and associates	Note 19	5.227.790	5.797.541	Suppliers	Note 14	4.801.622	3.808.805
Other financial assets		5.227.790	5.797.541	Suppliers, group companies and associates	Note 19	4.484.459	13.604
Current investments	Note 9	3.478.243	3.152.888	Other payables	Note 14	41.318	-
Other financial assets		1.307.027	3.152.888	Personnel(salaries payable)	Note 14	68.819	144.478
Prepayments for current assets		796.459	24.448	Public entities, other	Note 15	170.096	153.827
Cash and cash equivalents		128.181	151.758	Advances from customers	Note 14	36.930	41.135
Cash		128.181	151.758	Current accruals		4.141	109
TOTAL ASSETS		35.922.035	37.295.355	TOTAL EQUITY AND LIABILITIES		35.922.035	37.295.355

Notes 1 to 22 of the attached Report form an integral part of the balance sheet as at 31 December 2014

ELSAMEX INTERNACIONAL, S.L.U.

INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31ST 2014

(Euros)

	Notes	Year 2014	Year 2013
CONTINUING OPERATIONS			
Revenue	Note 17 a)	7.596.454	12.152.593
Sales		147.128	151.643
Services rendered		7.449.326	12.000.951
Supplies	Note 17 b)	(5.004.862)	(6.146.479)
Raw material and other consumables used		(1.539.665)	(3.640.310)
Subcontracted works		(3.465.197)	(2.506.169)
Other operating income		5.357	6.979
Non-trading and other operating income		5.357	6.979
Personnel expenses	Note 17 c)	(1.103.263)	(1.382.034)
Salaries and wages		(922.881)	(1.106.236)
Employee benefits expense		(180.382)	(177.962)
Provision variance		-	(97.836)
Other operating expenses	Note 17 e)	(1.257.859)	(4.418.222)
External services		(1.236.335)	(2.757.145)
Taxes		(6.723)	(11.928)
Losses, impairment and changes in trade provisions		-	(1.633.049)
Other operating expenses		(14.801)	(16.100)
Amortisation and depreciation	Note 5,6 y 7	(114.731)	(55.565)
Impairment and gains/(losses) on disposal of fixed assets		-	-
Gain/(losses) on disposal and others		-	-
Other profit/(loss)		(2.728)	-
PROFIT/(LOSS) FROM OPERATIONS		118.368	157.272
Finance income		108.215	45.754
Marketable securities and other financial instruments		108.215	45.754
- Group companies and associates	Note 19	108.088	45.232
- Other		127	522
Finance expenses		(1.173.123)	(1.052.391)
Group companies and associates	Note 19	(1.166.487)	(1.031.745)
Other		(6.636)	(20.646)
Exchange gains/(losses)		(4.404)	14.904
NET FINANCE INCOME/(EXPENSE)		(1.069.312)	(991.734)
PROFIT/(LOSS) BEFORE INCOME TAX		(950.944)	(834.462)
Income tax expenses	Note 15	(129.049)	631.556
PROFIT/(LOSS) FROM CONTINUING OPERATIONS		(1.079.993)	(202.906)
PROFIT/(LOSS) FOR THE PERIOD		(1.079.993)	(202.906)

Notes 1 to 22 of the attached Report form an integral part of the profit and loss account as at 31 December 2014

ELSAMEX INTERNACIONAL, S.L.U.

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST, 2014

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31ST, 2014

(Euros)

	Notes	Year 2014	Year 2013
PROFIT AND LOSS FOR THE PERIOD (I)		(1.079.993)	(202.906)
Income and expenses recognised directly in equity		(1.608.520)	(221.188)
Foreign exchange fluctuations	Note 12.4	(1.608.520)	(221.188)
TOTAL INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY (II)		(1.608.520)	(221.188)
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	-
TOTAL RECOGNISED INCOME AND EXPENSE (I+II+III)		(2.688.513)	(424.094)

Notes 1 to 22 of the attached Report form an integral part of the assigned income and expenditure in relation to accounting period 2014

ELSAMEX INTERNACIONAL, S.L.U.

STATEMENT OF CHANGE IN THE NET WORTH OF THE YEAR ENDED DECEMBER 31ST ,2014

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Notes	Capital	Reserves	Prior period's losses	Profit/ (loss) for the period	Adjustments for changes in value	TOTAL
CLOSING BALANCE FOR PERIOD 2012		14.310.555	1.164.960	(6.058.230)	(660.525)	(136.713)	8.620.047
Total recognise income and expense		-	-	-	(202.906)	(221.188)	(424.094)
Prior period's profit/(loss) distribution		-	-	(660.525)	660.525	-	-
Other changes in net equity		-	(320.229)	311.191	-	(311.191)	(320.229)
CLOSING BALANCE FOR PERIOD 2013		14.310.555	844.731	(6.407.564)	(202.906)	(669.092)	7.875.724
Total recognise income and expense		-	-	-	(1.079.993)	(1.608.520)	(2.688.513)
Prior period's profit/(loss) distribution		-	-	(202.906)	202.906	-	-
Other changes in net equity		-	307.254	(311.190)	-	-	(3.936)
CLOSING BALANCE FOR PERIOD 2014		14.310.555	1.151.985	(6.921.660)	(1.079.993)	(2.277.612)	5.183.275

Notes 1 to 22 of the attached Report form an integral part of the statement changes in total net worth relating to period 2014

ELSAMEX INTERNACIONAL, S.L.U

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31ST, 2014

(Euros)

	Notes	Year 2014	Year 2013
CASH FLOW FOR OPERATING ACTIVITIES (I)		1.265.111	(1.289.014)
Profit/(loss) for the period before tax		(950.944)	(834.462)
Adjustments for:		1.184.043	2.778.183
- Amortisation and depreciation (+)	Notas 5,6 y 7	114.731	55.565
- Valuation allowances for impairment losses (+/-)		-	1.633.049
- Proceeds from disposals of fixed assets (+/-)		-	97.836
- Finance income (-)		(108.215)	(45.754)
- Finance expenses (+)		1.173.123	1.052.391
- Exchange gains/(losses) (+/-)		4.404	(14.904)
Changes in operating assets and liabilities		2.152.793	(1.677.687)
- Inventories (+/-)		92.347	794.922
- Trade and other receivables (+/-)		1.714.894	(3.338.782)
- Other current assets (+/-)		(202.259)	27.150
- Trade and other payables (+/-)		639.774	863.327
- Other current liabilities (+/-)		(62.598)	(22.443)
- Other non-current assets and liabilities (+/-)		(29.363)	(1.861)
Other cash flows from operating activities		(1.120.781)	(1.555.048)
- Interest paid (-)		(1.173.123)	(1.052.391)
- Interest received (+)		108.215	45.754
- Income tax received (paid) (+/-)		(55.873)	(548.411)
CASH FLOW FOR INVESTING ACTIVITIES (II)		1.759.757	(5.484.438)
Payments for investments (-)		(8.253)	(5.824.395)
- Group companies and associates		-	(3.384.942)
- Property, plant and equipment		(87.811)	9.566
- Other financial assets		79.557	(2.449.019)
Proceeds from sale of investments (+)		1.768.010	339.957
- Group companies and associates	Nota 8	1.766.185	330.910
- Intangible assets		-	-
- Property, plant and equipment		1.825	9.047
CASH FLOW FOR FINANCING ACTIVITIES (III)		(1.439.925)	5.953.036
Proceeds and payments for financial liability instruments		(1.439.925)	5.953.036
- Group companies and associates		(1.153.673)	5.663.253
- Debt with financial institutions		(286.252)	289.783
- Other debts		-	-
EFFECT OF EXCHANGE RATE FLUCTUATIONS (IV)		(1.608.520)	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)		(23.577)	(820.416)
Cash and cash equivalents at beginning of period		151.758	972.174
Cash and cash equivalents at end of the period		128.181	151.758

Notes 1 to 22 of the attached Report form an integral part of the statement changes in total net worth relating to period 2014

Elsamex Internacional S.L.U.

Notes for the
year ending
31st December 2014

1. Incorporation and activity

Incorporation

The Company was incorporated on 28th December 2001 under the name Elsamex Internacional, S.L., as a limited liability company for an indefinite period of time. Its corporate offices are in calle San Severo 18, Madrid. The Company develops its activities in the national and international markets.

On 22nd June 2011, the Company was declared as single-member, and it was renamed as Elsamex Internacional S.L.U. The sole owner is Elsamex S.A.

Corporate Purpose

The purpose of the Company is:

- a. The drafting of projects, quality control and technical management of all types of public or private works, including industrial, agricultural, civil engineering, railway and roads projects, anywhere in the world.
- b. The technical support, business counselling and management and administration of all kinds of companies, enterprises or businesses; the transfer of technology of any kind of product or construction system, anywhere in the world.
- c. The purchase, sale and lease of construction or building materials, vehicles and machinery, anywhere in the world.
- d. The subscription, acquisition, holding and transfer of shares and stakes in the equity of any type of civil or trade company, both civil or trading companies, national or international, on its own behalf, and excluding the activities regulated by the Law on Investment Funds and Capital Markets.
- e. The provision of informative, administrative, communication and maintenance services, especially heating, air-conditioning, domestic hot water (DHW), plumbing, electricity, low-voltage, fire protection, conservation, cleaning or performance of works, providing or not providing materials, on their own or on third party's behalf.
- f. The performance of any type of public works, of construction, agriculture, livestock, forest and industrial projects, commissioned by both private or public companies and bodies, as well as the manufacturing and supply of any type of product or merchandise required for the performance of these activities in Spain and abroad.
- g. The promotion, purchase and sale, leasing, construction and renovation of all types of real estate, excluding all activities for which special requirements are required by Law and not fulfilled by the Company. If required by Law, any activity subject to the holding of some sort of professional title shall be carried out by a person holding said required title.
- h. The management and administration of securities representing the equity of non-resident companies in Spanish territory.

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.

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 2014 have been prepared by the Directors in the meeting of the Board of Directors held on 31st March 2015. The consolidated financial statements for period 2013 were approved at the General Shareholders' Meeting of Elsamex, S.A., held on 31st March 2014, and they were deposited in the Companies 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

The 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.

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 the preparation of the attached financial statements estimations have been used that have been made by the Company's Directors in order to evaluate some of the assets, liabilities, income, expenditure and commitments that appear in them. 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 impairment 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 works certified in advance and works pending certification.

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 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 balance sheet, which was prepared assuming that such activity will continue. There are several reasons which contribute to reduce or eliminate doubts about the capacity of the Company to continue operating as company. These reasons are the financial support of 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; clients search outside the Group; works management in all types of market; it includes obtaining enough revenues to reach a positive result in 2014, as well as generating positive cash flows in the same period.

2.5 Comparative information

The information contained in these notes to the financial statements concerning financial year 2013 is presented alongside the information for financial year 2014 only 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 2014 no changes in accounting principles have arisen with regards to the principles applied in the accounting period 2013.

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.

2.9 Consolidated financial statements

Pursuant to current legislation, which requires to submit financial statements for each company, these financial statements refer exclusively to the stand-alone statements of Elsamex Internacional S.L.U., and do not intend to present the consolidated statements of the Company with its dependent company (see Note 9). The Company is exempted from the obligation to present consolidated financial statements by virtue of the requirements established for this purpose in article 43.2 of the Code of Commerce and Royal Decree 1159/2010 on the Preparation of Consolidated Financial Statements, as it belongs to a group of companies whose parent company presents consolidated financial statements in the Companies Registry of Madrid.

3. Distribution of profits

The Company's directors will propose to the Sole Shareholder to apply the loss of the period to negative results in previous years.

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

As a general rule, intangible assets are recognised initially at acquisition or production cost. They are subsequently measured at cost less any accumulated amortization and any accumulated impairment losses, if applicable. These assets are amortised over their years of useful life.

a) Goodwill:

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.

The goodwill, pursuant to accounting standards and measurement bases of the General Accounting Plan approved by Royal Decree 1514/2007, is not subject to amortization. Cash-generating units or cash-generating groups of units to which goodwill has been allocated will be subject, at least once a year, to the impairment test; when appropriate, value adjustments for impairment will be recognized. During 2014 there have not been any value adjustments for impairment.

If an impairment loss has to be recognised for a cash-generating unit to which all or part of an item of goodwill has been allocated, the carrying amount of the goodwill relating to that unit is written down first. If the loss exceeds the carrying amount of this goodwill, the carrying amount of the other assets of the cash-generating unit is then reduced, on the basis of their carrying amount, down to the limit of the highest of the following values: fair value less costs to sell; value in use; and zero.

Said value in use was determined by using the updated expected discounted cash flows of shares in Companies in India and Portugal, and branches in Dominican Republic and Colombia. These are jointly considered as the cash-generating unit to which the goodwill was allocated. A discount rate before taxes has been applied, which shows the value of money over time and considering the specific risks associated to the asset, depending on the year in which they were generated. These were the discount rates applied for the time horizon analysed below:

	2015	2016	2017	2018	2019-2024
Discount Rate	5.5%	5.5%	5.5%	5.5%	5.5%

During 2014 there have not been any value adjustments for impairment.

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

b) Computer software:

The Company enters in this account the costs incurred in the acquisition and development of computer programs. The maintenance cost for the IT applications is entered in the profit and loss account for the period in which they are incurred. Amortization of the IT applications is done by applying the linear method over a term of between 4 and 5 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	10-15
Computer equipment	25
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.

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.
- b) 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-

Financial assets are initially recognised at the fair value of the consideration given, plus any directly attributable transaction costs.

Subsequent measurement –

Loans and receivables are measured at amortized cost.

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.

4.4.3 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 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.

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 income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Current tax expense is the amount payable by the Company as a result of tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, as well as tax loss carryforward 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.

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 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 deposit accounts with companies of the group 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 Ventures contribute to the balance sheet and the profit and loss account for the accounting periods ending on 31st December 2014 and 2013 are:

Concepts	Euros	
	2014	2013
Total Assets	275,999	734,895
Non-current assets	-	9,046
Current assets	275,999	725,849
Net amount turnover	86,796	174,054

Name of Temporary Union of Company:	Participation	Sales (Euros)
Consorcio Josel Sadis	34%	-
Consorcio Carreteras del Sur	60%	-
Consorcio Internariño	50%	86,796
		86,796

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.

Compensation receivable from a third party at the time the obligation is settled, provided that there are no doubts as to whether this reimbursement should be made, is entered as a credit, unless there is a legal link by which the risk part has been externalised and under which the Company is not obliged to respond. 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.
- 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 administrators and 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. The Company has prepared the documentation required in article 16 of the Consolidated Text of the Corporate Tax Act and its Regulations in order to withstand transfer prices applied in the transactions between linked entities.

5. Intangible assets

The movements occurring under this heading of the balance sheet during accounting periods 2014 and 2013 are the following:

Financial Year 2014

Euros				
	31-12-2013	Conversion differences	Additions	31/12/2014
Cost:				
Goodwill	2,200,346	-	-	2,200,346
Computer software	2,838	384	-	3,222
	2,203,184	384	-	2,203,568
Accumulated Amortization:				
Computer software	(2,838)	(384)	-	(3,222)
	(2,838)	(384)	-	(3,222)
Net value	2,200,346	-	-	2,200,346

Financial Year 2013

Euros				
	31-12-2012	Conversion differences	Additions	31/12/2013
Cost:				
Goodwill	2,200,346	-	-	2,200,346
Computer software	2,963	(125)	-	2,838
	2,203,309	(125)	-	2,203,184
Accumulated Amortization:				
Computer software	(2,395)	101	(544)	(2,838)
	(2,395)	101	(544)	(2,838)
Net value	2,200,914	(24)	(544)	2,200,346

The impairment test performed on the Goodwill is analysed in Note 4.1.

At 31st December 2014, the Company had the following intangible assets investments located abroad:

Description	Country	Accounting value (gross)	Accumulated amortization	Net value
Computer software	Ecuador	3,222	(3,222)	-

At the close of 2014, the Company had fully amortized intangible assets amounting to 3.222 Euros.

6. Property, plant and equipment

The movements occurring under this heading of the balance sheet during periods 2014 and 2013, as well as the most significant information affecting this section are as follows:

Financial Year 2014

	Euros					31/12/2014
	31/12/2013	Additions	Transfers	Conversion differences	Disposals	
Gross Value:						
Land and buildings	93,882	-	-	8,511	-	102,393
Technical installations and machinery	2,506,776	764	-	96,489	(626)	2,603,403
Other installations, tools and furniture	30,545	1,898	-	(529)	-	31,914
Data processing equipment	98,653	1,106	-	4,008	(480)	103,287
Vehicles	636,133	2,598	-	50,300	(719)	688,312
	3,365,989	6,366	-	158,779	(1,825)	3,529,309
Amortización acumulada:						
Technical installations and machinery	(2,182,375)	(70,440)	(6,434)	(37,148)	-	(2,296,397)
Other installations, tools and furniture	(31,996)	(2,401)	6,197	1,628	-	(26,572)
Data processing equipment	(41,617)	(5,411)	-	(32,913)	-	(79,941)
Vehicles	(530,781)	(16,926)	237	(40,311)	-	(587,781)
	(2,786,769)	(95,178)	-	(108,744)	-	(2,990,691)
Inmovilizado material	579,220	(88,812)	-	50,035	(1,825)	538,618

Financial Year 2013

	Euros				
	31/12/2012	Additions	Conversion differences	Disposals	31/12/2013
Gross Value:					
Land and buildings	104.685	-	(10.803)	-	93.882
Technical installations, machinery and vehicles	3.363.034	1.952	(311.037)	(9.046)	3.144.903
Other installations, tools and furniture	133.286	7.614	(13.696)	-	127.204
	3.601.005	9.566	(235.535)	(9.046)	3.365.989
Accumulated Amortisation:					
Technical installations, machinery and vehicles	(2.751.547)	(34.653)	92.683	9.046	(2.684.471)
Other installations, tools and furniture	(82.787)	(5.227)	(14.284)	-	(102.298)
	(2.834.334)	(39.880)	78.399	9.046	(2.786.769)
Total net book value	766.671	(30.315)	(157.136)	-	579.220

At 31 December 2014 the Company had the following investments in property, plant and equipment elements located abroad:

Description	País	Gross Value	Accumulated Amortisation	Net book value
Land & buildings	Dominican Republic	467,294	(26,904)	440,390
Technical installations, machinery and vehicles	Dominican Republic	1,626,205	(1,215,781)	410,424
Other installations, tools and furniture	Dominican Republic	59,229	(42,003)	17,226
Technical installations, machinery and vehicles	Ecuador	68,193	(40,600)	27,593
Other installations, tools and furniture	Ecuador	9,749	(4,885)	4,864
Technical installations, machinery and vehicles	Colombia	131,263	(109,828)	21,435
Other installations, tools and furniture	Colombia	57,516	(55,308)	2,208
Total		2,419,449	(1,495,309)	924,140

The Company applies the exchange rate at close to the immovable assets of the subsidiaries 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.

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 2014 and 2013 is the appropriate.

At the close of periods 2014 and 2013 the Company had fully amortized property, plant and equipment elements still in use to the value of 1,312,995 Euros and 1,312,995 Euros, respectively.

Z. Real Estate Investment

The movements occurring in this heading of the attached balance sheet during periods 2014 and 2013 are the following:

Financial Year 2014

	Euros			
	31/12/2013	Conversion Differences and adjustments	Increases (Allocations)	31/12/2014
Gross value:				
Real Estate Investment	373,411	33,850	-	407,261
	373,411	33,850	-	407,261
Accumulated Amortization:				
Land and buildings	(26,904)	(2,440)	(19,553)	(48,897)
	(26,904)	(2,440)	(19,553)	(48,897)
Real Estate Investment	346,507	31,410	(19,553)	358,364

Financial Year 2013

	Euros			
	31/12/2012	Conversion Differences and adjustments	Increases (Allocations)	31/12/2013
Gross value:				
Real Estate Investment	417,246	(43,835)	-	373,411
	417,246	(43,835)	-	373,411
Accumulated Amortization:				
Land and buildings	(10,409)	(1,354)	(15,141)	(26,904)
	(10,409)	(1,354)	(15,141)	(26,904)
Real Estate Investment	406,837	(45,189)	(15,141)	346,507

Real estate investments of the Company correspond to 2 apartments acquired in exchange of receivables located in Playa Bavaro (Dominican Republic). These assets are kept in the balance sheet in order to obtain profits in their sale or lease.

8. Long-term investments with Group companies and associates

8.1. Equity instruments

The detail of shares in Group companies, multi-group and associate companies and the most relevant information for periods 2014 and 2013 is shown below:

Financial Year 2013

Investee	Address	Activity	% Participa tion	Euros			
				Amount	Equity		
					Corporate Capital	Reserves	Result
Inteval Gestao Integral Rodoviaria, S.A.	Edif. Atlas II Av. José Gomes Ferreira, 11, 11495-139 Alges (Portugal)	Construction	100.00	2,210,698	1,400,000	1,450,759	1,002,438
ESM Mantenimiento Integral de S.A. de CV	Presidente Masaryk, 61 piso 7 Colo. Chapultepec Morales CP 11570 deleg. Miguel Hidalgo (Mexico)	Construction	29.99	173,847	345,689	25,916	31,894
Mantenimiento y Conservación de Vialidades S.A. de C.V.	Mauricio Garces 855, Frac. La Joya 76180 Querétaro (Mexico)	Construction	64.00	381,686	594,553	279,385	(61,825)
Elsamex Portugal Engenharia e Sistemas de Gestao, S.A.	Rua Quinta das Romeiras Edif. Eduardo Vian, 104 6º 1495-236 Alges (Portugal)	Consulting	70.00	251,078	350,000	964,448	113,149
Yala Construction CO. Private Ltd.	C/A254 n°6 block Mahipalpur New Delhi (India) 1100.37	Construction	88.78	926,635	967,084	695,899	180,154
Elsamex India Private Ltd	C/A254 n°6 block Mahipalpur New Delhi (India) 1100.37	Construction	99.15	336,480	337,227	1,296,733	93,118
Consorcio de Obras Civiles, S.R.L.	Avenida 27 de febrero n°272, Edificio J.P., La Julia, Santo Domingo DN, Dominican Republic	Construction	34.00	-	2,011	874,113	1,641,573
Vías y Construcciones, S.R.L.	Avenida 27 de febrero n°272, Edificio J.P., La Julia, Santo Domingo DN, Dominican Republic	Construction	50.00	-	-	84,319	(18,661)
				4,280,424			

Financial Year 2013

Investee	Address	Activity	% Participa tion	Euros			
				Amount	Equity		
					Corporate Capital	Reserves	Result
Inteval Gestao Integral Rodoviaria, S.A.	Edif. Atlas II Av. José Gomes Ferreira, 11, 11495-139 Alges (Portugal)	Construction	100.00	2,210,698	1,400,000	410,269	1,040,490
ESM Mantenimiento Integral de S.A. de CV	Presidente Masaryk, 61 piso 7 Colo. Chapultepec Morales CP 11570 deleg. Miguel Hidalgo (Mexico)	Construction	29.99	173,847	345,689	31,872	(5,956)
Mantenimiento y Conservación de Vialidades S.A. de C.V.	Mauricio Garces 855, Frac. La Joya 76180 Querétaro (Mexico)	Construction	64.00	381,686	594,553	392,862	(113,477)
Elsamex Portugal Engenharia e Sistemas de Gestao, S.A.	Rua Quinta das Romeiras Edif. Eduardo Vian, 104 6º 1495-236 Alges (Portugal)	Consulting	70.00	251,078	350,000	812,516	151,931
Yala Construction CO. Private Ltd.	C/A254 n°6 block Mahipalpur New Delhi (India) 1100.37	Construction	96.03	926,635	967,084	365,722	342,183
Elsamex India Private Ltd	C/A254 n°6 block Mahipalpur New Delhi (India) 1100.37	Construction	99.15	336,480	337,227	428,682	868,051
Consortio de Obras Civiles, S.R.L.	Avenida 27 de febrero n°272, Edificio J.P., La Julia, Santo Domingo DN, Dominican Republic	Construction	34.00	-	2,011	867,644	6,469
Vías y Construcciones, S.R.L.	Avenida 27 de febrero n°272, Edificio J.P., La Julia, Santo Domingo DN, Dominican Republic	Construction	50.00	-	-	66,090	18,229
				4,280,424			

Additionally, the Company owns 23.44% of the investment in company "Elsamex Road Technology Company LTD", located in China. Said investment was purchased for an amount of 352,243 Euros; at 2013 and 2014 year-end, this is totally written-off.

The detail of the Provision for written-off investments of Group companies at 31 December 2014 and 2013 is the following:

Investee	Euros	
	31-12-14	31-12-13
Elsamex India Private Ltd	9,554	9,554
ESM Mantenimiento Integral de S.A. de CV	19,658	19,658
	29,212	29,212

8.2. Credits to Group companies

The details are as follows:

	Euros	
	2014	2013
Long-term credits to group companies and associate companies	2,209,676	2,209,676

The decrease in the balance is due to the cancellation in 2014 of part of the credit granted to Inteval, amounting to 980,910 Euros, which was partially capitalized in 650,000 Euros and repaid for the remaining amount.

9. Short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the periods 2014 and 2013:

	Euros	
	2014	2013
Customers for sales and provisions of services:		
Customers	12,842,935	14,637,848
Delinquent Customers	845,403	845,403
Impairment of value of credits for commercial operations	(845,403)	(845,403)
	12,842,935	14,637,848
Other financial assets in group companies (Note 19):	5,227,790	5,797,541
Clients, group companies and associate companies (Note 18)	406,038	484,776
Other debtors	378,912	346,448
Other financial assets	1,307,027	3,152,888
Total	20,162,702	24,419,501

During the period, the Company has increased the provision of Delinquent Customers in 373,049 Euros (see Note 16 e).

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 most of them is guaranteed as they are largely Public Bodies, and therefore there is no high 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.

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.

The Company is subject to exchange risk; this risk is mainly focused in the contracting of works through subsidiaries in Latin America and South East Asia, denominated in the local currency of the country.

11 Stock

Financial Year 2014

	Euros			
	31/12/2013	Additions	Withdrawals	31/12/2014
Raw materials and other provisions	187,558	828,968	(874,815)	141,711
Net value	187,558	828,968	(874,815)	141,711

Financial Year 2013

	Euros			
	31/12/2012	Additions	Withdrawals	31/12/2013
Raw materials and other provisions	965,363	6,002,604	(7,155,525)	187,558
Net value	965,363	6,002,604	(7,155,525)	187,558

Inventories located abroad at the end of years 2014 and 2013 were:

Country	Euros	
	31-12-2014	31-12-2013
Dominican R.	99,896	100,606
Colombia	18,355	20,611
Total	118,251	121,217

12 Shareholders' Equity

12.1 Share capital

At the close of period 2014 the Company's share capital amounted to 14,310,555 Euros, represented by 2,862,111 shares of 5 Euros nominal value each, all of the same class, in accordance with the following detail:

	% Participation
Elsamex S.A.	100%
	100%

12.2 Legal reserve

In accordance with the Consolidated Text of the Spanish Corporations Act, an amount equal to 10% of the period's profit must be allocated to the legal reserve until it 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.

12.3. Goodwill Reserves

Pursuant to article 273.4 of the Consolidated Text of the Spanish Corporations Law, in the distribution of the results of each period a restricted reserve consequence of 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, five percent of said goodwill. If there was no profit, or this was insufficient, unrestricted reserves will be used.

In accordance with the paragraph above, an amount of 110,018 Euros was allocated to the Goodwill reserve in 2013 and 2014, against unrestricted reserves.

12.4 Conversion differences

Financial Year 2014

	Euros			
	31/12/2013	Additions	Withdrawals	31/12/2014
Conversion differences	(669,092)	562,696	(2,171,216)	(2,277,612)
Conversion differences	(669,092)	562,696	(2,171,216)	(2,277,612)

Financial Year 2013

	Euros			
	31/12/2012	Additions	Withdrawals	31/12/2013
Conversion differences	(136,713)	-	(532,379)	(669,092)
Conversion differences	(136,713)	-	(532,379)	(669,092)

The conversion differences for periods 2014 and 2013 are brought about integrally by the impact of the inclusion in the Company's balance sheet of balances coming from the inclusion of Company's subsidiaries in Ecuador, Dominican Republic and Colombia.

12.5 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.

In consequence, upon closing of financial year 2014 the Company is in process of dissolution in compliance with Article 36 of the Corporation Law. However, Note 2.4 includes all key aspects with regards to the future business plan expected to be implemented by the Management of the Company in the following financial year as well as the commitment of the Sole Shareholder to rebalance the assets.

13. Provisions

The movement of the provisions of the balance sheet during the year is as follows:

Year 2014

	Euros				31/12/2014
	31/12/2013	Additions	Allocation	Disposals	
Performance related pay	97,836	12,157	(24,500)	(54,287)	31,206
	97,836	12,157	(24,500)	(54,287)	31,206

Year 2013

	Euros		
	31/12/2012	Allocation	31/12/2013
Performance related pay	-	97,836	97,836
	-	97,836	97,836

14. Financial liabilities

The Company's financial liabilities are itemized as follows at close of years 2014 and 2013:

Debit and items payable

	Euros	
	2014	2013
Long-term financial liabilities:		
Debts with credit institutions	-	12,020
Total long-term financial liabilities	-	12,020
Short-term financial liabilities:		
Short-term debts:		
Debts with credit institutions	3,891	290,884
Other financial liabilities	73,077	60,316
	76,968	351,200
Debts with group companies (Note 18):	23,633,635	24,787,308
Trade creditors and other accounts payable:		
Suppliers	4,484,459	3,808,805
Sundry creditors	-	-
Personnel	68,819	144,478
	4,553,278	3,953,283
Advances clients	41,135	41,135
Total short-term financial liabilities	28,263,881	29,124,526

Debts with credit institutions

The detail on debts with credit institutions and their expirations at 2014 year-end is as follows:

Company	Bank liabilities	Currency	Expiration		
			2015	2016	2017
Banesto (Spain)	Bank reconciliations	Euros	2,744	-	-
Bank BHD (Dominican Republic)	Bank reconciliations	Dominican Pesos	1,147	-	-
			3,891	-	-

15. Public Administrations and fiscal situation

The composition of this section of the attached balance sheet at 31st December 2014 and 2013 is as follows:

	Euros			
	2014		2013	
	Balances Debtors	Balances Creditors	Balances Debtors	Balances Creditors
Deferred tax assets	1,607,249	-	1,567,222	-
Long-term balances with Public Administrations	1,607,249	-	1,567,222	-
Public Treasury, debtor for VAT, IGIC, IPSI	763,316	-	763,631	-
Public Treasury, debtor for Corporate Tax	238,458	-	319,975	-
Public Treasury, debtor for other concepts	3,693	-	3,934	-
Public Treasury, creditor for VAT, IGIC	-	97,199	-	94,357
Public Treasury, withholdings Income Tax (IRPF)	133,314	43,682	-	35,742
Public Treasury, creditor for Corporate Tax	-	10,737	-	8,825
Social Security institutions payable	-	18,478	-	14,723
Short-term balances with Public Administrations	1,138,781	170,096	1,087,541	153,287

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 2014 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.

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 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.

Accounting reconciliation and taxable base result

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

Financial Year 2014

	Euros	
	Share Payable	Expense
Earnings before taxes	(834.462)	(250.338)
Permanent differences:		
Expenses/Income non-tax deductible/attributable	(1.501.309)	(450.393)
Expenses/Income from previous years non-deductible/attributable	(320.230)	(96.069)
Temporary differences:		
Decreases	-	-
Taxable base (Tax result)	(2.656.001)	(796.800)
Gross tax accrued (30% of the taxable base)	-	(796.800)
Adjustment Corporate Tax previous year	-	165.244
Deductions	-	-
Corporate tax receivables of Consolidated Group	(802.336)	-
Corporate tax expenses	-	(631.556)

Financial Year 2013

	Euros	
	Share Payable	Expense
Earnings before taxes	(834.462)	(250.338)
Permanent differences:		
Expenses/Income non-tax deductible/attributable	(1.501.309)	(450.393)
Expenses/Income from previous years non-deductible/attributable	(320.230)	(96.069)
Temporary differences:		
Decreases	-	-
Taxable base (Tax result)	(2.656.001)	(796.800)
Gross tax accrued (30% of the taxable base)	-	(796.800)
Adjustment Corporate Tax previous year	-	165.244
Deductions	-	-
Corporate tax receivables of Consolidated Group	(802.336)	-
Corporate tax expenses	-	(631.556)

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.

Temporary differences originating in the year 2008 arise as a result of the different consideration, for accounting and tax purposes, of the expenditure recorded by the Company during the period of technical amortization of the properties and rights of use from financial leases, by application of Royal Decree 4/2004 of 5 March, of Corporate Tax.

Deferred tax assets

The detail of the balance of Assets for deferred tax on profits during periods 2014 and 2013 is as follows:

	Euros	
	Balance at 31-12-2014	Balance at 31-12-2013
Temporary Differences (withholding taxes): Originated in previous years due to application of new General Accounting Plan	79,267	37,357
Tax credits due to negative tax bases	1,527,982	1,529,864
Total deferred tax assets	1,607,249	1,567,221

The movements have been as follows:

	Euros			
	Balance at 31-12-2013	Increase	Decrease	Balance at 31-12-2013
Assets for deferred tax on Profits	1,567,222	41,910	(1,883)	1,607,249

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

At the close of year 2014, the maturity of negative tax bases (capitalized or not capitalized) pending use is as follows:

	Amount	Maturity
Year 2007	4,614,826	Year 2023
Year 2008	24,196	Year 2024
Year 2009	78,857	Year 2025
Year 2011	2,167,467	Year 2027
	6,885,346	

In accordance with current legislation, fiscal losses of a period may be offset, for tax purposes, against the profits of tax periods that end in the immediate 15 following years. However, 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.

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. The Company has periods 2009 to 2012 open to inspection for Corporate Tax and from 2010 to 2014 for other taxes.

At close of period 2014 the Company has not any ongoing inspection. 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.

16. Contingent Liabilities

At 31st December 2014, the Company has been granted several guarantees demanded in order to contract with Public Bodies for an amount of 1,000 Euros in final guarantees.

17. Revenue and expenditure

a) Net turnover amount

The distribution of net turnover for periods 2014 and 2013, by business categories and by geographical markets, is as follows:

Division	Euros	
	2014	2013
Services and sales to third parties	6,918,751	8,930,594
Provision of services to Group companies (Note 18)	677,703	3,221,999
	7,596,454	12,152,593

The distribution of net turnover for periods 2014 and 2013 by geographical markets is as follows:

Geographical markets	Euros	
	2014	2013
Spain	3,022,567	2,272,526
Rest of Europe	310,346	40,582
Dominican Republic	2,647,862	7,835,607
Colombia	110,935	338,660
Ecuador	487,381	433,308
Rest of the world	1,017,273	1,231,910
Total	7,596,364	12,152,593

b) Purchases

The breakdown of this section of the profit and loss account for the accounting period ending on 31st December 2014 and 2013 is as follows:

	Euros	
	2014	2013
Purchase of other materials	1,539,665	3,640,310
Works carried out by other companies	3,465,197	2,062,282
Works carried out by Group companies (Nota 19)	-	443,887
	5,004,862	6,146,479

The breakdown of purchases in years 2014 and 2013 by geographical markets is as follows:

Geographical markets	Euros	
	2014	2013
Spain	589,357	801,292
Rest of Europe	495,931	2,928
Dominican Republic	2,797,965	5,079,588
Colombia	31,102	64,546
Ecuador	234,025	147,459
Rest of the world	856,482	50,666
Total	5,004,862	6,146,479

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account at 31st December 2014 and 2013 is as follows:

	Euros	
	2014	2013
Wages, salaries and similar expenses	922,881	1,106,236
Employer social security costs	180,382	177,962
Provision	-	97,836
Total	1,103,263	1,382,034

The average number of persons employed during accounting periods 2014 and 2013, broken down into categories, is as follows:

Categories	2014	2013
Management	2	3
Technical personnel and middle management	14	40
Administration personnel	7	23
Unqualified personnel	10	21
Total	33	87

Among which, the following are employed by Company branches abroad:

Categories	2014	2013
Management	0	3
Technical personnel and middle management	6	31
Administration personnel	6	21
Unqualified personnel	10	21
Total	22	76

In accordance with the requirements of Art. 260.9 of the Capital Corporation 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 2014 and 2013:

Categories	2014		2013	
	Men	Women	Men	Women
Senior Management	2	0	2	1
Technical personnel and middle management	7	7	28	8
Administration personnel	2	5	14	9
Unqualified personnel	10	0	19	2
Total	21	12	63	20

Among which, the following are employed by Company branches abroad:

Categories	2014		2013	
	Men	Women	Men	Women
Senior Management	0	0	2	1
Technical personnel and middle management	4	2	23	4
Administration personnel	2	4	13	8
Unqualified personnel	10	0	19	2
Total	16	6	57	15

e) Other operating expenses

The detail for this section of the attached profit and loss account for accounting periods 2014 and 2013 is as follows:

	Euros	
	2014	2013
Leases and royalties	59,200	356,143
Repairs and maintenance	22,458	131,824
Independent professional services	280,751	267,415
Transport	224,197	375,216
Insurance premiums	30,949	84,956
Bank services and other similar	13,002	16,444
Publicity, advertising and public relations	2,396	630
Supplies	6,518	6,832
Other services	596,864	1,517,685
Other taxes	6,723	11,928
Losses, degradation and supplies variation (see Note 9.2).	-	1,633,049
Other current management expenses	14,801	16,100
	1,257,859	4,418,222

In the heading "Losses, impairment and change in allowances" of the profit and loss account, the Company has recognized losses for impairment in 2014 amounting to 373,049 Euros, representing an increase in the provision for impairment of credit for commercial operations, see Note 9. Additionally, the same heading of the attached profit and loss account has registered losses from non-recoverable bad debts amounting to 1,260,000 Euros, representing a decrease in customers account for the same amount.

During periods 2014 and 2013, 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	
	2014	2013
Auditing Services	-	12,000
Total professional services	-	12,000

During 2014, 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	12,196
Total professional services	12,196

18. 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 31st December 2014 and 2013 in the financial statements.

19. Operations with related parties

19.1 Balances and transactions with group companies

The detail of the balances and transactions made during accounting periods 2014 and 2013 between the Company and Elsamex Group companies is as follows:

Financial Year 2014:

2014	Euros							
	Accounts receivable		Accounts payable		Income	Expenditure	Interests Group	
	For services rendered	Credits	For services rendered	Loans	Services provided	Services received	Expenditure	Income
Ciesm-Intevia S.A.	-	-	-	-	-	-	-	-
Inteval Gestao Integral Rodoviaria, S.A.	-	40,017	-	126,228	31	142,759	119,674	-
Grusamar Albania SHPK	-	1,000	13,604	-	-	14,570	-	-
Elsamex sucursal Dominicana S.L.	25,543	-	-	-	10,575	-	-	-
Elsamex India Privated LTD	131,481	105,921	-	-	125,224	-	-	-
Elsamex Portugal Engenharia e Sistemas de Gestao	143,795	-	-	-	154,189	-	-	-
Elsamex Abu Dhabi	-	-	14,570	-	9,653	-	-	-
Elsamex Colombia	-	-	-	366,234	-	-	-	-
Yala Construcion CO. Private Ltd. (India)	201,154	153,138	-	-	-	-	-	-
ESM Mantenimiento Integral de S.A. de CV	-	-	-	254,331	106,584	-	-	-
Mantenimiento y Conservacion de Viales S.A. de CV	-	105	-	-	6,110	-	-	-
Control 7,S.A	-	-	-	13,883	-	-	13,883	-
Elsamex, S.A.	-	-	-	19,994,781	3,1185,336	1,429,532	1,032,930	-
Señalización de viales e Imagen, S.A.U.	-	23,293	-	-	-	-	-	1,068
Atenea Seguridad y Medio Ambiente, SA,	-	6,000	-	-	-	-	-	6,000
Grusamar Ingeniería y Consulting, S.L.	-	107,005	-	-	-	-	-	80,020
Grusamar Colombia	-	-	-	488,462	-	-	-	-
Honduras	-	126,042	-	-	-	-	-	-
Haiti(Elsamex Consolidado)	-	271,483	-	-	-	-	-	-
Consorcio Ecuador	-	6,886	-	-	-	-	-	-
Ciesm-Intevia Dominicana	-	1,442,292	-	2,389,717	-	-	-	-
Viacon consol.Dominicana	-	678,569	-	-	-	-	-	-
Conciviles consol.Dominicana	-	2,266,022	-	-	-	-	-	-
Elsamex Ecuador	-	16	-	-	-	-	-	-
TOTAL	501,973	5,227,790	28,173	23,633,635	3,527,703	1,586,860	1,166,487	87,088

Financial Year 2013:

	Euros							
	Accounts receivable		Accounts payable		Income	Expenditure	Interests Group	
	For services rendered	Credits	For services rendered	Loans	Services provided	Services received	Expenditure	Income
Ciesm-Intevia S.A.	-	-	-	4,462,649	-	180,504	138,165	-
Inteval Gestao Integral Rodoviaria, S.A.	-	40,017	-	-	(649)	-	-	-
Grusamar Albania SHPK	-	1,000	13,604	-	-	-	-	-
Elsamex India Privated LTD	90,874	105,921	-	-	-	-	-	-
Elsamex Portugal Engenharia e Sistemas de Gestao	192,748	-	-	-	426,128	-	-	35,000
Yala Construcion CO. Private Ltd. (India)	201,154	153,138	-	-	-	-	-	-
ESM Mantenimiento Integral de S.A. de CV	-	-	-	254,331	178,092	-	-	-
Mantenimiento y Conservacion de Viales S.A. de CV	-	105	-	-	30,643	-	-	-
Control 7,S.A	-	-	-	352,943	-	-	17,492	-
Elsamex S.A.	-	249,022	-	19,717,386	137,653	1,326,535	867,850	-
Señalización de viales e Imagen, S.A.U.	-	22,225	-	-	-	-	-	1,120
Atenea Seguridad y Medio Ambiente, SA,	-	152,609	-	-	350,000	-	-	9,112
Grusamar Ingeniería y Consulting, S.L.	-	1,551,766	-	-	2,100,132	-	8,239	-
Elsamex S.A Sucursal Honduras	-	307,787	-	-	-	-	-	-
Consortio Ecuador	-	40,178	-	-	-	-	-	-
Ciesm-Intevia Dominicana	-	1,716,328	-	-	-	-	-	-
Viacon consol.Dominicana	-	1,358,325	-	-	-	-	-	-
Conciviles consol.Dominicana	-	99,122	-	-	-	-	-	-
TOTAL	484,776	5,797,541	13,604	24,787,308	3,221,999	1,507,039	1,031,745	45,233

The Company has included in its accounts throughout period 2013 the amount of 607,118 Euros for structure expenses allocated by the parent company.

19.2 Remuneration to the Board of Directors and Senior Management

During periods 2014 and 2013, 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.

There is no senior management in the Company. The managers of the Group, Elsamex, carry out the management of this Company. Elsamex, S.A. invoiced to the Company in period 2014 a total amount of 385,500 Euro for direction and administration services (423,027 Euro in period 2012).

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

Pursuant to Article 229.2 and 3 of the Spanish Corporate Law, in order to reinforce corporate transparency, it is informed that at the close of accounting periods 2014 and 2013 the members of the Board of Directors of Elsamex Internacional, S.L.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, except for those activities which the company may carry out in other Group companies.

20. Payments to suppliers

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 CLOSE DATE OF THE BALANCE SHEET			
	2014		2013	
	Amount	% (a)	Amount	%
Within the maximum legal term (b)	449,200	38.30%	423,358	38.30%
Rest	1,442,072	61.70%	682,140	61.70%
Total payments of the year	1,891,272		1,105,498	
PMPE (days) of payments	108		137	
Postponements that at closing date exceed the maximum legal term	370,069		95,514	

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.

21. Other information

The Company has the normal litigations inherent to its activities. The Legal Advisor claims they are difficult to estimate, although the Directors consider that, in case these litigations materialized, they would not affect considerably the Financial Statements, taken as a whole.

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.

Elsamex Internacional S.L.U.

Management Report for the
financial year ending on

31 December 2014

Sales figures for year 2014 are as follows:

* With Joint Ventures and Subsidiaries 12.2 million Euros

By sectors, 57% of sales correspond to Roads; 21% correspond to Hydraulic Works; 16% to Chemical and Oil works; and the other 6% to infrastructures and buildings.

Sales by activity during the year: 62% in Construction; 18% in Sale of Products and Technology Transfer; 16% in Infrastructure Maintenance; and 4% in Engineering and Consulting.

The work portfolio for the coming years stands at 26.9 million Euro. Said portfolio is divided in: 23.2 million Euros in Dominican Republic; 2.3 million Euros in Colombia and Ecuador; and 1.4 million Euros in Mexico.

International expansion has continued; there is large potential in Mexico, Abu Dhabi, Colombia, Ecuador, Peru, Angola, Mozambique and Balkans.

To summarize, the aforementioned suggests that the results of this year could be well improved in 2014.

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 2014.

Activities concerning research and development

The Company does not carry out any research and development activities.

Operations with Company shares

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

Company use of financial instruments

The management of the financial risks of the Group is centralized in the Financial Direction, 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 have an impact on the Group 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 high credit risk with third parties.

b) Liquidity risk:

In order to guarantee liquidity and to be able to fulfil all the payment commitments resulting 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 of the attached Notes.

c) Market risk:

Both the Treasury and the financial debt 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 follows the policy of investing in financial assets that are practically not exposed to interest rate risks and uses derivative financial instruments to cover the risks to which its activities, operations and future cash flows are exposed. On the other hand, the financial instruments used have been chosen for the solidity of their financial worth and the issuing institutions.

PROCEDURE FOR PREPARATION OF FINANCIAL STATEMENTS AND MANAGEMENT REPORT

In compliance with the provisions established in the Corporations Act, the Board of Directors of Elsamex Internacional, S.L.U. prepared on March 31st 2015 the Financial Statements and Management Report for period 2014, in 37 pages. These Financial Statements will be submitted for the approval of the Sole Shareholder.

Fernando Jaime Bardisa Jordá

Ramchand Karunakaran

Mukund Sapre

George Cherian

José Luis González Romero