

Elsamex, S.A.

Financial statements for the
year ending on
31 December 2015
and Management Report, along with the
Independent Auditor's Report

INDEPENDENT AUDIT REPORT OF FINANCIAL STATEMENTS

To the Shareholders of ELSAMEX, S.A.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the Financial Statements of the Company ELSAMEX, S.A., which include the balance sheet as of 31 December 2015, the profit and loss account, the statement of changes in Equity, the cash flow statement and the notes of the financial statements at year then ended on that 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, S.A., in compliance with the Regulatory Financial Information Framework 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 auditing standards 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.



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Opinion

In our opinion, the attached financial statements faithfully express, in all significant aspects, the assets, the financial status of the Company ELSAMEX, S.A. as of 31 December 2015, as well as its profit and loss account and cash flows corresponding to the financial year ending on that date, in compliance with the Financial Regulatory Framework applicable to the Company and, in particular, with the accounting principles and criteria therein.

Highlighted paragraphs

Regardless of our audit opinion, we draw attention to the terms of Notes 9.1 and 16 of the attached notes, regarding the existence of several disputes in favour of and against the Company and of which outcome we are unsure.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The attached management report of financial year 2015 includes the explanations that the Directors of the Company consider appropriate regarding the situation of the Company ELSAMEX S.A., 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 2015. 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 S.A.



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Caballero Auditores, S.L.
Chartered Accountants
S-2265

Ángel Caballero
Miembro nº 4.925

Ángel Caballero Antón
Membership no: 17601
Date: May 10th, 2016



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ELSAMEX, S.A.

Balance Sheet as at 31 December 2015

(Euros)

ASSET	Notes of the Report	Period 2015	Period 2014	LIABILITIES	Notes of the Report	Period 2015	Period 2014
NON-CURRENT ASSETS		108.716.593	78.811.107	NET EQUITY	Note 12	64.159.120	58.881.933
Intangible assets	Note 5	3.619.693	3.960.978	OWN FUNDS-		64.444.323	58.225.808
Research		751.090	1.028.228	Capital		20.264.625	20.264.625
Concessions		2.646.010	2.686.824	Structured Capital		20.264.625	20.264.625
Computer software		222.593	245.926	Issuance Premium		26.866.454	26.866.454
Property, plant and equipment	Note 6	29.321.328	7.914.311	Reserves		11.044.314	7.227.017
Land and buildings		12.240.114	1.302.445	Legal and Statutory		2.529.001	2.142.230
Technical installations and other tangible fixed assets		8.606.365	3.412.804	Other reserves		8.515.312	5.084.787
Fixed assets in progress and advances		8.474.849	3.199.062	Result of the period		6.268.929	3.867.712
Long-term investments with Group companies and associates:	Note 8	52.539.113	40.510.233	ADJUSTMENTS FOR CHANGE IN VALUE-		(285.202)	656.125
Equity instruments		34.208.141	29.679.262	Conversion differences	Note 12.4	(285.202)	656.125
Credits to businesses		18.330.971	10.830.971	NON-CURRENT LIABILITIES		90.227.193	70.879.227
Long-term financial investments	Note 9.1	20.368.604	23.261.960	Long-term debts	Note 14	52.796.037	58.023.899
Credits to third parties		517.162	517.162	Debts with credit institutions		36.207.906	51.411.883
Other financial assets		19.851.441	22.744.798	Financial leasing creditors	Note 7	1.849.638	811.910
Deferred tax assets	Note 15	2.867.856	3.163.625	Other financial liabilities		128.904	7.750
				Advances Clients	Note 14.2	14.609.589	5.792.356
				Long-term debts with Group companies and associates	Notes 14 and 20	35.525.647	10.750.000
				Deferred tax liabilities	Note 15	1.690.506	1.883.924
				Long-term accruals		215.002	221.404
CURRENT ASSETS		101.364.082	104.587.902			55.694.362	53.637.849
Stocks	Note 11	3.390.904	1.091.717	CURRENT LIABILITIES			
Raw materials and other provisions		1.328.346	951.875	Short-term provisions	Note 13	528.036	916.464
Advances to suppliers		2.062.558	139.842	Short-term debts	Note 14.1	16.554.083	16.955.399
Trade debtors and other accounts receivable		52.062.667	53.595.574	Debts with credit institutions		14.424.623	15.661.975
Customers for sales and provisions of services:	Note 9.2	47.115.696	47.092.645	Financial leasing creditors	Note 7	833.279	487.211
Customers, Group companies and associates	Note 19	1.510.336	567.693	Other financial liabilities		1.296.181	806.213
Sundry debtors	Note 9.2	685.019	4.011.946	Short-term debts with Group companies and associates	Note 19	1.031.985	1.086.324
Staff	Note 9.2	288.970	140.722	Trade creditors and other accounts payable	Note 14	37.350.189	33.992.348
Credits with the Public Authorities	Note 15	2.462.646	1.782.568	Suppliers		27.213.264	23.440.118
Short-term investments with Group companies and associates	Note 19	26.793.305	35.092.398	Suppliers, Group companies and associates		1.278.939	2.185.236
Other financial assets		26.793.305	35.092.398	Staff		355.713	126.584
Short-term financial investments	Note 9.2	10.466.403	8.834.271	Debts with the Public Authorities	Note 15	3.551.667	3.898.050
Other financial assets		10.466.403	8.834.271	Advances Clients	Note 14.2	4.950.606	4.342.360
Short-term accruals		1.977.210	997.413	Short-term accruals		230.069	687.314
Cash and other equivalent liquid assets		6.673.594	4.976.529			210.080.675	183.399.009
Treasury		6.673.594	4.976.529	TOTAL NET EQUITY AND LIABILITIES		210.080.675	183.399.009
TOTAL ASSETS		210.080.675	183.399.009				

Notes 1 to 24 in the Notes document attached are an integral part of the balance sheet as of 31 December 2015.

ELSAMEX, S.A.

PROFIT AND LOSS ACCOUNT FOR FINANCIAL YEAR 2015

(Euros)

	Notes of the Report	Period 2015	Period 2014
CONTINUED OPERATIONS			
Turnover net amount-	Note 17 a)	86.997.274	85.018.498
Services rendered		86.997.274	85.018.498
Works carried out by the company for assets	Note 6	10.319.655	1.684.335
Supplies-	Note 17 b)	(43.417.262)	(34.759.983)
Use of raw materials and other usable materials		(16.092.051)	(11.061.714)
Works carried out by other companies		(27.325.211)	(23.698.269)
Other operating expenses-		848.019	708.900
Accessory income and other current management income		826.639	702.025
Operating subsidies incorporated to the result of the financial year		21.380	6.875
Staff expenditure-	Note 17 c)	(29.410.251)	(25.833.029)
Wages, salaries and similar expenses		(23.135.426)	(20.695.434)
Social payments		(6.274.825)	(5.137.595)
Other operating expenses-	Note 17 d)	(15.876.461)	(20.586.929)
External services		(15.386.673)	(19.628.140)
Taxes		(472.652)	(579.774)
Losses, degradation and supplies variation for commercial operations	Note 9.2	(13.155)	(358.613)
Other current management expenses		(3.980)	(20.402)
Amortisation fixed assets	Notes 5 & 6	(1.740.246)	(1.932.952)
Impairment and result due to disposal of fixed assets-		(31.166)	231.861
Results due to disposal and others	Note 6	(31.166)	231.861
Other results		(163.551)	802.297
OPERATION RESULTS:		7.526.011	5.332.998
Financial Income-		3.277.560	3.201.133
Due to participation in equity instruments-		2.065.659	378.148
- In Group companies and associates	Note 19	2.011.482	378.148
- In third parties		54.176	-
From securities and other financial instruments-		1.211.901	2.822.985
- In Group companies and associates	Note 19	561.090	2.575.143
- In third parties		650.811	247.842
Financial expenditure-		(4.750.385)	(4.043.842)
- For debts with Group companies and associates	Notes 14 & 19	(835.854)	(577.031)
Due to debts with third parties	Note 14	(3.914.532)	(3.466.811)
Variation of fair value of financial instruments (+/-)-		954	-
Business portfolio and others		954	-
Exchange differences		1.359.609	372.153
FINANCIAL RESULT		(112.263)	(470.556)
RESULTS BEFORE TAX		7.413.748	4.862.442
Tax on Profits	Note 15	(1.144.819)	(994.730)
FINANCIAL YEAR RESULTS FROM CONTINUING OPERATIONS		6.268.929	3.867.712
RESULTS OF THE PERIOD		6.268.929	3.867.712

Notes 1 to 24 in the Notes document attached are an integral part of the profit and loss account for financial year 2015.

ELSAMEX, S.A.

STATE OF THE CHANGES IN THE NET EQUITY FOR FINANCIAL YEAR 2015

A) STATE OF RECOGNISED INCOME AND EXPENSES

(Euros)

	Notes of the Report	Period 2015	Period 2014
BALANCE OF THE PROFIT AND LOSS ACCOUNT (I)		6.268.929	3.867.712
Income and expenses directly allocated to the net assets			
- Due to cash flow hedge		-	20.242
- Conversion differences	Note 12.4	(941.327)	182.275
- Tax effect		-	(6.072)
TOTAL INCOME AND EXPENSES DIRECTLY ALLOCATED TO THE NET ASSETS (II)		(941.327)	196.445
Income and expenses directly allocated to the result			
- Due to cash flow hedge		-	26.160
- Tax effect		-	(7.848)
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	18.312
TOTAL RECOGNISED INCOME AND EXPENSES (I+II+III)		5.327.602	4.082.469

Notes 1 to 24 in the Notes document attached are an integral part of the recognised profit and loss for financial year 2015.

ELSAMEX, S.A.

STATE OF THE CHANGES IN THE NET EQUITY FOR FINANCIAL YEAR 2015

B) TOTAL STATE OF CHANGES IN THE NET ASSETS

(Euros)

	Capital	Issuance premium	Reserves	Final result for the year	Adjustments due to changes in value	TOTAL
FINAL BALANCE FOR FINANCIAL YEAR 2013	20.264.625	26.866.454	5.852.291	3.907.804	441.368	57.332.542
Adjustments due to change of criteria	-	-	-	-	-	-
ADJUSTED INITIAL BALANCE FOR FINANCIAL YEAR 2014	20.264.625	26.866.454	5.852.291	3.907.804	441.368	57.332.542
Total recognised income and expenses	-	-	-	3.867.712	214.757	4.082.469
Application of result from previous financial year	-	-	1.374.726	(1.374.726)	-	-
Dividend distribution	-	-	-	(2.533.078)	-	(2.533.078)
FINAL BALANCE FOR FINANCIAL YEAR 2014	20.264.625	26.866.454	7.227.017	3.867.712	656.125	58.881.933
Adjustments due to change of criteria	-	-	-	-	-	-
ADJUSTED INITIAL BALANCE FOR FINANCIAL YEAR 2015	20.264.625	26.866.454	7.227.017	3.867.712	656.125	58.881.933
Total recognised income and expenses	-	-	-	6.268.929	(941.326)	5.327.603
Application of result from previous financial year	-	-	3.867.712	(3.867.712)	-	-
Other changes in net assets	-	-	(50.416)	-	-	(50.416)
FINAL BALANCE FOR FINANCIAL YEAR 2015	20.264.625	26.866.454	11.044.313	6.268.929	(285.201)	64.159.120

Notes 1 to 24 in the Notes document attached are an integral part of the total state of changes in the net assets of financial year 2015.

ELSAMEX S.A.

STATE OF CASH FLOWS FOR FINANCIAL YEAR 2015

(Euros)

	Notes of the Report	Period 2015	Period 2014
CASH FLOWS OF OPERATION ACTIVITIES (I)		10.356.930	14.400.506
Balance of the financial year before tax		7.413.749	4.862.442
Balance adjustments:		135.215	2.562.742
- Amortisation of fixed assets	Notes 5 & 6	1.740.246	1.932.952
- Value adjustments due to impairment	Note 9	13.155	358.613
- Results due to write-offs and disposition of fixed assets	Note 6	31.166	(231.861)
- Financial income		(3.277.560)	(3.201.133)
- Financial expenditure	Note 14	4.750.385	4.043.842
- Exchange differences		(1.359.610)	(372.153)
- Variation of fair value of financial instruments (+/-)		(954)	
- Other income and expenses		(1.761.614)	32.482
Changes in working capital		(2.982.570)	7.907.581
- Stocks		(2.299.187)	1.354.991
- Debtors and other accounts receivable		1.519.752	593.359
- Other current assets		(3.680.705)	10.036.655
- Creditors and other accounts payable		2.573.477	(9.130.459)
- Other current liabilities		(845.672)	132.097
- Other non-current assets and liabilities		(250.234)	4.920.938
Other cash flows of operation activities		5.790.535	(932.260)
- Payment of interest		(4.750.385)	(3.671.689)
- Dividend collections		-	378.148
- Interest collections		2.277.560	2.822.985
- Collections (payments) due to tax on profit		(360.455)	(461.704)
- Other collections (payments)		8.623.816	-
CASH FLOWS OF INVESTMENT ACTIVITIES (II)		(20.294.372)	(21.127.341)
Payments due to investments		(22.834.857)	(21.503.056)
- Group and partner companies		(28.880)	418
- Intangible assets	Note 5	(513.925)	(185.465)
- Tangible fixed assets	Note 6	(22.292.053)	(2.240.542)
- Other financial assets		-	(19.077.466)
Collections due to divestments		2.540.486	375.715
- Tangible fixed assets	Note 6	-	375.715
- Other investments		2.244.716	-
- Otros assets		295.769	-
CASH FLOWS OF FINANCING ACTIVITIES (III)		10.274.897	6.580.994
Collections and payments due to financial liability instruments		10.274.897	9.114.072
- Debt issuance with credit institutions	Note 14	8.689.500	8.913.912
- Debt issuance with group and partner companies		35.525.647	8.190.000
- Repayment and amortisation of debts with credit institutions	Note 14	(23.135.911)	(7.593.652)
- Repayment and amortisation of debts with group and partner companies		(10.804.339)	-
- Debts with special characteristics		-	(396.188)
Payments due to dividends and remunerations of other asset instruments		-	(2.533.078)
- Dividends		-	(2.533.078)
EFFECT OF THE CHANGES IN EXCHANGE RATES (IV)		1.359.610	182.275
NET INCREASE/DECREASE OF THE CASH OR EQUIVALENT (I+II+III+IV)		1.697.065	36.434
Cash and cash equivalents at the beginning of the financial year		4.976.529	4.940.095
Cash and cash equivalents at the end of the financial year		6.673.594	4.976.529

Notes 1 to 24 in the Notes document attached are an integral part of the cash flows of financial year 2015.

Elsamex, S.A.

Notes for the
year ending
31 December 2015

1. Incorporation and activity

Incorporation

Elsamex, S.A. (hereinafter, the Company), was incorporated as a public limited company for an indefinite time on the 9th of December 1977. Its corporate offices are in calle San Severo 18, Madrid, Spain. Its Spanish national tax identification number is A-28504728.

Corporate Purpose

The purpose of the Company is:

- a. Drafting of projects, quality control and technical management of all types of public and private works, either industrial, agricultural, civil engineering, railways or highways.
- 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. The purchase, sale and hiring of construction or works materials, vehicles and equipment.
- d. The subscription, acquisition, holding and transfer of stocks and shares in the assets of companies of all types, whether civil or commercial and, all this on their own behalf and excluding activities regulated by the Law of Collective Investment and Security Market Institutions.
- e. The provision of administrative services, such as auxiliary services for administrative, filing or similar works, debt collection services, meter reading, organizing and promotion of congresses, tradeshows and exhibitions, specialized sterilization, disinfection, and rodent and insect extermination services, surveillance and management of security facilities, prevention of forest fires, and species protection services; qualified artistic restoration services; real estate property preservation and restoration services, maintenance of water treatment plants; equipment and installation maintenance and repair services, including electric, electronic, plumbing, water and gas pipelines, heating and air-conditioning systems, electro medicine, surveillance and fire fighting systems, office equipment and machinery, elevation and horizontal travelling equipment; machinery maintenance and repair services; installation, in general, of all types; Transport Services, waste and refuse material treatment services; Content management services, including especially advertising services, radio, television and news agency; General housekeeping, laundry, dry cleaning, storage and travel agency services; Information technology and communication services and telecommunications services; excluding all activities subject to especial Legal requirements not met 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.

- f. The execution, in general, of any type of construction project, as well as of any type of public works, agricultural, livestock, forestry and industrial projects, execution of housing developments and their maintenance, 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 their execution.
- 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. Carrying out surveys and gathering data; caretaker services, control of access and information to the public; collection of luggage trolleys in airports and stations; maintenance of urban furniture; transport services by whatever means for people and goods.
- i. The construction, improvement, repair, conservation, extension, remodelling and maintenance works of all types, public or private, and the administration and operation of concessions which have the same objectives. Tendering for concession contracts for public works or for management of public services or, generally, for those on which their financing is charged, or must be managed by the bidders themselves, whatever the method adopted, with public or private financing.
- j. Social, cultural and labour promotion of persons with any type of disability, services for senior citizens and for persons with social assistance needs, all through the provision of assistance, education and advice services, in particular amongst others: management and operation of geriatric homes, domestic support services, management and operation of day centres, management and operation of homes for senior citizens and the elderly, sheltered accommodation, management and operation of children's homes.
- k. Operation of Service Stations, sale of fuels, operation of hotels, restaurants, cafeterias and shops; operation of mechanical workshops and vehicle washing services; operation of all types of renewable and non-renewable energy generator installations; operation of public car parks; manufacture and installation of corporate image signage of all types; supply of materials, installation and provision of services related to energy saving and efficiency; operation of waste treatment installations of all types; maintenance of all the elements pertaining to corporate objective activities.
- l. The implementation of all kinds of real estate activities such as promotion, construction, building, subdivision of land, restoration, sale and purchasing of urban and rustic properties, pieces of land, sites, plots, buildings, dwellings and premises.
- m. Management, renting, safe-keeping, sale management, exploitation and valuation of all kinds of real estate, made on its own or by third parties.
- n. Rendering of all kinds of services directly or indirectly related to the activities developed by the company.
- o. Rendering of all kinds of services to third parties, individuals or legal entities, including commercial management services, assessment of working risks, quality, safety and public relations.
- p. Maintenance and preservation of offices or industrial buildings and any other premises aimed to different activities, trade, exhibition, palaces, residences, gardens, and any other place that can be maintained.
- q. Replacement and remodelling of façades, roofs, general works, usual or unusual, water, electricity and gas conduction, individual and collective antennae, drain pipes, all kind of cables, even optical fibre, maintenance and management of different production plants, filtering, composting and any other place which needs maintenance.
- r. Superintendent services, controllers, messenger services, drivers, stewardess, promoters, telephonists, receptionists, repairer, merchandising, cleaners and any other services that may be needed.
- s. Design, manufacture, maintenance and sale of corporation image elements, signalling, defence and urban furniture.

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

The activities comprising the objective expressed may be developed totally or partially in an indirect manner by means of holding stocks or shares in other companies that have an identical or analogous objective.

For the operation of administrative Concessions awarded to Elsamex, S.A., by itself or in consortium, Elsamex, S.A. operates through Uniones Temporales de Empresas (U.T.E. Joint Ventures, see note 8.3) or vehicle companies (see Note 8.1). Elsamex, S.A. is the owner or co-owner of the following administrative concessions:

Company/ % participation	Activity	Date of Concession	Term of Concession
<u>Elsamex S.A.:</u>			
Abedul Villavidel U.T.E. (25%)	Service Station Maintenance	07-06-2001	44 years
Abedul Orihuela U.T.E. (25%)	Service Station Maintenance	09-04-2001	29 years
Abedul Zamora U.T.E. (25%)	Service Station Maintenance	06-05-2002	46 years
Abedul Ponferrada U.T.E. (25%)	Service Station Maintenance	11-03-2004	46 years
Área de Servicio Coiros, S.L.U. (100%)	Service Station Maintenance	08-03-2004	39 years
Área de Servicio Punta Umbría, S.L.U. (100%)	Service Station Maintenance	18-11-2010	30 years
Alcantarilla Fotovoltaica, S.L.U. (100%)	Operation of photovoltaic technology electricity generation systems	11-11-2010	25 years
Beasolarta, S.L.U. (100%)	Operation of photovoltaic technology electricity generation systems	26-02-2013	25 years
Sociedad Concesionaria Autovía A-4 Madrid S.A. (48.75%)	Highway operation	15-11-2007	19 years

The Company is head of a group of dependent entities and in accordance with prevailing legislation, is required to prepare consolidated accounts separately. The consolidated financial statements of Elsamex Group for period 2015 have been prepared by the Directors in the meeting of the Board of Directors held on 16 March 2016. The consolidated financial statements for period 2014 were approved at the General Shareholders' Meeting of Elsamex, S.A., held on 30 June 2015, 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.

As at March 31, 2014, the Company proceeded to extend its corporate purpose by adding to the activities detailed above the management and administration of securities representing the equity of entities not residing in the Spanish territory through the relevant management of material and human resources. Upon expanding its corporate purpose and applying the provisions of the Legislative Royal Decree 4/2004, March 5, which passes the Consolidated Text of the Corporate Income Tax Act, the Company has resolved to apply the "Special Regime for Entities Holding Foreign Securities" (hereinafter "ETVES") provided for in chapter XIV of Title VII of the Corporate Income Tax Act. In particular, the Company proceeded to adopt such regime on the 1st day of August 2014. As a consequence of the Tax Reform performed on the Corporate Income Tax, the said laws are now contained in chapter XIII of Title VII of the governing Corporate Income Tax Act 27/2014, November 27

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 ulterior amendments, and sector adaptations, and in particular, Sector Adaptation of the General Accounting Plan for public infrastructure concessionaire companies, approved by Order EHA/3362/2010 of 23 December.
- 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 abridged annual accounts have been obtained from the Company's accounts registers and are presented in accordance with the applicable financial information framework (see Note 2.1), and in particular the principles and criteria therein contained, so as to show a true view of the assets, the financial situation, the Company Balance Sheet and the cash flows during the corresponding period. These annual accounts, which have been prepared by the Company Directors, are to be submitted for the approval of the General Ordinary Shareholders' Board, and are expected to be approved without any amendment.

In compliance with the Decision made by the ICAC (Accounting and Account Auditing Institute) on 18 October 2013 on the financial information framework when the company in operation status is not adequate, the companies in such situation shall adjust the report template to the contents set in the general framework of financial information. However, the cases in which the information requested is not significant given the "liquidation" scenario of the company, the information at issue shall not be included.

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 useful life of property, plant and equipment and intangible assets (see Notes 4.1 and 4.2).
- The evaluation of possible losses by impairment of certain assets (see Notes 4.1, 4.2, 4.3, 4.4 and 4.5).
- The calculation of supplies (see Note 4.12).
- The calculation of executed works pending invoicing and works certified in advance (see Note 4.11).
- Recoverability of the assets due to deferred tax (see Note 15).

Although these estimates were made on the basis of the best information available at 2015 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 2014 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 2015 no changes in accounting principles have arisen with regards to the principles applied in the accounting period 2014.

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 distribution of the profits of the period prepared by the Company's Directors and to be submitted for the approval of the General Shareholders' Board is the following:

	Euros
Distribution basis:	
Profit and loss (Profit)	6,268,929
	6,268,929
Distribution:	
To legal reserve	626,893
To voluntary reserves	5,642,036
	6,268,929

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 12).

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 unrestrict reserves, if:

- The provisions established by Law or by the by-laws are fulfilled.
- 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 case of company liquidation, the application of the results shall adjust to the regulations applicable to the liquidations and division of the company's assets with regards to the legal ban to distributions to the partners before satisfying the payments to the creditors.

4. Accounting standards and measurement bases

The main accounting policies and measurement bases used by the Company in preparation of their financial statements, in accordance with those set out by the General Accounting Plan, the applicable tax legislation, registry and evaluation standards approved by the ICAC and other current legislation by which the rules for the preparation of consolidated financial statements were approved, were the following:

4.1 Intangible assets

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

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

a) Research and development expenditure:

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

- They are specifically itemised by project and the related costs can be clearly identified.
- There are sound reasons to foresee the technical success and economic and commercial profitability of the related projects.

The assets thus generated are amortized linearly over their years of useful life (over a maximum period of 5 years).. From the finalisation of its development, the fixed assets in progress are not amortised.

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

The Company evaluates, at each balance sheet date, whether there is any indication of impairment in the value of any asset. Should such an indication exist, or when an annual impairment test is required, the Company estimates the recoverable amount of the assets, which is the greater of the fair value of an asset less costs to sell and its value in use. In order to determine the value in use of an asset, the future cash inflow that the asset is expected to generate is discounted from its present value using an interest rate that reflects the current value of money at long term rates and the specific risks of the assets.

In the event that the asset analysed does not generate cash flow independently of other assets, the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets separated from other assets or groups of assets) is estimated. If a cash-generating unit has impairment losses, the carrying amount of the goodwill assigned, if any, will be reduced, followed by a proportional reduction of the carrying amount of the other assets in relation to the unit.

b) Concessions:

The costs incurred in order to obtain the concession for the service stations are amortized linearly in the concession period (see note 1). If circumstances of non-fulfilment of conditions were to occur that might cause a loss of the rights derived from this concession, the value entered for the same will be made whole in its entirety with the aim of cancelling its accountable net book value.

c) Industrial property:

In this account appropriate amounts are entered for the acquisition of property or the right of use of the different manifestations of the same, or for the costs incurred through purposes of registration of that developed by the Company.

d) IT applications:

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.

The Company evaluates, at each balance sheet date, whether there is any indication of impairment in the value of any asset. Should such an indication exist, or when an annual impairment test is required (in the case of goodwill), the Company estimates the recoverable amount of the assets, which is the greater of the fair value of an asset less costs to sell and its value in use. In order to determine the value in use of an asset, the future cash inflow that the asset is expected to generate is discounted from its present value using an interest rate that reflects the current value of money at long term rates and the specific risks of the assets.

In the event that the asset analysed does not generate cash flow independently of other assets (as is the case of goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets separated from other assets or groups of assets) is estimated. If a cash-generating unit has impairment losses, the carrying amount of the goodwill assigned, if any, will be reduced, followed by a proportional reduction of the carrying amount of the other assets in relation to the unit.

Impairment losses (surplus of the asset's carrying amount over the recoverable amount) are recognised in the income statement for the year.

With the exception of the goodwill, which impairment losses are irreversible, the company, in case that losses due to asset impairment have been recognised in previous financial years, shall assess upon closure of the financial year if there are signs indicating that said losses have decreased or disappeared and, where applicable, shall assess the recoverable value of the impaired asset.

An impairment loss recognised in previous financial years shall only be reversed if the estimations used to determine the recoverable amount of the asset have changed from the last recognised impairment loss. In this case, the book value of the asset shall increase up to its recoverable value and not exceeding the book value that would have been registered, net of amortisation, if the impairment loss of this asset had not been recognised in previous years. This reversion shall be registered in the profit and loss account of the financial year.

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
Construction	2-7
Machinery	12
Other installations, tools and furniture	10-15
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 Impairment of value of assets

The Company evaluates, at each balance sheet date, whether there is any indication of impairment in the value of any asset. Should such an indication exist, or when an annual impairment test is required (in the case of goodwill), the Company estimates the recoverable amount of the assets, which is the greater of the fair value of an asset less costs to sell and its value in use. In order to determine the value in use of an asset, the future cash inflow that the asset is expected to generate is discounted from its present value using an interest rate that reflects the current value of money at long term rates and the specific risks of the assets.

In the event that the asset analysed does not generate cash flow independently of other assets (as is the case of goodwill), the fair value or value in use of the cash-generating unit that includes the asset (smallest identifiable group of assets separated from other assets or groups of assets) is estimated. If a cash-generating unit has impairment losses, the carrying amount of the goodwill assigned, if any, will be reduced, followed by a proportional reduction of the carrying amount of the other assets in relation to the unit.

The Management prepares, on an annual basis, a ten-year business plan for each cash-generating unit, by market and by activity. The main components of this plan are as follows:

- Projected results
- Possibility to sell assets of the subsidiaries
- Projected investment and working capital
- Estimated cash-flows.

Other variables affecting the calculation of the recoverable amount are as follows:

- Applicable discount rate, taken to be the weighted average cost of capital; the main variables affecting the calculation thereof are the cost of liabilities and the specific risks associated with the assets.
- The growth rate of cash flows used to extrapolate the projected cash flows beyond the period covered by budgets or forecasts.

Projections are prepared on the basis of previous experience and according to best estimates available, consistent with the external information.

Business plans are reviewed and ultimately approved by the Financial Department.

Impairment losses (surplus of the asset's carrying amount over the recoverable amount) are recognised in the income statement for the year. With the exception of the goodwill, which impairment losses are irreversible, the company, in case that losses due to asset impairment have been recognised in previous financial years,

shall assess upon closure of the financial year if there are signs indicating that said losses have decreased or disappeared and, where applicable, shall assess the recoverable value of the impaired asset.

An impairment loss recognised in previous financial years shall only be reversed if the estimations used to determine the recoverable amount of the asset have changed from the last recognised impairment loss. In this case, the book value of the asset shall increase up to its recoverable value and not exceeding the book value that would have been registered, net of amortisation, if the impairment loss of this asset had not been recognised in previous years. This reversion shall be registered in the profit and loss account of the financial year.

4.4 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.

4.5 Financial Instruments

Classification –

4.5.1 Financial assets

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

- a) Loans and items receivable: financial assets originating in the sale of goods or in the provision of services through the Company's trading operations, or those that do not have a commercial origin, are not equity instruments or derivatives and the charges of which are a fixed or specific amount and are not negotiated in an active market.
- b) Financial assets held for negotiation: those that are acquired with the objective of transferring them in the short-term or those that form part of a portfolio for which there is evidence of recent activity with the said objective. This category also includes those derivative instruments that may not be contracted from capital guarantees (e.g. bank guarantees) and have not been designated coverage instruments.
- c) Investments in the equity of the companies of the group, associates and multi-group: those companies considered to be part of the group are those connected to the Company through a relationship of

control, and associated companies are those over which the Company exerts significant influence. In addition, within the multi-group category those companies are included over which, under an agreement, control is exercised in conjunction with one or more partners.

Initial recognition-

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

Subsequent measurement –

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

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

4.5.2 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.

4.5.3 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.

4.5.4 Cash Flow Hedge

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

In order to classify these financial instruments as hedge book, they are initially designated as such, recording the hedge relationship. Similarly, the Company checks initially and periodically throughout their life (at least at the end of every period) that the hedge relation is effective, i.e. that it is expected, prospectively, that the changes in the reasonable value or in the cash flow of the item (attributable to the risk covered) are compensated almost completely by those of the hedging instrument and that, retrospectively, the hedge results have ranged between 80 and 125% in relation to the result of the item covered.

The Company applies cash flow hedge. In this type of hedge, the part of the gain or loss of the hedging instrument that has been determined as effective hedging instrument is temporarily included in the net equity, being allocated to the profit and loss account in the same accounting period in which the item that is hedged affects the result, unless the hedge relates to an anticipated transaction that might terminate in the entry of a non-financial asset or liability, in which case the amounts entered in the net equity are to be included in the cost of the asset or liability when acquired or assumed.

Accounting of hedging is suspended when the hedging instrument matures, or is sold, terminated or used, or fails to fulfil the accounting principles for hedging. At that time, any accrued profit or loss corresponding to the hedging instrument that has been entered in the net equity is held within the net equity until the expected operation occurs. When the operation that is being hedged is not expected to occur, the accrued net profits or losses accounted for in the net equity are transferred to the net results for the period.

4.6 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.

4.7 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.

The exchange differences in ongoing projects are activated as an increase of the cost of the project.

4.8 Corporate tax

The current tax is the amount the Company meets as a consequence of the fiscal payments of tax on profits relating to an accounting period. 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.

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

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

At each period end the assets entered for deferred tax are re-assessed, the appropriate corrections being made to them insofar as there are doubts about its future recovery. Similarly, at each period end the assets are evaluated for deferred tax not entered on the balance sheet and these are subject to entry as long as its recovery is likely with future tax profits.

By decision of the General Shareholder's Meeting on December 26th 2011, it was chosen to tax in the Spanish companies 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 Company 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, as well as the balances with the Exchequer.

4.9 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.

4.10 Joint ventures (Joint business)

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

The 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, through the method of proportional consolidation, according to the percentage of participation of the Company.

The main figures the Joint Ventures contribute to the balance sheet for the accounting periods ending 31 December 2015 and 2014 are presented in Note 8.3.

4.11 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 modified, additional and 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.

Please see below particularities for the revenue recognition for certain contracts performed by the Company.

In the construction contracts, the results are recognised by the completion stage criteria. The amount of production carried out until closing date is recognised as net revenue of the turnover on the basis of the percentage of completion of the complete project. The completion stage is measured with regards to the completion stage of the works, that is, to the percentage of work performed until closing date compared to the total completion of the contract.

In the construction industry, the estimated revenue and costs of projects are subject to changes during the performance period which are not easily foreseen or objectively quantified. In this regard, the budgets used to calculate the completion stage and the production of each financial year include the measurement of the sale price of the works units, which collection is deemed reasonably certain by the management of the Company, as well as their estimated costs.

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.

4.12 Provisions and contingencies

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

- a) Provisions: credit balances that cover current obligations derived from past events, the cancellation of which is likely to cause an outflow of resources, although they are undetermined with regard to their amount and/or time of cancellation.

- b) Contingent liabilities: possible obligations arising as a consequence of past events, 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.

4.13 Compensation for dismissal

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.

4.14 Principles used in transactions between related parties

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

In any case, related parties are:

- a) Companies which are considered to be a company of the group, associate or multi-group, in accordance with article 42 of the Commercial Code.
- b) Natural persons who, directly or indirectly, hold participation in the voting rights of the Company, or in its dominant entity, to enable them to exercise a significant influence over one or another. Close relatives of these natural persons are also included.
- c) The key staff of the Company or of its dominant entity, understood as the natural persons with authority and responsibility over the planning, management and control of the Company's activities, either directly or indirectly, including the directors and executive managers. Close relatives of these natural persons are also included.
- d) Companies over which any of the persons mentioned in b) and c) above can exercise a significant influence.
- e) Companies that share any director or manager with the Company; except in case this person does not have any significant influence in the financial and management policies of the Company.
- f) Persons who are considered as close relatives of the Company administration's agent, if this person is a legal person.
- g) The pension plans for the employees of the Company or of any other which is a party linked to this.

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

- a) The spouse or person with an analogous relationship;
- b) The ascendants, descendants and siblings and the respective spouses or persons with an analogous relationship;
- c) The ascendants, descendants and siblings of the spouse or persons with an analogous relationship;
- d) Persons for whom the spouse or person with an analogous relationship is responsible for or persons with an analogous relationship;

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

4.15 Current and non-current items

Current assets are those assets linked to the normal operation cycle generally considered annual; those assets which maturity, disposition or realisation is expected in the short-term from the closing date of the financial year; and those financial assets kept for negotiation, with the exception of financial derivatives which liquidation period exceeds one year, and cash or other equivalent liquid assets. Assets that do not meet these criteria are known as non-current.

Likewise, current liabilities are those linked to the normal operation cycle, those financial liabilities kept for negotiation, with the exception of financial derivatives which liquidation period exceeds one year and in general terms any liability with short-term maturity or extinction. Liabilities that do not meet these criteria are known as non-current.

5. Intangible assets

The movements occurring under this heading of the balance sheet during accounting periods 2015 and 2014 are the following:

Financial Year 2015:

	Euros			
	31/12/2014	Additions	Conversion differences	31/12/2015
Cost:				
Research	3,008,880	39,110	-	3,047,991
Concessions	3,689,542	57,131	-	3,746,672
Patents	27,820	-	-	27,820
Computer software	2,448,143	88,580	(18,340)	2,518,382
	9,174,385	184,821	(18,340)	9,340,866
Accumulated Amortization:				
Research	(1,980,651)	(316,249)	-	(2,296,901)
Concessions	(1,002,718)	(97,945)	-	(1,100,663)
Patents	(27,820)	-	-	(27,820)
Computer software	(2,202,217)	(111,915)	18,342	(2,295,789)
	(5,213,406)	(526,109)	18,342	(5,721,173)
Net value	3,960,978	(341,288)	2	3,619,693

Financial Year 2014:

	Euros				31/12/2014
	31/12/2013	Additions	Transfers	Conversion differences	
Cost:					
Research	2,551,949	-	456,931	-	3,008,880
Concessions	3,656,798	32,744	-	-	3,689,542
Patents	27,820	-	-	-	27,820
Computer software	2,295,337	152,721	-	84	2,448,142
	8,531,904	185,465	456,931	84	9,174,385
Accumulated Amortization:					
Research	(1,668,650)	(312,001)	-	-	(1,980,651)
Concessions	(904,774)	(97,944)	-	-	(1,002,718)
Patents	(27,820)	-	-	-	(27,820)
Computer software	(2,091,420)	(110,734)	-	(63)	(2,202,217)
	(4,692,664)	(520,679)	-	(63)	(5,213,406)
Net value	3,839,240	(335,214)	456,931	21	3,960,978

The additions registered in section "Research" of the fixed assets of financial year 2015 correspond to additional works beyond the certification of the projects, amounting to EUR 39,111 for projects "research and development of additives for semi-hot and warm mixes" and "Effect of Polymers in Bituminous Mixtures."

These projects are certified by an accredited certifying body in order to obtain the reasoned reports of the Ministry of Economy and Competitiveness which grant tax deductions for R&D investment.

The detail of the R&D projects developed by the Company activated in 2015 and pending activation is as follows:

Completed R+D Projects
- Effect of polymers in Bituminous Mixes (POLYMER EFFECT)

Ongoing R+D Projects (see Note 6)
- Studies of modified asphalt bitumen in new Polymer families (BMPOLIMEROS).
- MIFAR (Integral Pavement Improvement with Recycled Aggregates)
- NANOS (New lines of research with nanomaterials in hot, semi-hot and cold asphalt mixes.)
- BACHEO (Programme for research of a system for patching in asphalt pavement).

Ongoing projects are classified in section "Tangible fixed assets - Fixed assets in progress and advances" of the consolidated balance sheet attached (see Note 6).

All assets registered under section "Intangible fixed assets" are subject to the impairment test and no need for impairment has been detected.

At the close of accounting period 2015 and 2014, the Company had intangible assets that were completely amortized and which continued in use for a value of 3,510,891 Euros and 3,467,433 Euros respectively.

6. Property, plant and equipment

The movements occurring under this heading of the balance sheet during periods 2015 and 2014, as well as the most significant information affecting this section are as follows:

Financial Year 2015:

Euros						
	31/12/2014	Additions	Transfers	Conversion differences / Adjustments	Write-offs	31/12/2015
Cost:						
Land and buildings	1,677,243	1,737,211	7,676,443	-	-	12,787,898
Machinery	18,243,839	2,200,167	(31,000)	72,761	(306,507)	20,179,260
Other installations, tools, furniture and technical installations	5,954,240	366,614	1,508,582	3,865	(39,156)	7,794,145
Equipment for information processing	537,007	37,804	-	(1,169)	(10,487)	563,155
Transport items	8,765,003	2,913,105	31,000	3,237	(239,822)	11,472,523
Plant, property and equipment in progress	3,199,062	15,200,994	(9,185,025)	-	(740,183)	8,474,848
	38,376,394	24,152,897	-	78,694	(1,336,155)	61,271,829
Accumulated Amortization:						
Land and buildings	(374,797)	(172,986)	-	-	-	(547,783)
Machinery	(16,517,614)	(413,503)	5,425	(371,261)	201,406	(17,095,548)
Other installations, tools, furniture and technical installations	(5,290,160)	(207,417)	-	(12,786)	11,269	(5,499,094)
Equipment for information processing	(509,826)	(19,923)	-	1,509	8,302	(519,937)
Transport items	(7,769,685)	(400,309)	(5,425)	(188,524)	75,804	(8,288,140)
	(30,462,082)	(1,214,138)	-	(571,062)	296,781	(31,950,501)
Net value	7,914,311	22,938,758	-	(492,368)	(1,039,374)	29,321,328

Financial Year 2014:

Euros						
	31/12/2013	Additions	Transfers	Conversion differences	Write-offs	31/12/2014
Cost:						
Land and buildings	1,367,243	-	310,000			1,677,243
Machinery	18,172,570	228,360	-	79,721	(236,812)	18,243,839
Other installations, tools and furniture and Technical Installations	5,719,660	108,997	131,897	(222)	(6,092)	5,954,240
Equipment for information processing	520,852	18,616	-	78	(2,539)	537,007
Transport items	8,287,758	472,807	-	26,823	(22,386)	8,765,002
Plant, property and equipment in progress	2,777,773	1,320,117	(898,828)	-	-	3,199,062
	36,845,856	2,148,897	(456,931)	106,400	(267,829)	38,376,394
Accumulated Amortization:						
Land and buildings	(360,590)	(14,207)	-	-	-	(374,797)
Machinery	(15,766,947)	(836,525)	-	(9,903)	95,761	(16,517,614)
Other installations, tools, furniture and technical installations	(5,198,326)	(96,642)	-	(613)	5,421	(5,290,160)
Equipment for information processing	(500,862)	(10,774)	-	(48)	1,858	(509,826)
Transport items	(7,332,284)	(454,125)	-	(4,211)	20,935	(7,769,685)
	(29,159,009)	(1,412,273)	-	(14,775)	123,975	(30,462,082)
Net value	7,686,847	736,624	(456,931)	91,625	(143,854)	7,914,311

The most significant additions in the period have been in the heading "Fixed assets in progress" of the document attached and result mainly from:

- Ongoing research and development projects (see Note 5). All of them have been carried out by Elsamex S.A., so an amount of EUR 327,559 has been registered under section "Works carried out by the company for its capitalization" in the attached profit and loss account for financial year 2015.
- Ongoing installation of technical facilities in various joint ventures of Elsamex S.A. amounting to EUR 324,670, so an income of such amount has been registered under section "Works carried out by the company for its capitalization" in the attached profit and loss account for financial year 2015.
- Technical Installations for the Energy Efficiency Contract in La Unión. This contract includes the management of energy services and maintenance of municipal facilities and public lighting of the Ayuntamiento de La Unión (Murcia). The 12-year contract started in March 2014 for La Unión. All of them have been carried out by Elsamex S.A., so an amount of EUR 225,753 has been registered under section "Works carried out by the company for its capitalization" in the attached profit and loss account for financial year 2015.
- Construction in Botswana and Ethiopia of campsites needed for the contracts that Elsamex S.A. has in those countries. The dominant company has partially carried out the construction works, so an income amounting to EUR 9,441,673 has been registered under section "Works carried out by the company for its capitalization" in the attached profit and loss account for financial year 2015.

Moreover, the most significant additions of the rest of the sections of the intangible fixed assets correspond to the purchase of machinery and vehicles for the new project in Ethiopia, amounting to EUR 2,751,752, and in Botswana, amounting to EUR 1,836,501.

The most significant assignments are:

- The putting into service of the technical installations for the energy efficiency contract in Nijar. This contract includes the management of energy services and maintenance of municipal facilities and public lighting of the Ayuntamiento de Nijar (Almería). The 14-year concession started in February 2014.
- The putting into service of the works campsite of Elsamex S.A.'s branch in Botswana, which has been registered ad "Construction", which has resulted in an allocation of EUR 7,676,443 to section "Fixed assets in progress" as of 31 December 2015.

The Company has other fixed assets the value of which, separated as buildings and land, at the close of accounting periods 2015 and 2014, is the following:

	31/12/2015	31/12/2014
Lands	406,134	406,135
Construction	12,381,764	1,271,109
Total	12,787,898	1,677,244

The Company has registered in section "Constructions" a parking spot, an industrial unit located in Badalona and used as offices for the Delegation of Cataluña, an office owned by the company located in La Coruña, an industrial unit located in Amorebieta, in Biscay, currently used as a warehouse, a parking lot for vehicles and machinery and changing rooms and a mezzanine used as offices. The rest is due to the incorporation of joint ventures in which the company takes part.

The warehouse located in Badalona is financed by a leasing contract signed with financial company "Leasing de Cataluña"; this contract ends in July 2018. The Company has no doubt that the upon termination of the contract, the purchase option shall be exercised.

At 31 December 2015 and 2014 the Company had the following investments in property, plant and equipment elements located abroad:

Year 2015

Description	Country	Book Value (gross)	Accumulated depreciation	Net value
Machinery	Dominican R.	2,515,255	(2,514,681)	575
Transport items	Dominican R.	937,643	(937,643)	-
Machinery	Honduras	184,238	(184,238)	-
Machinery	Haiti	809,774	(570,147)	239,626
Technical installations	Haiti	2,061	(955)	1,106
Equipment	Haiti	28,221	(13,635)	14,586
Software	Haiti	629	(563)	65
Furniture	Haiti	86,008	(38,242)	47,766
Transport items	Haiti	684,032	(684,032)	-
Machinery	Ecuador	26,889	(10,087)	16,802
Equipment for information processing	Ecuador	1,298	(1,284)	14
Furniture	Ecuador	305	(128)	177
Transport items	Ecuador	9,865	(8,237)	1,628
IT Applications	Ecuador	786	(786)	-
Equipment for information processing	Colombia	1,592	(1,592)	-
IT Applications	Botswana	8,323	(1,665)	6,658
Construction	Botswana	11,103,342	(147,555)	10,955,787
Machinery	Botswana	117,947	(16,487)	101,460

Equipment for information processing	Botswana	17,269	(4,284)	12,985
Furniture	Botswana	57,503	(6,474)	51,029
Transport items	Botswana	340,877	(93,681)	247,196
Description	Country	Book Value (gross)	Accumulated depreciation	Net value
Furniture	Botswana	57,503	(6,474)	51,029
Machinery	Abu Dhabi	431,328	(157,425)	273,903
Transport items	Abu Dhabi	415,635	(178,726)	236,908
Other installations	Abu Dhabi	1,428	(369)	1,059
Equipment	Abu Dhabi	38,665	(11,986)	26,679
Plant, property and equipment in progress	Ethiopia	6,134,349		6,134,349
IT Applications	Ethiopia	12,484	(2,497)	9,987
Construction	Ethiopia	7,311	(219)	7,092
Machinery	Ethiopia	1,962,532	(1,039,461)	923,071
Transport items	Ethiopia	1,639,120	(15,522)	1,623,598
Equipment for information processing	Ethiopia	26,594	(1,662)	24,932
Furniture	Ethiopia	75,234	(6,169)	69,065
Equipment	Ethiopia	62,915	(5,243)	57,672
Total		26,044,450	(6,779,144)	19,265,307

Year 2014

Description	Country	Book Value (gross)	Accumulated depreciation	Net value
Machinery	Dominican R.	2,515,255	(2,514,250)	1,006
Transport items	Dominican R.	937,643	(937,643)	0
Machinery	Honduras	184,238	(184,238)	0
Machinery	Haiti	1,862,947	(1,322,543)	540,404
Technical installations	Haiti	2,064	(645)	1,419
Equipment	Haiti	28,221	(9,417)	18,804
Software	Haiti	629	(406)	223
Furniture	Haiti	86,008	(27,997)	58,011
Transport items	Haiti	684,032	(627,024)	57,008
Machinery	Ecuador	24,153	(6,645)	17,507
Software	Ecuador	1,166	(1,116)	50
Furniture	Ecuador	274	(87)	187
Transport items	Ecuador	8,861	(5,564)	3,297
Computer software	Ecuador	706	(706)	0
Equipment for information processing	Colombia	1,173	(1,009)	164
Machinery	Botswana	42,159	(1,405)	40,754
Transport items	Botswana	371,036	(15,460)	355,577
Equipment for information processing	Botswana	7,505	(417)	7,088
Furniture	Botswana	4,407	(230)	4,176
Machinery	Abu Dhabi	638,687	(47,257)	591,430
Transport items	Abu Dhabi	202,090	(15,574)	186,516
Equipment for information processing	Abu Dhabi	9,420	(2,747)	6,672
Technical installations	Abu Dhabi	6,164	(475)	5,689
Other installations	Abu Dhabi	25,198	(1,303)	23,895
Equipment	Abu Dhabi	4,643	(286)	4,357
Total		7,648,678	(5,724,445)	1,924,233

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 2015 and 2014 is the appropriate.

At the closing of tax year 2015 and 2014 the Company had elements of tangible fixed assets completely amortized which were still in use to the value of 28,157,542 Euros and 26,104,911 Euros respectively.

As it is shown in Note 7, at the closing of tax years 2015 and 2014 the Company had several financial leasing operations on its tangible fixed assets contracted.

7. Leasing

Financial leasing

At the close of accounting periods 2015 and 2014 the Company, as a financial lessee, has some leased assets included in accordance with the following information:

Financial Year 2015

	For goods valued at their fair value	Total
Property, plant and equipment	5,011,646	5,011,646
Total	5,011,646	5,011,646

Financial Year 2014

	For goods valued at their fair value	Total
Property, plant and equipment	2,938,923	2,938,923
Total	2,938,923	2,938,923

At the close of accounting periods 2015 and 2014 the Company has contracted with the lessors the following minimum leasing quotas (including, if appropriate, options to purchase), in accordance with the contracts currently in force, and not taking into account implications of common expenses, future increases due to the CPI or future updates in income agreed under contract:

	31/12/2015		31/12/2014	
	Nominal value	Current value	Nominal value	Current value
Less than one year	947,372	833,279	557,697	487,211
Between one and five years	1,978,866	1,849,638	916,909	811,910
Total	2,926,238	2,682,917	1,474,606	1,299,121

There are no contingent quotas.

Operating leases

At the close of accounting periods 2015 and 2014 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:

	Nominal value	
	31/12/2015	31/12/2014
Less than one year	5,281,334	3,711,446
Between one and five years	129,823	355,988
Total	5,411,157	4,067,434

In their capacity of lessor, the most significant operating leasing contracts that the Company has at the close of the 2015 accounting period are the following:

- Lease of a building comprising a basement, ground floor and two upper floors, in calle San Severo, 18 in Madrid. The leasing contract began on 21st December 2000 and its term was 7 years, having been renewed on 1 June 2012 until 31 August 2016. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.
- Lease of an office on the first floor in calle San Severo, 20 in Madrid. The leasing contract began on 1st May 2009 and its term was 5 years, until 30th April 2014. A renewal was signed on 1 January 2014 for four years until 31 December 2016. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.

However, most of the expense of this corresponds to the lease of vehicles and machinery for works or construction, totalling 4,487,361 Euros in 2015 and 2,902,303 in 2014. (see Note 17d)).

8. Investments in Group companies, multi-group and associate companies

8.1 Equity instruments

Financial Year 2015

Investee	Address	Activity	% Participation	Euros			
				Amount	Capital Company	Equity	
						Reserves	Result
Ramky Elsamex Hyderabad Ring Road Limited (3)	RAMKY House, 6-3-1089/G/10&11 Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad – 500 082. A.P. India	Services	26.00	811,711	2,602,750	615	-
CIESM - INTEVIA, S.A.U (1)	San Severo 18, 28042 Madrid España	Laboratory	100.00	836,201	60,000	1,081,196	(56,200)
Atenea Seguridad y Medio Ambiente, S.A.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	130,183	130,200	1,880,800	421,978
Grusamar Ingeniería y Consulting, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Engineering	100.00	3,554,998	3,494,897	1,072,832	3,816
Elsamex Internacional, S.L.U.(1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	14,310,555	14,310,555	(6,845,731)	(2,790,308)
Sociedad Concesionaria A4 Madrid, S.A. (2)	C/ Caballero Andante, nº 8 Madrid Spain	Services	46.25	4,353,512	9,413,370	(12,999,604)	2,292,396

Investee	Address	Activity	% Participa tion	Euros			
				Amount	Corporate Capital	Equity	
						Reserves	Result
Señalización Viales e Imagen S.A.U. (1)	Pol Ind. La variante c/ La Grajera nº 2, 26140 Lardero, Rioja	Manufacture	100.00	6,173,398	688,025	185,005	(23,646)
Área de Servicio Coirós, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Operation	100.00	2,820,734	1,003,010	1,944,128	23,616
Alcantarilla Fotovoltaica, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Installation, maintenance & operation of electrical energy generating systems	100.00	702,075	42,700	429,763	(82,914)
Beasolarta S.L.U (1)	C/ San Severo, 18, Madrid 28042 Spain	Installation, maintenance & operation of electrical energy generating systems	100.00	41,000	41,000	30,737	(24,825)
Área de Servicio Punta Umbría, S.L.U (1)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Operation	100.00	402,065	82,810	540,928	72,421
Conservación de Infraestructura de Méjico S.A. de C.V. (2)	Mauricio Garces 855, La Joya, 76180, Ciudad de Santiago de Querétaro, Estado de Querétaro, México	Services	90.00	2,696	3,001	(2,156)	(31)
ESM Mantenimiento Integral de S.A. de C.V. (2)	Av. Prolongación Tecnológico No 950 B, Co San Pablo 76130 Queretano, México	Services	0.01	27	345,689	57,810	60,306
Elsamex Construção e Manutenção LTDA (4)	Rua Gonçalves Maia nº 207, Soledade, Recife-PE, CEP 50.070.060, Pernambuco, Brazil	Construction	99.99	33,960	33,960	(44,106)	-
Elsamex Maintenance Services LTD (India) (2)	1304/1304A, 43, Chiranjiv Tower, Nehru Place New Delhi 110019, (INDIA)	Construction	99.88	12,855	6,147	1,401,434	2,884,058
Elsamex Infrastructure Company WLL	AlyasiraAl Jazeera Al Arabia Street Madinath Khalifa (South) P.O. box 236650 Doha (Qatar)	Maintenance	44.00	22,171	-	-	-
Elsamex Colombia, SAS	C/Carrera 49 n°91,40. Barrio La Castellana. Bogotá. DC	Maintenance	100.00	-	-	-	-
				34,208,141			

(1) Audited by Caballero Auditores, S.L. in 2015

(2) Audited by other auditors.

(3) Limited Review by other auditors

(4) New incorporation, no activity

Financial Year 2014

Investee	Address	Activity	% Partici pation	Euros			
				Amount	Capital Company	Equity	
						Reserves	Result
Ramky Elsamex Hyderabad Ring Road Limited (3)	RAMKY House, 6-3-1089/G/10&11 Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad – 500 082. A.P. India	Services	26.00	811,711	2,602,750	(470,861)	471,476
CIESM - INTEVIA, S.A.U (1)	San Severo 18, 28042 Madrid España	Laboratory	100.00	836,201	60,000	716,730	215,248
Atenea Seguridad y Medio Ambiente, S.A.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	130,183	130,200	1,609,267	271,533
Grusamar Ingeniería y Consulting, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Engineering	100.00	3,554,998	3,494,897	823,881	397,868
Elsamex Internacional, S.LU.(1)	C/ San Severo, 18, Madrid 28042 Spain	Services	100.00	14,310,555	14,310,555	(1,440,549)	(794,979)
Sociedad Concesionaria A4 Madrid, S.A. (2)	C/ Caballero Andante, nº 8 Madrid Spain	Services	46.25	4,353,512	9,413,370	(15,261,304)	725,037
Señalización Viales e Imagen S.A.U. (1)	Pol Ind. La variante c/ La Grajera nº 2, 26140 Lardero, Rioja	Manufacture	100.00	2,173,398	688,025	(4,856,777)	(358,219)
Área de Servicio Coirós, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Operation	100.00	2,820,734	1,003,010	1,732,244	145,629
Alcantarilla Fotovoltaica, S.L.U. (1)	C/ San Severo, 18, Madrid 28042 Spain	Installation, maintenance & operation of electrical energy generating systems using PV technology	100.00	202,075	42,700	47,739	(138,821)
Beasolarta S.L.U (1)	C/ San Severo, 18, Madrid 28042 Spain	Installation, maintenance & operation of electrical energy generating systems using PV technology	100.00	41,000	41,000	29,116	1,620

Investee	Address	Activity	% Particip ation	Euros			
				Amount	Corporate Capital	Equity	
						Reserves	Result
Área de Servicio Punta Umbría, S.L.U (1)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Operation	100.00	402,065	82,810	407,932	90,447
Conservación de Infraestructura de Méjico S.A. de C.V. (2)	Mauricio Garces 855, La Joya, 76180, Ciudad de Santiago de Querétaro, Estado de Querétaro, México	Services	90.00	2,696	3,001	(2,095)	(62)
ESM Mantenimiento Integral de S.A. de C.V. (2)	Av. Prolongación Tecnológico No 950 B, Co San Pablo 76130 Queretano, México	Services	0.01	27	345,689	25,916	31,894
Elsamex Construção e Manutenção LTDA (4)	Rua Gonçalves Maia nº 207, Soledade, Recife-PE, CEP 50.070.060, Pernambuco, Brazil	Construction	99.99	33,960	33,960	(44,106)	-
Elsamex Maintenance Services LTD (India) (2)	1304/1304A, 43, Chiranjiv Tower, Nehru Place New Delhi 110019, (INDIA)	Construction	99.88	6,147	6,147	(560)	1,401,994
				29,679,262			

(1) Audited by Caballero Auditores, S.L. in 2014

(2) Audited by other auditors.

(3) Limited Review by other auditors

(4) New incorporation, no activity

On 1 July 2015 the company incorporated, for an amount of EUR 22,171, 44% of the company Elsamex Infrastructure Company WLL (Qatar), which corporate purpose is to provide maintenance services. The company Elsamex Colombia SAS was also incorporated on 14 May 2015, but the equity is currently pending payment. Likewise, on 16 December 2015 the Company made some contributions to its subsidiaries Alcantarilla Fotovoltaica and Sevimagén to restore the equity balance.

None of the shares of the Group companies are listed on the stock market.

The Company has analysed the possible impairment losses on the Company's investments at the end of financial years 2015 and 2014, not being necessary to recognize any amount in relation to impairment on the basis of the expected evolution of Own Funds and their activities as well as the financial support that Elsamex, S.A. announces that will give to those needing it for the periods and amounts needed.

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 Madrid and Toledo provinces. 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. This syndicated loan has two guarantees of two financial institutions different from the grantors of the loan, one of them, in name of Elsamex, S.A. and other one in name of the partner.

8.2 Credits to businesses

The Company includes the shared loan granted to the A-4 Highway concessionary company under this heading in accordance with that described in the previous paragraph for the amount of 8,202,920 and a shared loan dated 29th December 2008 for the amount of 2,600,000 Euros, granted to the dependent company Señalización Viales e Imagen S.A.U., which becomes due on 1st December 2018 and which accrues Euribor +1.75% fixed interest every 31st March and annual variable interest which will be adjusted as a function of the annual profits before tax, as a function of a scale. The accrued interests for these loans during financial years 2015 and 2014 amount to 679,296 Euros and 542,772 Euros, respectively.

During financial year 2015 a participating loan was granted to the subsidiary Elsamex Internacional for an amount of EUR 7,500,000, with a fixed interest rate of Euribor + 1.75%. Additionally, that section includes the interest accrued and not collected that has been capitalised in financial year 2015 amounting to EUR 28,051.

8.3 Joint ventures

The details for the turnover of the Joint Venture businesses in which the Company participates are as follows:

Name of the JV	% Participation	Sales (Euros)
UTE Durango II	45%	-
UTE Teruel 2 Elsamex Api	50%	-
UTE Elsamex- Pulido	60%	-
Ute Abedul Orihuela	25%	282,618
Ute Abedul Zamora	25%	160,721
Ute Abedul Villavidel	25%	133,190
Ute Abedul Ponferrada	25%	193,356
UTE Elsamex Cauchil Jaén	80%	-
UTE polideportivo latina	50%	11,217
UTE Coruña III	70%	-
UTE Durango bi (Vizcaya III)	28%	-
UTE Corelsa	50%	-
UTE Seguridad vial Murcia	30%	32,541
UTE Argentona Elsamex Rubau	50%	2,213
UTE conservacion cádiz sur (Martín Casillas)	50%	57,759
UTE Orense III	50%	3,556
UTE Cordoba	50%	-
Ute Arona	60%	(151)
UTE AP7 Ondara	60%	14,294
Ute Mantenimiento Cuenca	50%	432,900
UTE Elsamex-Maygar sur Sevilla	50%	201,887
UTE Elsamex- Lujan Alicante	50%	1,424,192
UTE conservación Asturias	50%	1,179,876
UTE conservación Almería	70%	2,451,551
UTE Bizcaia BI	37,50%	1,806,708
UTE conservación Caceres	50%	1,492,146
Ute Parking estación intermodal	50%	74,155
Ute Elsamex- Pulido	50%	139,950
Ute AP-7 Ondara 2	60%	521,195
Ute Sistema Tarifario	50%	68,265
UTE Elsamex- Rebogar	60%	234,288
Ute Antequera	30%	316,934
Ute Burgos Sur	86%	1,093,671

Name of the JV	% Participation	Sales (Euros)
Ute Alumbrado Tegueste	50%	248,325
UTE Elsamex-Tecyr Avda. Daganzo	50%	89,745
UTE Servicios Energéticos las Palmas	50%	478,842
UTE Jaen Sur	70%	732,337
UTE Elsamex -ITNL (Botsuana)	100%	708,615
Ute Etiopia 35	100%	-
UTE Elsamex-Sorgroup	100%	274,847
UTE Sevilla Este	70%	489,049
UTE Málaga Norte	70%	506,829
UTE Arbrat Badalona	50%	-
UTE Acceso norte campo Arcis	60%	516,728
UTE Piscinas Zamora	60%	83,809
UTE Lujan Alicante II	50%	39,808
UTE Seguridad vial Murcia II	30%	21,266
UTE Instalaciones deportivas	60%	169
UTE STM Terres del L'Ebre	30%	-
UTE Red Viaria de Sevilla	70%	87,504
UTE Piscina Cubierta	50%	-
UTE Servicios Mantenimiento las Palmas	50%	-
Subtotal		16,606,905
Consorcio Elsamex-Grusamar Ecuador	50%	149,162
JV Elsamex-Ascon (Abu Dhabi)	50%	5,462,373
Total Elsamex		22,218,440

The main figures that the Joint Ventures contribute to the balance sheet on 31 December 2015 and 2014 are:

	Euros	
	31/12/2015	31/12/2014
Non-current assets	3,155,447	3,041,815
Current assets	14,254,881	11,269,656
Total Assets	17,410,328	14,311,471
Net equity	6,570,744	2,610,499
Non-current liabilities	2,082,049	2,282,645
Current liabilities	8,757,535	9,418,327
Total Liabilities and Equity	17,410,328	14,311,471

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

9.1 Long-term financial assets

The balance of the account in the "Other financial assets" section upon closure of financial year 2015 mainly contains part of the costs claimed to the Haiti Government due to the advanced termination of the contract signed with Elsamex, S.A. The claim was lodged on 06 May 2015 before the Haiti Authorities. The claimed amount shall be recovered upon issuance of the judgement. This section also includes in 2015 and 2014 the

the bonds given as a consequence of the operating lease contracts signed with third parties as described in Note 7, other financial assets, and some pledged deposits contracted with a banking institution.

9.2 Short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the periods 2015 and 2014:

	Euros	
	31/12/2015	31/12/2014
Customers for sales and provisions of services-		
Customers	47,115,696	47,092,645
Delinquent Customers	3,524,928	3,525,105
Impairment of value of credits for commercial operations	(3,524,928)	(3,525,105)
	47,115,696	47,092,645
Customers, Group companies and associates	1,510,336	567,693
Sundry debtors	685,019	4,011,946
Personnel	288,970	140,722
Other short-term financial assets		
Credits to third parties	3,435,481	1,378,879
Short-term deposits	7,030,922	7,455,392
	10,466,403	8,834,271
Total	60,066,424	60,647,277

The heading "Short-term deposits", accounted on 31 December 2015, contains a deposit amounting to EUR 75,000 on 31 December 2015 in Caja Rural de Aragón. It also includes a deposit amounting to EUR 6,425,158 (EUR 6,229,950 in 2014) in the Commercial Bank of Dubai.

During period 2015, the Company has allocated 13,155 Euro for impairment of commercial credits, which have been included as loss in the heading "Losses, impairment and change in commercial operation allowances" of the profit and loss account attached of the period 2015. (see Note 17d)).

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 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 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.

11. Stocks

The movements occurring under this heading of the balance sheet during accounting periods 2015 and 2014 are the following:

Financial Year 2015

	Euros			
	31/12/2014	Additions	Withdrawals	31/12/2015
Raw materials and other provisions	951,875	411,267	(34,796)	1,328,346
Advances to suppliers	139,842	2,021,052	(98,336)	2,062,558
Net value	1,091,717	2,432,319	(133,132)	3,390,904

Financial Year 2014

	Euros			
	31/12/2013	Additions	Withdrawals	31/12/2014
Raw materials and other provisions	756,648	424,343	(229,116)	951,875
Advances to suppliers	1,690,060	33,484	(1,583,702)	139,842
Net value	2,446,708	457,827	(1,812,818)	1,091,717

12. Stockholders' equity

12.1 Share capital

At the close of period 2015 the Company's share capital amounted to 20,264,625 Euros, represented by 337,175 shares of 60,10121 Euros nominal value each, all of the same class, fully subscribed and paid in accordance with the following detail:

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

The company ITNL Internacional Pte Ltd, is subsidiary for a percentage of 100% of IL&FS Transportation Networks Ltd. The shares are not quoted on the Stock Exchange.

12.2 Legal reserve

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

12.3 Voluntary reserves

These are unrestricted reserves.

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.

12.4 Conversion differences

The conversion differences for the period 2015 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.

13. Provisions

The detail for provisions of the balance sheet at the closing of year 2015 and 2014, as well as the main movements registered during the year are the following:

Year 2015

	Euros			
	31/12/2014	Allocation	Write Off/Adjustments	31/12/2015
Other commercial operations	567,171	13,332	(355,576)	224,927
Variable remuneration	349,293	195,792	(241,976)	303,109
	916,464	545,685	(1,082,122)	528,036

14. Financial liabilities

The Company's financial liabilities are itemized as follows at close of years 2015 and 2014:

	Euros	
	2015	2014
Long-term financial liabilities:		
Long-term debts		
Debts with credit institutions (Note 14.1)	36,207,906	51,411,883
Financial leasing creditors (Note 7)	1,849,638	811,910
Other financial liabilities	128,904	7,750
Clients advances (see Note 14.2)	14,609,589	5,792,356
	52,796,037	58,023,899
Debts with group companies (Note 19)	35,525,647	10,750,000
Total	88,321,684	68,773,899
Short-term financial liabilities		
Short-term debts-		
Debts with credit institutions (Note 14.1)	14,424,623	15,661,975
Financial leasing creditors (Note 7)	833,279	487,211
Derivatives	-	-
Other financial liabilities	1,296,181	806,213
	16,554,083	16,955,399
Debts with group companies and partners (Note 19)	1,031,985	1,086,324
Trade creditors and other accounts payable-		
Suppliers	27,213,264	23,440,118
Suppliers, Group companies (Note 19)	1,278,939	2,185,236
Personnel	355,713	126,584
Debts with Public Authorities (Note 15)	3,551,667	3,898,050
Clients advances (see Note 14.2)	4,950,606	4,342,360
	37,350,189	33,992,348
Total	54,936,257	52,034,071

14.1 Long-term debts with credit institutions and partner institutions

The loans granted by the shareholders amounting to EUR 10,750,000 were cancelled in June 2015. Likewise, the shareholders have granted a loan to the Company subordinated to the syndicated loan granted by a pool of Spanish banks amounting to EUR 37,000,000 and expiring on 1 December 2020. This loan is accounted in books based on the criteria of "amortised cost" and appearing in the books of the company for an amount of EUR 35,525,647. The financial cost accounted during the financial year for this loan amounts to EUR 808,284.

Debts with credit institutions:

The breakdown of the long-term and short-term debts with credit institutions is shown below for periods 2015 and 2014:

Year 2015:

	Euros		
	Limit	Available	
		Long-term	Short Term
Credit lines	26,060,749	15,000,000	8,269,340
Loans	33,539,500	22,932,893	6,585,753
		37,932,893	14,855,093

The difference with the balance is due to the loans carried at amortised cost which result in a difference amounting to a debt higher by 1,724,987 Euros in the long-term, and 430,469 Euros in the short-term.

Year 2014:

	Euros		
	Limit	Available	
		Long-term	Short Term
Credit lines	28,976,000	22,366,120	827,798
Loans	60,517,530	29,323,875	14,980,148
Mortgage loan	450,000	45,951	53,205
		51,735,946	15,861,151

In June 2015 the Company refinanced the existing debt signing a syndicated loan with a pool of financial institutions for an amount of EUR 40,000,000 expiring on 3 June 2020. The interest rate applicable to this loan is Euribor plus a spread. However, the contract accommodates updating the differential dependent on the fulfilment of specific ratios.

The Company has taken out three credit policies with three financial institutions from which cash has been used at close. The resulting rate of interest for the amounts that are available in all of them is determined by the Euribor plus a spread.

The Company is supporting policies of credit and loan of his Spanish subsidiaries for amount of 4,514,021 Euros.

The financial cost during the 2015 period for all these debts with credit institutions amounts to 3,609,332 Euros and is included in the "Financial costs for debts with third parties" section of the attached profit and loss account.

The detail for the due dates of the long-term loans of the Group is the following on 31 December 2015 and 2014:

Year 2015:

	Euros					
	2017	2018	2019	2020	2021 and beyond	Total
Debts with credit institutions	6,830,116	21,164,279	5,815,495	2,944,084	1,178,918	37,932,892

Year 2014

	Euros					
	2016	2017	2018	2019	2020 and beyond	Total
Debts with credit institutions	25,683,343	7,561,918	7,805,678	9,067,328	1,617,679	51,735,946

14.2 Advances Clients

At 2015 and 2014 year-end, the Company has registered the following clients' advances:

	Euros	
	31/12/2015	31/12/2014
Long-term clients advances	14,609,589	5,792,356
Short-term clients advances	4,950,606	4,342,360
Total	19,560,195	10,134,716

The most important advances received by the Company are:

- Advance amounting to BWP 93,246,616 received in financial year 2014 from the Ministry of Transport and Communications- Road Department (Government of Botswana) for the OPRC contract for the Improvement and Maintenance by Service Levels in Botswana of the following road sections: Mmankgodi-Kanye-Jwaneng (124 km), and Rakhuna-Tlhareselele-Pitsane Molopo-Mabule (144 km), awarded for an amount of EUR 138.8 Mn and 120 months, fully financed by the World Bank. As of 31 December 2015, the amount pending application is BWP 91,725,212 (EUR 7,594,908), of which EUR 5,444,172 are allocated to long term and EUR 2,150,735 to short term.

- Advance amounting to ETB 209,297,811 received in financial year 2015 from the Ethiopian Roads Authority (Government of Ethiopia) for the contract for the 46-km road that joins Ambo and Wolliso, in Ethiopia, amounting to EUR 36.5 Mn and for a performance term of 36 months, financed with World Bank funds. As of 31 December 2015, the amount pending application is ETB 209,297,811 (EUR 9,165,418), which is allocated to long term.

The rest of the short-term advances correspond to works certified in advance for the normal business of the companies.

15. Public Administrations and fiscal situation

The composition of these balances on 31 December 2015 and 2014 is as follows:

	Euros			
	2015		2014	
	Debit Balances	Credit Balances	Debit Balances	Credit Balances
Deferred tax assets	2,867,856	-	3,163,625	-
Deferred tax liabilities	-	1,690,506	-	1,883,924
Long-term balances with Public Administrations	2,867,856	1,690,506	3,163,625	1,883,924
Public Treasury, debtor for VAT, IGIC, IPSI	1,580,500	-	269,567	-
Public Treasury, debtor for Corporate Tax	587,442	-	414,065	-
Public Treasury, withholdings and pre-payments	294,703	-	1,098,936	-
Public Treasury, creditor Joint Ventures	-	724,658	-	927,404
Public Treasury, creditor for VAT, IGIC	-	1,378,749	-	1,078,527
Public Treasury, creditor for IRPF	-	464,617	-	965,314
Public Treasury, debtor for Corporation Tax	-	463,928	-	502,174
Social Security institutions payable	-	519,714	-	424,631
Short-term balances with Public Administrations	2,462,646	3,551,667	1,782,568	3,898,050

The Company taxes in tax consolidation regime, and the head of the group is the same, 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 (see Note 19).

Accounting reconciliation and taxable base result

The reconciliation between the account result before taxes of the period ending in 31 December 2015 and on 31 December 2014 and the taxable base of the Corporate Tax, as well as the calculation of the tax expense of the year and the credit of the parent company of the consolidation tax Group are as follows:

Financial Year 2015

	Euros	
	Share Payable	Expense
After-tax Profits	6,125,323	1,715,090
Permanent differences-		
Permanent differences: Non-tax deductible expenses	9,520	2,666
Taxable base (Tax result)	6,436,706	1,717,756
Gross tax accrued (28% of the taxable base)	1,802,277	-
RDI deduction	-	(71,244)
Corporate tax payable of Consolidated Group	1,802,277	1,646,512
Adjustments:		
Adjustments		(200,492)
Adjustments previous year		142,210
Adjustments permanent establishments		(443,411)
Corporate tax expenses		1,144,819

Financial Year 2014

	Euros	
	Share Payable	Expense
After-tax Profits	3,867,712	1,160,313
Permanent differences-		
Permanent differences: Non-tax deductible expenses	71,417	21,426
Temporary differences-		
Increases	579,885	-
Tax loss carry-forwards from previous years	(1,285,968)	-
Taxable base (Tax result)	3,233,046	1,181,739
Gross tax accrued (30% of the taxable base)	969,914	-
RDI deduction	-	(78,640)
Deductions	(119,812)	(119,813)
Corporate tax payable of Consolidated Group	850,102	983,286
Adjustments:		
Adjustments	(95,070)	(95,070)
Adjustments previous year	-	2,039
Adjustments permanent establishments	-	104,475
Corporate tax expenses	755,032	994,730

The movement in the account for Assets for deferred tax on profits during the 2015 accounting period is as follows:

Financial Year 2015

	Euros		
	31/12/2014	Decreases	31/12/2015
Negative tax bases	2,088,754	(44,908)	2,043,845
Research and development	675,902	(239,199)	436,703
Amortization cap	397,108	(9,800)	387,308
Others	1,861	(1,861)	-
	3,163,625	(295,768)	2,867,857

Financial Year 2014

	Euros			
	31/12/2013	Increases	Decreases	31/12/2014
Negative tax bases	2,412,952	-	(324,198)	2,088,754
Research and development	597,262	78,640	-	675,902
Financial expense cap	141,578	-	(141,578)	-
Amortization cap	215,083	182,025	-	397,108
Others	15,781	-	(13,920)	1,861
	3,382,656	260,665	(479,696)	3,163,625

The company has the following individual negative taxable bases to be set against possible future fiscal profits:

	Amount
Year 2007	3,727,060
Year 2008	27,704
Year 2011	536,712
	4,291,476

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

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 limit of time. Nonetheless, for the tax period starting on January 1, 2015, there exists a limitation on the amount of negative tax bases to be offset. In particular, taxpayers whose volume of operations, calculated pursuant to the provisions of Section 121 VAT Act, exceeded the amount of EUR 6,010,121.04 during the twelve months prior to the date when the tax periods begin in 2015 shall be subject to the following limitations: (i) The offset is limited to 50% of the tax base before allocating the capitalization reserve to such offset, provided that during the said twelve months the net business turnover exceeds EUR 20 Mn but does not surpass EUR 60 Mn and (ii) The Offset is limited to the 25% of the tax base before allocating the capitalization reserve to such offset, provided that in those twelve months the net business turnover exceeds EUR 60 Mn.

Deductions due to R&D can be applied within 15 years.

Notwithstanding the foregoing, it must be noted that the final amount to be offset under such fiscal losses may be modified after review of fiscal years when the same arose. In this regard, pursuant to the laws in force, it must be noted that the Administration's right to review these negative bases shall expire in 10 years.

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 fiscal year 2015, different inspections to Elsamex S.A. have started with regards to the Corporate Tax and the Value Added Tax for fiscal years 2011, 2012 and 2013 and the negative taxable bases declared by Elsamex S.A. in previous financial years. As of today, the outcome of said inspections is 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.

Deferred tax liabilities

The movement in the account for Liabilities for deferred tax on profits during financial years 2015 and 2014 is as follows:

Financial Year 2015:

	Euros			Balance at 31-12-2015
	Balance at 31-12-2014	Increase	Decrease	
Assets for deferred tax on Profits	1,883,924	64,813	(258,231)	1,690,506
	1,883,924	64,813	(258,231)	1,690,506

Financial Year 2014:

	Euros			Balance at 31-12-2014
	Balance at 31-12-2013	Increase	Decrease	
Assets for deferred tax on Profits	1,875,707	8,217	-	1,883,924
	1,875,707	8,217	-	1,883,924

Liabilities for deferred taxes arise mainly from differences between the tax and accounting amortization of financial leasing and from the freedom of amortization of certain assets.

16. Contingent Liabilities

At 31 December 2015, the Company has handed over different warranties demanded in order to contract with Public Bodies and as a financial guarantee for the value of 42,605,253 Euros and 32,586,951 USD. The amount granted under this heading during 2014 amounted to 34,705,103 Euros and 32,688,450 USD.

At the end of the year 2015 were in various legal proceedings and claims against the consolidated companies, which have their origin in the ordinary course of its activities. Both the Group's legal advisers and directors consider that the outcome of litigation and claims will have a material effect on the financial statements for the years in which they settled.

17. Revenue and expenditure

a) Turnover net amount and works performed by the company for fixed assets

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

The breakdown of these sections of the profit and loss account for the financial years 2015 and 2014 is as follows:

Division	Euros	
	2015	2014
Services rendered	86,997,274	85,018,498
Works carried out by the company for assets	10,319,655	1,684,335
	97,316,929	86,702,833

Out of the total services performed by the Company in periods 2015 and 2014, the following took place outside the national territory:

	Euros	
	2015	2014
Ukraine	-	1,404,566
Haiti	-	13,050,481
Africa	14,799,988	7,311,156
Abu Dhabi	5,593,904	6,184,673
Colombia	1,679,911	3,352,496
Ecuador	149,162	131,946
Total	22,222,965	31,435,318

b) Purchases

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

	Euros	
	2015	2014
Purchase of other materials	15,498,042	11,061,714
Works carried out by other companies	27,919,220	23,698,269
	43,417,262	34,759,983

Out of the total purchases made by the Company in periods 2015 and 2014, the following took place outside the national territory:

Country	Euros	
	2015	2014
Ecuador	21,763	13,783
Ukraine	4,977	111,249
Abu Dhabi	1,322,031	2,931,085
Haiti	-	911,490
Botswana	8,925,932	911,037
Ethiopia	3,282,917	-
Colombia	1,121,892	1,977,119
Total	14,679,512	6,855,763

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account for the accounting period 2015 and 2014 is as follows:

	Euros	
	2015	2014
Wages, salaries and similar expenses	23,135,426	20,695,434
Employer social security costs	6,274,825	5,137,595
Total	29,410,251	25,883,029

The average number of persons employed during accounting periods 2015 and 2014, broken down into categories, is as follows:

Categories	2015	2014
Management	3	3
Technical personnel and middle management	130	140
Administration personnel	75	74
Unqualified personnel	452	525
Total	660	742

The average number of persons employed by Elsamex, S.A. during 2015 and 2014, with a handicap equal or greater than 33% by category, broken down into categories, is as follows:

Categories	2015	2014
Administration personnel	4	3
Unqualified personnel	21	21
Total	25	24

In accordance with the requirements of Art. 260.8 of the Capital Corporation Law, distribution by sex is shown for the end of the period for the Company's personnel, broken down by category for the accounting periods 2015 and 2014:

Categories	2015		2014	
	Men	Women	Men	Women
Management	3	-	3	-
Technical personnel and middle management	94	36	107	33
Administration personnel	22	53	21	53
Unqualified personnel	418	34	464	61
Total	537	123	595	147

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	
	2015	2014
Leases and royalties (see Note 7)	5,353,098	3,645,078
Repairs and maintenance	629,028	693,694
Independent professional services	1,845,578	3,857,946
Transport	1,157,530	243,850
Insurance premiums and guarantees	3,986,530	5,628,914
Bank services and other similar	585,983	531,562
Publicity, advertising and public relations	-	31,973
Supplies	553,969	1,221,189
Other services	1,274,958	3,773,934
Other taxes	472,652	579,774
Losses, degradation and supplies variation (see Note 9.2).	13,155	358,613
Other current management expenses	3,980	20,402
	15,876,461	20,586,929

During financial years 2015 and 2014, the fees for account auditing services and other services provided by the auditor of the Company have been as follows:

Description	Euros	
	2015	2014
Auditing Services	60,063	80,000
Total auditing and related services	60,063	80,000
Other services	1,200	8,000
Total professional services	61,263	88,000

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 31 December 2015 and 2014 in the financial statements.

The Company does not have granted rights of gas emissions and has not acquired them, as it does not need to do so.

19. Operations with related parties

The detail of the balances and transactions made during accounting periods 2015 and 2014 between the Company and Elsamex Group companies and other binding parties is as follows:

2015	Euros							
	Accounts receivable		Accounts payable		Transactions:			
	For services rendered	Credits/ Current accounts	For services rendered	Loans/ Current accounts	Services received	Interest against	Interest in favour	Services provided
IPL-ITNL Internacional Pte. Ltd	-	-	274,372	-	171,661	-	-	-
IL&FS Transportation Networks Ltd	223,504	-	976,221	-	472,484	-	-	42.201
ITNL Offshore Pte Ltd	1,263	-	-	35,525,647	625,377	-	-	-
IL&FS Global Financial Services (UK)	-	-	-	-	898,168	-	-	-
IL&FS Global Financial Services (ME)	-	-	-	-	103,591	-	-	-
Ramky Elsamex Hyderabad Ring Road Ltm.	330,000	-	-	-	-	-	-	-
ESM Méjico	-	931	-	57,031	-	-	-	-
Elsamex Internacional S.L.	-	15,218,975	-	18,204	2,979,027	-	1,128,008	1,556,539
Inteval Gestao Integral Rodoviaria, S.A.	78	-	-	-	-	-	-	146
Atenea Seguridad y Medio Ambiente, S.A.	-	-	-	487,229	193,297	14,410	-	226.740
Grusamar Ingeniería y Consulting, S.L.	-	-	-	265,095	1,804,112	-	2,129	824.592
Señalización de viales e Imagen, S.A.U.	-	871,136	-	-	1,541,022	-	375,618	1,083,410
Ciesm-Intevia S.A.	-	2780.890	-	-	924,225	-	137,076	255.084
Geotecnia y Control de Qualitat S.L.	425	-	-	-	790	-	-	2.472
Control 7 S.A.	-	1,390,916	-	-	-	-	60,884	183.310
Área de Servicio Punta Umbría, S.L.U.	-	988,475	-	-	-	-	49,964	4.932
Alcantarilla Fotovoltaica, S.L.U.	-	1,744,632	-	-	-	-	111,690	48.500
Área de Servicio Coirós, S.L.U.	-	-	-	202,674	-	13,160	-	6.905
CGI-8. S.A.	6,107	447	-	-	405	-	-	-
Beasolarta S.L.U	-	2,934,505	-	-	-	-	146,098	12.172
Sociedad Concesionaria Autovía A-4 Madrid. S.A.	496	369	-	-	3,649	-	-	16.070
Elsamex Construção e Manutenção	-	166,200	-	-	-	-	-	-
Elsamex Internacional Sucursal Ecuador	-	1,632	-	-	-	-	-	-
Elsamex Maintenance Services Ltd	827,500	-	-	-	-	-	-	827,500
Elsamex S.A. and IL&FS Transport JVCA	120,963	-	-	-	-	-	-	1,073,726
Elsamex Roads and Infrastructure Company WLL (Qatar)	-	103,554	-	-	-	-	-	-
Elsamex Internacional, sucursal Colombia	-	108,237	-	-	-	-	-	-
Grusamar Ingeniería y Consulting, S.L., branch in Colombia	-	482,405	-	-	-	-	-	-
TOTAL	1,510,336	26,793,304	1,278,939	36,555,880	9,717,808	27,750	2,011,482	6,164,299

2014	Euros								
	Accounts receivable		Accounts payable		Expenditure		Income		
	For services rendered	Credits/ Current accounts	For services rendered	Loans/ Current accounts	Services received	Interests	Dividends	Services provided	Interests
I IPL-ITNL Internacional Pte. Ltd	-	-	102,711	9,250,000	258,841	327,646	-	-	-
IL&FS Transportation Networks Ltd	223,504	-	1,659,570	1,500,000	1,814,065	659	-	1,736,839	-
ITNL Offshore Pte Ltd	1,263	-	-	-	-	-	-	-	-
IL&FS Global Financial Services (UK)	-	-	163,278	-	331,077	-	-	-	-
Ramky Elsamex Hyderabad Ring Road Ltm.	330,000	-	-	-	-	-	-	-	-
ESM Méjico	-	-	-	-	-	-	-	-	-
Elsamex Internacional S.L.	-	20,009,359	-	-	3,115,336	-	-	1,429,532	1,032,930
Inteval Gestao Integral Rodoviaria. S.A.	363	-	-	-	-	-	-	363	-
Elsamex Portugal Engenharia e Sistemas de Gestao	33	-	3,188	-	-	-	-	33	-
Atenea Seguridad y Medio Ambiente. S.A.	-	-	-	56,676	76,895	-	-	279,179	119,184
Grusamar Ingeniería y Consulting. S.L.	-	-	-	737,801	1,823,380	234,712	-	749,443	-
Señalización de viales e Imagen. S.A.U.	-	4,717,744	-	-	1,041,265	-	-	681,401	-
Ciesm-Intevia S.A.	-	2,351,243	133,010	-	834,728	-	-	647,874	179,760
Geotecnia y Control de Qualitat S.L.	119	-	907	-	1,500	-	-	2,494	283,705
Control 7.S.A.	-	1,130,672	118,580	-	98,000	-	-	177,207	116,897
Área de servicio Punta Umbría, S.L.U	-	1,004,471	-	-	-	-	-	83,534	48,540
Alcantarilla Fotovoltaica S.A	-	2,202,556	-	-	-	-	-	53,995	127,785
Área de servicio Coirós. S.L.U.	-	-	-	253,141	-	14,014	-	13,420	-
Elsamex Brasil Ltda.	-	-	-	-	-	-	-	-	-
CGI-8. S.A.	6,107	447	-	-	-	-	-	-	-
Beasolarta, S.L.U.	-	2,980,255	-	-	-	-	-	12,785	151,407
Sociedad Concesionaria Autovía A-4 Madrid. S.A.	6,304	369	3,992	-	6,299	-	378,148	637,654	514,935
Elsamex Construção e Manutenca	-	166,200	-	-	-	-	-	-	-
Consorcio Grusamar-Elsamex-Ecuador	-	-	-	9,274	-	-	-	-	-
Others	-	529,082	-	2,712	-	-	-	-	-
Elsamex Internacional- Sucursal Dominicana	-	-	-	26,720	-	-	-	-	-
TOTAL	567,693	35,092,398	2,185,236	11,836,324	9,401,386	577,031	378,148	6,505,753	2,575,143

The nature of transactions that occur between the different companies of Group Elsamex is the following:

- Provision of services (subcontracting): specific Companies of the Elsamex Group provide supplementary services to the Company so that the latter may develop its activity.
- Financial operations: there are monetary transactions between the entities of Group Elsamex that occur insofar as the companies require liquidity. These intragroup transactions accrue interests.
- Administration, financial and human resource services: Elsamex S.A., from its central offices in Madrid, provides administrative, legal and fiscal services to the rest of the group entities.

The method for setting the transfer pricing policy is different depending on the type of transaction made:

a) For transactions consisting of the provision of services (subcontracting) between the different entities of the group, whether the "resale price" method is used, by which from the sale price of the item is subtracted the usual margin in identical or similar operations with independent persons or entities or, failing this, the margin that independent persons or entities apply to similar operations, making, if required, the corrections necessary to obtain the equivalence and in consideration of the particularities of the operation or the "transactional net margin method", by means of which the net income, is attributed to the transactions made with a related entity, being calculated over costs, sales or to the extent deemed most appropriate according to the circumstances of the transactions which, where appropriate, third parties would have obtained through identical or analogous transactions conducted between independent parties and making, when appropriate, the corrections required to obtain the equivalence and consider the distinctive features of each transaction.

b) For financial transactions and administrative services between the different group entities the "comparable free price" method is used, by which the price of the goods or service is compared in an operation between connected persons or entities with the price of identical goods or services or of similar nature in an operation between independent persons or entities in similar circumstances, making, if required, the corrections necessary to obtain the equivalence and in consideration of the particularities of the operation.

The totality of balances alive that exist between the connected entities at 31 December 2015 and 2014 are liquid, past due date and demandable.

The Company charges to its subsidiaries the structure expenses as follows, for financial years 2015 and 2014:

	2015	2014
	Income	Income
Elsamex Internacional. S.L.U	43,257	76,190
Ciesm-Intevia S.AU.	134,725	132,407
Control 7. S.A.U	165,351	156,786
Grusamar Ingeniería y Consulting. S.L.U	424,223	420,455
Atenea Seguridad y Medio Ambiente. S.A.U	138,756	129,010
Señalización de viales e Imagen. S.A.U.	87,426	62,829
Alcantarilla Fotovoltaica. S.L.U.	8,327	7,145
Área de Servicio Coirós S.L.U.	9,003	6,905
Área de servicio Punta Umbría. S.L.U.	6,431	4,932
Beasolarta S.L.U	6,453	5,001
TOTAL	1,023,952	1,001,660

20. Information regarding situations involving conflicts of interest for the Board Members and Remunerations for the Board of directors and the Managers

Upon closure of financial year 2015 neither the members of the Board of Directors of Elsamex, S.A. nor the persons linked to them as described by the Corporation Law have informed the rest of the members of the Board of Directors of any direct or indirect conflict of interest that they might have with regards to the interest of the

Company. The managers do not work for companies with a business similar to that of Group Elsamex, except for the companies of the Group.

During financial year 2015 the members of the Board of Directors of the Company received 25,106 Euros as compensation for attendance to Board meetings (25,106 Euros in 2014).

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.

Data relating to senior management personnel and managing directors:

Name	Responsibilities or duties that they hold or carry out in the company	Remuneration period 2015	Remuneration period 2014
Senior management personnel and managing directors	Management	367,201	520,386

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

Below, the information required by the Additional Third Disposition of Law 15/2010 of 5 July is detailed:

	Year 2015	Year 2014
Average period of payment to suppliers	80	97
Ratio of operations paid	89	99
Ratio of operations pending payment	50	85
Total payments made	37,840,038	34,118,907
Total outstanding payments	11,340,249	6,702,782

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 2015 according to Law 3/2004 of 29 December, which establishes measures against delinquency in commercial operations, is 60 days.

22. Other information

On the 3 August 2014 Elsamex, S.A. and the Republic of Honduras signed a transaction agreement in virtue of which Elsamex, S.A. shall receive USD\$ 7,500,000 in 2014 and 2015 and the international dispute shall be considered settled.

23 Currency different to Euro and segment information

The detail of balances and most significant transactions in foreign currency, valued at the exchange rate at close and average exchange rate, respectively, are the following for periods 2015 and 2014:

	Euros	
	2015	2014
Balances:		
Accounts receivable	28,447,726	24,217,740
Other assets	21,743,904	3,449,433
Accounts payable	22,553,242	15,317,662
Other liabilities	14,893,726	4,133,127
Transactions:		
Sales and provision of services	30,431,383	16,521,212
Purchases and services received	14,681,554	11,221,908

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

Financial Year 2015

	Conservation	Construction	Maintenance Buildings	Maintenance stations of service	Energy Efficiency	Concessions
Sales	33,490,117	33,392,762	12,230,022	15,006,517	2,452,884	744.627
EBITDA	5,953,168	1,802,115	-315.245	1,644,174	(166.072)	347.964
Depreciation	692.340	612.376	108.669	89.049	136.100	101.712
EBIT	5,260,828	1,189,739	(423.915)	1,555,125	(302.172)	246.252

Financial Year 2014

	Conservation	Construction	Maintenance Buildings	Maintenance stations of service	Concessions
Sales	37,906,418	22,538,539	11,939,978	11,869,417	764,146
EBITDA	4,317,716	1,088,716	613,331	1,191,247	54,940
Depreciation	799,802	754,991	147,978	125,443	104,738
EBIT	3,517,914	333,725	465,353	1,065,804	(49,798)

The geographical distribution is as follows:

Financial Year 2015

	Euros					
	Spain	Europe	LATAM America	Africa	Asia and Middle East	Total
Sales	62,703,722	-	1,836,743	26,915,579	5,860,885	97,316,929
EBITDA	4,470,261	(29,220)	(269,515)	2,749,042	2,345,688	9,266,257
Depreciation	(1,075,502)	-	(17,335)	(449,457)	(197,952)	(1,740,246)
EBIT	3,394,759	(29,220)	(286,850)	2,299,585	2,147,736	7,526,011

Financial Year 2014

	Euros					
	Spain	Europe	LATAM America	Africa	Asia and Middle East	Total
Sales	53,583,180	1,404,566	16,534,923	6,184,673	7,311,156	85,018,498
EBITDA	5,288,004	144,522	1,146,009	558,097	129,318	7,265,950
Depreciation	(548,607)	(23,556)	(1,138,707)	(204,570)	(17,512)	(1,932,952)
EBIT	4,739,397	120,966	7,302	353,527	111,806	5,332,998

24. Subsequent Events

Subsequent to the close of the period, and up to the date of preparation of these financial statements, no significant subsequent event has occurred that is worth mentioning.

Elsamex, S.A.

Management Report for the Financial year ending on 31 December 2015

Development of business and Company situation

In 2015 the economic improvement in Spain that started in 2014 was continued, breaking the negative trend present from 2008 to 2014. In 2015, there was a 3.2% growth in the Spanish GDP, according to the first calculation of the National Statistics Institute.

In this growth environment, the development of ELSAMEX has been equal to that globally experienced in Spain during 2015, a year in which there has been a sustained economic recovery encouraged by both the public and the private sectors.

Despite the current economic situation, during the financial year 2015 ELSAMEX has experienced a significant increase in sales compared to the sales level in the previous year, having already operated 100% of the concessions in progress. It has also continued to reinforce and restructure the organization in order to fulfil the growth strategic plan adopted and basically oriented to international market.

ELSAMEX has performed through 5 National Delegations and its 11 National Subsidiaries in Spain as well as through Consortium and International Branches on the foreign market, including an important production centre in Botswana. In ELSAMEX, five main business lines are developed, which depending on the sales percentage are divided as follows:

* Infrastructure Maintenance	34 %
* Renovations and Construction	34 %
* Buildings and Installations Maintenance	13 %
* Service Stations Maintenance	15 %
* Energy Efficiency	3 %
* Concessions	1%

The average staff compared to 2014 has decreased to 660 workers, the technical staff accounting for 20 % of the staff.

The group has followed a policy of forging partnerships with several partners by means of 54 Joint Ventures.

Sales figures for year 2015 are as follows:

* Only Elsamex, S.A. 52,79 Million of Euros

* Through Joint Ventures and Consortiums 97,31 Million of Euros

Out of the total sales of ELSAMEX, foreign markets made up 33 %, with the remaining 67 % coming from the domestic market.

By sector, 68 % of sales pertained to Roads, 16 % pertained to Chemicals and Oils, 13% to Buildings and other infrastructures, and the remaining 3 % pertains to Sports Facilities, Hydraulic and Railway Projects, Airports and the Environment.

The breakdown corresponding to sales per client this year is 67 % to the Central Government, 14% to Local and Regional Government Entities and 19 % to private companies.

The work portfolio for the coming years stands at 200 million Euros.

As for the results, and during this year, there has been a positive result of 6.3 Mn Euro after taxes, and the stockholder equity has raised, standing at 64.44 Mn Euro.

In the sector of maintenance, rehabilitation and infrastructure, the outlook continues to be given that the work portfolio stands at 160.9 Mn Euros, 41 % of GROUPO ELSAMEX portfolio.

Specifically, and regarding full maintenance of Roads, ELSAMEX holds a portfolio of 35 contracts of maintenance of roads with the Ministry of Development, different regional, provincial and local governments, and concession companies, with a steady market share with our main client, the Ministry of Development. Moreover, new contracts have been awarded, such as the maintenance contract in Jaén, Area 7 in Palma, Southern and Eastern Areas in Seville and Northern Area in Malaga.

The company continues to bid for more contracts in this area, both from the Ministry for Public Works as well as from other Public Entities, with new awards anticipated over the course of the year 2016.

Services including maintenance in the area of Water and the Environment have continued, with the performance of maintenance tasks in green zones such as the Maintenance of Gardens and Technical Assistance to Management of Environmental Work. With respect to maintenance in the Water Sector, several works are still ongoing in respect of the maintenance of waterways, with the Segura, Guadiana and Guadalquivir Water Authorities.

During 2015 the works for the OPRC contract for the Improvement and Maintenance by Service Levels in Botswana of the following road sections continued: Mmankgodi-Kanye-Jwaneng (124 km), and Rakhuna-Tihareselele-Pitsane Molopo-Mabule (144 km), awarded for an amount of EUR 138.8 Mn and 120 months, fully financed by the World Bank.

We have continued the joint venture works for the Conservation by Service Levels of the road of Abu Dhabi-Al Ain Main Highway & Truck Road for an amount of € 25 Mn and a performance term of 24 months.

The company started the works for the rehabilitation of the 46-km road that joins Wolliso and Ambo , in Ethiopia, a contract amounting to EUR 36.5 Mn for a performance term of 36 months, financed by the World Bank.

During the year 2016, growth in this area is expected to continue, based mainly on possible awards which may take place in the international market.

In the Area of Maintenance of Buildings and Installations our current portfolio has been increased with new contracts; of particular relevance are currently the whole maintenance of many public buildings, such as the maintenance of different health centres in Madrid, many sports centres in Murcia and Madrid, schools in the Municipality of Fuenlabrada, different buildings and stations of ADIF, and different facilities of AENA such as the airport in Alicante.

We should highlight the consolidation of the Energy Efficiency business area, in particular the awardings obtained in 2015 of the contracts for the management of energy services and maintenance of municipal facilities and public lighting of the Municipalities of Jerez de los Caballeros and Churriana de la Vega, and of the contract for setting of LED lighting in the Jaudenes area in Ceuta and for the Government of the Canary Islands in the Province of Las Palmas de Gran Canaria, amounting to EUR 15.95 Mn, and for a performance term on 144 months.

Likewise, we continue to be present in the private sector through our subsidiaries, for image and facilities maintenance works for clients such as the bank entities La Caixa and BBVA.

In the area of Maintenance of Image and installation of Service Stations, we have contracted more than 2,000 Service Stations in Spain, owned by Repsol, Cepsa, Disa, and Galp. Also, we still have presence in maintenance of shops in service stations for Repsol, keeping the same in Andalucia, and having incorporated to this activity as new clients Galp, Saras Energía, CEPSA and BP.

We would like to highlight that we continue to expand in the private sector, working for the implementation and maintenance of image and facilities, with clients such as PRIMARK and OCASO.

In the Concessions Area, ELSAMEX, S.A. continues to operate the Concession for the Maintenance and Operation of the A-4 Motorway from k.p. 3.78 to k.p. 67,5 Section: Madrid-R4. This concession, whose client is the Ministry for Public Works, involved an initial investment of 67 million Euro, and its duration is 19 years. ELSAMEX, S.A. has an interest of 46.25% in this project.

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

Also, during 2015, ELSAMEX S.A has continued to operate, through a subsidiary, the Concession of the Plant of Photovoltaic Solar Energy on the public covers of the Council of Alcantarilla, with a nominal power of 1.127 megawatts, and of another Plant of Photovoltaic Solar Energy on the canopies of the parking lot of the University of Almería, with a nominal power of 1.096 MWp, an initial investment of 3,1 M€, and a duration of 25 years.

The first of these involves an inroad for ELSAMEX into the renewable energy sector, considering that Energy Efficiency is a strategic objective for the company, allowing Elsamex to consolidate its presence in the concession business of renewable energy.

The goal of ELSAMEX for next year 2016 is to continue to keep the leading position as a reference company within the sectors where it operates and to increase its activity in the Maintenance Area, both in national and international market. However, in the domestic market there are a series of variables that cannot be controlled by ELSAMEX and that do not favour the company's interests. However, just like in 2015, efforts will be focused on improving the international expansion and the management and optimization of costs so as to improve the profitability and maintain the sustainable development of the company.

Regarding profitability, continuing to implement a responsible cost control culture is more necessary than ever. This does not mean not to expand at all, but not to spend in what is not strictly necessary for the good performance of business units, which can be achieved by the utilization of our own resources and a small change in our behaviour and habits, as well as in our management systems.

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

All this becomes even more complicated when we take into consideration the fact that the demand, conformed mostly by Public Administrations, has slightly increased in 2015 and is not expected to substantially improve in 2015. Moreover, there has been a strong deterioration in the market, where price is increasingly the only thing that matters.

In any case, we are still optimistic, despite all the existing economical difficulties and those regarding the activity sectors explained above. All the aforementioned makes us think that in year 2015 results will be better than in this present year.

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 2015.

Activities concerning research and development

The detail of the R&D projects developed by the Company throughout financial year 2015 is as follows:

Completed R+D Projects
- Effect of polymers in Bituminous Mixes (POLYMER EFFECT)

Ongoing R+D Projects (see Note 6)
- Studies of modified asphalt bitumens in new Polymer families (BMPOLIMEROS). - MIFAR (Integral Pavement Improvement with Recycled Aggregates) - NANOS (New lines of research with nanomaterials in hot, semi-hot and cold asphalt mixes.) - BACHEO (Programme for research of a system for patching in asphalt pavement).

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 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 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.

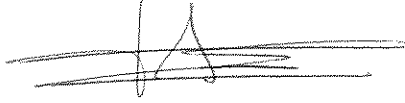
c) Market risk:

Both the Treasury and the 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.

Declaration of Submission of Annual Accounts and Management Report

In compliance with the rules stipulated in the Capital Corporations Act, the Board of Directors of Elsamex, S.A, lodged the Annual Accounts and the Management Report relating to accounting period 2015, on 16 March 2016, which shall be submitted for the approval of the General Shareholders' Board.

R. Parthasarathy



Mukund Gajanan Sapre

Mr. Ravi Parthasarathy

Mr. Fernando Bardisa Jorda

Mr. Mukund Gajanan Sapre

Ramchand Karunakaran



Mr. Ramchand Karunakaran

Mr. Arun Kumar Saha

Mr. Hari Sankaran

Ramesh Chander Bawa

Mr. Ramesh Chander Bawa