

CIESM-INTEVIA S.A.U.

FINANCIAL STATEMENTS

2013

No. CI - 0214

Date: 31 March 2014

ACTIVITY:

Audit Report of 2013
Abridged Financial
Statements

COMPANY:

CIESM-INTEVIA, S.A.U

ADDRESS:

C/ San Severo, 18 – 28042 –
MADRID
PARQUE EMPRESARIAL
BARAJAS PARK

COMMISSIONED BY:

The General Meeting

ADDRESSED TO:

The Shareholder

AUDITED DOCUMENTS:

Abridged Financial
Statements of year 2013

CARRIED OUT BY
AUDITOR:

L.I.Tahoces Escrivá de
Romaní
No. 22.330 of R.O.A.C
Member of the Spanish
Institute of Chartered
Accountants, which is
member of the F.E.E.,
I.F.A.C. and I.A.S.B.

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

AUDIT REPORT ON ABRIDGED FINANCIAL STATEMENTS

To the shareholders of Company CIESM-INTEVIA, S.A.U

I have audited the Abridged Financial Statements of:

CIESM-INTEVÍA, S.A.U.

which include the Abridged Balance Sheet as of 31st December 2013, the Abridged Profit and Loss Account, the Abridged Statement of Changes in the Equity and the Abridged Notes of the fiscal year then ended. The Directors of the Company are responsible for preparing the Abridged Financial Statements according to the Regulatory Frame of Financial Information applicable to the Company (as indicated in Note 2 of the attached Report) and in particular with the accounting principles therein contained. My responsibility is to express an opinion on said Abridged Financial Statements as a whole, based on the work performed that has been conducted in accordance with the rules which regulate the auditing activity in force in Spain, which require the examination by selected tests of the evidence to justify the Abridged Financial Statements and the evaluation of whether its presentation, the accounting principles used and the estimates made comply with the Regulatory Frame of Financial Information as applicable.

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

Without affecting my auditing opinion, I would like to draw the attention to the information contained in Note 2.4 of the Abridged Notes attached, which describes the reasons causing or dispelling doubts on the principle of going concern. The Shareholder of the Company has expressed its intention to provide support, for the extent and during the period necessary.

I issued the Audit Report on the Abridged Financial Statements of this Company on 19th April 2013. Said Report had limitations due to a lack of information, as I could not obtain the information on two companies in which the Company had shares; these companies were either sold or liquidated in the period, as it is explained in the attached Abridged Report.

As I noted in said Report, the Company has recognized Research Expenses amounting to 656,065.27 Euros, which had not been amortized in the period. This situation was solved during 2013.

Madrid, 31st March 2014

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

CIESM-INTEVIA, S.A.U

ABRIDGED BALANCE SHEET AS AT DECEMBER, 31ST 2013

(Euros)

ASSETS	Notes	Year 2013	Year 2012	EQUITY & LIABILITIES	Notes	Year 2013	Year 2012
NON-CURRENT ASSETS		4.815.311	4.701.632	EQUITY	Note 12	776.803	661.289
Intangible fixed assets	Note 5	704.191	923.622	OWN FUNDS-		776.730	661.289
Research and Development		703.196	921.433	Capital		60.000	60.000
Computer software		995	2.189	Subscribed capital		60.000	60.000
Property, plant and equipment	Note 6	971.393	657.594	Share premium		598.200	598.200
Technical installations and other items		387.250	429.143	Reserves		(256.244)	(1.082)
Under construction and advances		584.144	228.451	Legal and statutory		7.264	-
Non-current investments in group companies and associates	Note 8	2.705.858	2.830.658	Other reserves		(263.508)	(1.082)
Equity instruments		844.382	969.182	Prior period's losses		(3.093)	(68.468)
Other financial assets		1.861.476	1.861.476	Profit/(loss) for the year		377.867	72.639
Non-current investments		3.623	3.623	VALUATION ADJUSTMENTS		73	-
Other financial assets		3.623	3.623	Foreign Exchange Fluctuation Reserve		73	-
Deferred tax asset	Note 15	430.246	286.135				
				NON-CURRENT LIABILITY		1.067.116	784.552
				Non-current payables	Note 14	1.062.383	779.819
				Other financial liabilities		1.062.383	779.819
				Deferred tax liability	Note 15	4.733	4.733
CURRENT ASSETS		6.809.087	5.977.091	CURRENT LIABILITIES		9.780.480	9.232.882
Inventories		11.570	22.869	Current provisions	Note 13	164.353	-
Advances to suppliers		11.570	22.869	Current payables	Note 14	129.256	325.613
Trade and other receivables	Note 9	1.796.139	2.487.541	Debt with financial institutions		615	281.863
Trade receivables		1.282.453	1.940.309	Other financial liabilities		128.641	43.750
Trade receivables from group companies and associates	Note 19	473.554	493.139	Group companies and associates, current	Note 19	9.211.066	8.297.885
Other receivables		9.138	24.994	Trade and other payables	Note 14	275.805	609.385
Personnel		5.472	14.271	Suppliers		182.460	406.986
Current tax assets	Note 15	599	596	Suppliers, group companies and partners	Note 19	-	7.784
Other credits with Public Administration	Note 15	24.924	14.232	Personnel(salaries payable)		3.422	529
Current investments in group companies and associates	Note 19	4.647.806	3.167.069	Public entities, other	Note 15	79.285	86.542
Other financial assets		4.647.806	3.167.069	Advances from customers		10.638	107.543
Current investments	Note 9	221.012	234.305	Current accruals		-	-
Loans to companies		922	1.575				
Other financial assets		220.090	232.730				
Cash and cash equivalents		132.559	65.307				
Treasury		132.559	65.307				
TOTAL ASSETS		11.624.398	10.678.723	TOTAL EQUITY AND LIABILITIES		11.624.398	10.678.723

The Notes 1 to 23 described in the attached Report form an integral part of the balance sheet at 31st December 2013

CIESM-INTEVIA, S.A.U

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

(Euros)

	Notes	Year 2013	Year 2012
CONTINUED OPERATIONS			
Turnover	Note 17	3.408.127	2.205.494
Provision of services		3.408.127	2.205.494
Works performed by the company for its assets		639.458	228.451
Supplies	Note 17	(404.189)	(166.884)
Consumption of raw materials and other consumables		(120.525)	(94.148)
Works carried out by other companies		(283.664)	(72.736)
Other income		37.414	63.512
Operating subsidies included in the year result		37.414	63.512
Personnel expenses	Note 17	(1.533.798)	(1.465.768)
Wages, salaries and similar		(1.075.219)	(1.181.696)
Social charges		(294.226)	(284.072)
Provisions		(164.353)	-
Other exploitation expenses	Note 17	(1.057.537)	(543.388)
Outside services		(544.720)	(533.224)
Taxes		(11.160)	(10.164)
Losses, impairment and variation of provision for trade operations		(501.657)	-
Amortization of fixed assets	Note 5 y 6	(350.547)	(212.297)
Impairment and gains/(losses) on the disposal of fixed assets		60.313	38.445
Profit/(loss) for assets sold		60.313	38.445
RESULTS FROM OPERATING ACTIVITIES		799.242	147.565
Financial income		214.789	357.842
- From third parties		2.765	288
- From group companies and partners		212.024	357.553
Financial expenses		(423.432)	(627.670)
For debts with third parties		14.956	(15.355)
For debt with group companies and partners		(438.388)	(612.315)
Exchange differences		(463)	819
Net gains on disposals of financial instruments		(253.400)	-
Net gains on disposals of financial instruments		(253.400)	-
NET FINANCIAL GAINS/(LOSSES)		(462.506)	(269.010)
PROFIT BEFORE TAX		336.736	(121.445)
Income Tax	Note 15	41.131	194.084
PROFIT AFTER TAXES		377.867	72.639
PROFIT FOR THE YEAR		377.867	72.639

Notes 1 to 23 of the attached Notes to the Financial Statements form an integral part of the income statement for 2013

CIESM-INTEVIA, S.A.U

ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST, 2013
A) ABRIDGED STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31ST, 2013
(Euros)

	Notes	Year 2013	Year 2012
PROFIT AND LOSS FOR THE PERIOD (I)		377.867	72.639
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	-
TOTAL CONSOLIDATED RECOGNISED INCOME AND EXPENSES (I+II+III)		377.867	72.639

The Notes 1 to 23 described in the attached Report form an integral part of the statement of recognized incomes and expenses corresponding to year 2013

CIESM-INTEVIA, S.A.U

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

B) ABRIDGED STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euro)

	Note	Capital	Share premium	Reserves	Prior period's losses	Profit/(loss) of the year	Foreign Exchange Fluctuation Reserve	TOTAL
FINAL BALANCE OF YEAR 2011		60.000	598.200	(1.082)	-	(68.468)	-	588.650
Total recognized incomes and expenses		-	-	-	-	72.639	-	72.639
Application of profit 2011		-	-	-	(68.468)	68.468	-	-
BALANCE AT YEAR END 2012		60.000	598.200	(1.082)	(68.468)	72.639	-	661.289
Corrections	Note 2.8	-	-	(262.426)	-	-	-	(262.426)
ADJUSTED INITIAL BALANCE 2013		60.000	598.200	(263.508)	(68.468)	72.639	-	398.863
Total recognized incomes and expenses		-	-	-	-	377.867	-	377.867
Application of profit 2012		-	-	7.264	65.375	(72.639)	73	73
FINAL BALANCE OF YEAR 2013		60.000	598.200	(256.244)	(3.093)	377.867	73	776.803

The Notes 1 to 23 described in the attached Report form an integral part of the statement of changes in net equity corresponding to year 2013

CIESM-Intevia, S.A.U
Abridged Report for
year ending
31st December 2013

1. Incorporation and activity

Incorporation

Centro de Investigación Elpidio Sánchez Marcos, S.A. (hereinafter the Company) was incorporated as public limited company on 21st December 1990; its corporate name has not been modified since the incorporation.

On 4 October 2010, the Company was renamed "CIESM-Intevia, S.A.U." after merging with subsidiary "Instituto Técnico de la Vialidad y del Transporte, S.A.U".

The corporate address of the Company and its facilities are located in Madrid, C/ San Severo 18, Parque Empresarial Barajas Park – 28042.

Corporate Purpose

The corporate purpose of the company is the following:

- a. Consulting services and drafting of technical studies and reports concerning public works, building, zoning and planning, industry, mining, agriculture and environment. Analysis, testing and technical control of projects, materials, works and facilities, as well as construction quality control. Drafting of studies, reports and other technical works concerning cartography, geotechnology, ecology, hydrology and environment. Works management for any type of facilities, buildings, infrastructure and any type of properties in general. Research on building systems, products, environment, hydraulic works and recycling of materials.
- b. Rendering of all kinds of services to natural or legal persons, including consulting and commercial management services, assessment and auditing of labour risks, quality, safety and public relations.
- c. Organization of training, education and retraining courses for managers, technicians and workers, and generally for all people in both public administration and companies in the field of construction, maintenance, transport, environment, land planning and infrastructure, as well as in aspects related to technology.
- d. Consulting and technical assistance to Administrations and public or private entities in the areas of projects and studies, inventory, management and maintenance, pathology and rehabilitation and safety and risk prevention.
- e. Drafting of studies and technical reports in the fields of construction, maintenance, transport, environment, land and infrastructure planning, as well as auditing, arbitration and expert reports in the pathologies that may arise in these areas of activity.
- f. Carrying out of research, development and innovation works in the areas of civil engineering, transport, environment and land planning.
- g. Technology transfer in the areas of construction, maintenance, transport, environment and land and infrastructure planning, promoting their development and improvement, as well as promotion and establishment of cooperation agreements with any type of entities, institutions, universities, companies and professionals.
- h. Creation and update of a library fund, technical references and standards in the areas of civil engineering, transport, environment and land planning in order to establish an external enquiry service.

- i. Publishing of books and all kinds of publications in any type of format, and documents of scientific and technical interest for training in the areas of civil engineering, transport, environment and land planning.
- j. Conducting of economic and financial studies of organization, development and operation of road networks, infrastructure and land planning.
- k. Replacement, acquisition, holding and disposal of shares in other companies, either civil or commercial and of any purpose or activity, all on their own and excluding the activities regulated by the Law on Collective Investment Undertaking and Share Market and without prejudice to obtaining the relevant administrative authorizations, if any, required by special legislation.

The activities included in the corporate purpose may be totally or partially developed by the company indirectly through the holding of shares or stakes in other companies engaging in identical or analogous activities.

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

2. Presentation principles for the abridged financial statements

2.1 Financial Information Framework applicable to the Company

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

- a) Code of Commerce and other additional mercantile legislation.
- b) General Accounting Plan, approved by Royal Decree 1514/2007 and sector adaptations, 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 accompanying abridged financial statements, which were prepared from the Company's accounting records, are presented in accordance with the Spanish General Accounting Plan approved by Royal Decree 1514/2007 and, accordingly, present fairly the Company's equity, financial position and results for the related year. These abridged financial statements, 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 article 257 of the Consolidated Text of the Corporations Law, approved by Royal Decree 1/2010, of 2nd July, in effect since 1st September 2010, the Company prepares abridged financial statements.

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

The abridged financial statements of period 2012 were approved by the General Shareholders' Meeting on 6th June 2013.

2.3 Non-obligatory accounting principles applied

Non-obligatory accounting principles have not been applied. Also, the directors of the Company formally prepared these abridged financial statements by taking into account all the obligatory accounting principles and standards with a significant effect thereon. There is not any obligatory accounting principle that has not been applied.

2.4 Critical aspects in the measurement and estimation of uncertainty

In preparing the accompanying 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 5 and 6).
- The calculation of provisions for creditor invoices pending receipt (see Note 4.11).
- The calculation of executed works pending invoicing and works certified in advance.

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

At 2013 and 2012 year-end, the Company has a negative working capital. This negative working capital is structural as it arises due to financing received by the parent company, Elsamex, S.A., and other Group companies, Atenea Seguridad y Medio Ambiente, S.A and Control 7, S.A.U (see Note 19) in order to make investments in fixed assets and financial investments in group companies. According to the directors, it does not involve a lesser capacity of the Company to settle its assets and liabilities for the amounts and according to the classification found on the attached abridged balance sheet, nor should this question the capacity of the Company to continue as going concern, as it is classified according to its current account nature as "Short-term debts with Group companies and associates", and it will not be required in period 2014.

2.5 Comparative information

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

2.6 Grouping of entries

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

2.7 Changes in accounting principles

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

2.8 Correction of errors

In preparing the accompanying abridged financial statements no significant errors were detected that would have made it necessary to restate the amounts included in the financial statements for 2008.

During period 2013 an adjustment against reserves was recognized due to the depreciation defect of a R+D+i project accumulated since period 2011, amounting to 262,426 Euro (see Note 5).

The entries of the balance sheet and profit and loss statement of periods 2012 and 2011 affected by this situation and the difference with the entries recognized in annual accounts of past periods are as follows:

Financial Year 2012:

	Amount according to recognized Annual Accounts	Amount after adjustment	Difference
Balance entries:			
Intangible Assets - Research and Development	921,433	790,220	(131,213)
Result of the period	72,639	(58,574)	(131,213)
Entries of Profit and Loss Statement:			
Fixed Assets Depreciation	(212,297)	(343,510)	(131,213)

Financial Year 2011:

	Amount according to recognized Annual Accounts	Amount after adjustment	Difference
Balance entries:			
Intangible Assets - Research and Development	875,416	744,203	(131,213)
Result of the period	(68,468)	(199,681)	(131,213)
Entries of Profit and Loss Statement:			
Fixed Assets Depreciation	(203,285)	(334,498)	(131,213)

3. Distribution of profits

The Company Directors shall propose to the General Shareholder's Meeting the following distribution of profits or period 2013:

	Euros
Distribution basis:	
Profit and loss (Profit)	377,867
	377,867
Distribution:	
To legal reserve	4,736
To offsetting of losses from previous years	3,093
To voluntary reserves	370,038
	377,867

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

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

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

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

4. Accounting standards and measurement bases

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

4.1 Intangible fixed assets

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

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

a) Research and development expenditure:

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

- It is specifically 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).

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.

b) Industrial property:

Under this account the amounts paid for the acquisition of title to or the right to use the related items, or for the expenses incurred in registration of the rights developed by the Company are recognised.

c) Computer software:

The Group enters in this account the costs incurred in the acquisition and development of computer programs. Computer software maintenance costs are recognized with a charge to the abridged profit and loss account for the period in which they are incurred. Computer software is amortized by applying the linear method over a term between 4 and 5 years.

4.2 Property, plant and equipment

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

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

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

	Percentage
Construction	2-7
Technical Installations-Machinery-Fixtures- Transport items	15
Other installations - Furniture	10
Equipment for information processing	25

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

4.3 Leasing

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

When the Company is the lessee – Finance lease

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option, when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charges arising under the lease are allocated to the abridged income statement for the year in which they are incurred using the effective interest method. Contingent rent is recognised as an expense for the period in which it is incurred.

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

When the Company is the lessee – Operating lease

Expenses resulting from operating leases are charged to income in the year in which they are incurred.

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

4.4 Financial Instruments

4.4.1 Financial assets

Classification –

Financial assets held by the Company are classified in loans and receivables; financial assets arising from the sale of goods or the rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market.

Initial recognition-

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

Subsequent measurement –

Loans and receivables are measured at amortized cost.

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 this occurs, the appropriate write-down is recognised in the abridged income statement.

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

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

4.4.2 Financial liabilities

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

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

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

4.4.3 Equity instruments

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

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

4.5 Stock

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

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

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

The cost of inventories is assigned by using the weighted average cost formula.

The Company recognises the appropriate write-downs as an expense in the abridged income statement when the net realisable value of the inventories is lower than acquisition or production cost.

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

4.6 Transactions in currency other than Euro

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

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

4.7 Corporate tax

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

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

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

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

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

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

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

4.8 Environment

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

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

4.9 Joint ventures (Joint business)

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

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

The main figures that the Joint Venture contributes to the balance sheet and the profit and loss account for the accounting periods ending on 31st December 2013 and 2012 are:

Concepts	Euros	
	2013	2012
Total Assets	78,99	36,571
Fixed Asset	(5,910)	(7,950)
Current assets	84,90	44,521
Net amount turnover	86,853	31,278
Services rendered	145,791	71,545
Elimination of consolidation	(58,938)	(40,267)

4.10 Revenue and expenditure

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

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

The difference between the work carried out at origin, valued at sale price, and the amount certified by the customer up to the date of the consolidated balance sheet, is entered under "Production carried out pending certification" under the "Customers for sales and provision of services" heading. In turn, the amounts certified in advance for miscellaneous headings are reflected in consolidated liabilities' balance sheet under "Trade customers".

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

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

4.11 Provisions and contingencies

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

- a) Provisions: credit balances covering present obligations arising from past events, whose cancellation will probably cause an outflow of resources, although they are uncertain in their amount and/or timing of cancellation.
- b) Contingent liabilities: possible obligations arising as a consequence of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events, not wholly within the Company's control and which are not reasonably calculable.

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

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

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

4.12 Termination benefits

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

4.13 Principles used in transactions between related parties

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

In any case, related parties are:

- a) Companies which are considered to be a company of the group, associate or multi-group, in accordance with article 42 of the Commercial Code.
- b) Natural persons who, directly or indirectly, hold participation in the voting rights of the Company, or in its dominant entity, to enable them to exercise a significant influence over one or another. Close relatives of these natural persons are also included.
- c) The key staff of the Company or of its dominant entity, understood as the natural persons with authority and responsibility over the planning, management and control of the Company's activities, either directly or indirectly, including the administrators and managers. Close relatives of these natural persons are also included.

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

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

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

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

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

a) The spouse or person with an analogous relationship;

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

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

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

The Company carries out all its operations with entities linked to market values. In addition, transfer prices are adequately supported so that the Company Directors consider that there are not any significant risks related to this aspect from which liabilities for future consideration could be derived. The Company has prepared the documentation required in article 16 of the Revised Corporate Tax Act and its Regulations in order to withstand transfer prices applied in the transactions between linked entities.

4.14 Subsidies, donations and legacies

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

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

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

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

5. Intangible assets

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

Financial Year 2013

	Euros			
	31-12-12	Additions	Transfers	31-12-13
Cost:				
Research	1,036,162	283,766	-	1,319,928
Industrial property	142	-	-	142
Computer software	13,117	-	-	13,117
	1,049,421	283,766	-	1,333,187
Amortizations:				
Research	(114,730)	(239,577)	(262,425)	(616,732)
Industrial property	(142)	-	-	(142)
Computer software	(10,928)	(1,194)	-	(12,122)
	(125,800)	(240,771)	(262,425)	(628,996)
Net	923,621	42,995	(262,425)	704,191

Financial Year 2012

	Euros			
	31-12-2011	Additions	Re-allocations	31-12-12
Cost:				
Research and Development	914,125	-	122,037	1,036,162
Industrial property	142	-	-	142
Computer software	13,117	-	-	13,117
	927,384	-	122,037	1,049,421
Amortizations:				
Research	(38,709)	(76,020)	-	(114,729)
Industrial property	(142)	-	-	(142)
Computer software	(8,664)	(2,264)	-	(10,928)
	(47,515)	(78,284)	-	(125,799)
Net	879,869	(78,284)	122,037	923,622

The investment in development expenses is financed by the CDTI at 75% of the budget approved; of that amount, 85% will be a reimbursable loan and 15% a subsidy. For the concept "subsidy", an amount of 37,414 Euro was recognized in period 2013.

During 2013 the company registered as Plant, property and equipment in progress the research works carried out during that year, amounting to 283,766 Euro.

The adjustment in depreciation in the period is due to non-registered depreciation in periods previous to Project Fenix (see Note 2.8).

Capitalized research works correspond to the expenses of integrated project "Use of End-of-Life Tyres (NFU) in bituminous pavements", which focuses on the analysis of mixes coming from standard cold recycling, and subsequent inclusion of NFU.

During 2013, the Ministry of Economy and Competitiveness has granted a loan to finance the project called "Asphalt Roads for Extreme Temperatures, FATE". Said project will be performed jointly with other companies. The loan granted to the Company shall be paid over the years in which the investment for said project will be

developed; the total budget of the loan amounts to 442,947 Euro, which shall be paid in annual instalments until 2015.

The cost of totally amortized elements at 31st December 2013 is 8,482 Euros.

The balance for research corresponds to development expenses capitalized in previous years, related to "Project Fenix - Research of new safer and more sustainable roads" and research project "Use of End-of-Life Tyres (NFU) in asphalt mixes".

6. Property, plant and equipment

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

Financial Year 2013

	Euros		
	31-12-2012	Additions	31-12-13
Cost:			
Technical Installations-Machinery-Fixtures	2,962,983	67,882	3,030,865
Other installations - Furniture	253,748	-	253,748
Equipment for information processing	39,706	-	39,706
Transport items	69,243	-	69,243
Plant, property and equipment in progress	228,451	355,692	584,144
	3,554,131	423,574	3,977,705
Amortizations:			
Technical Installations-Machinery-Fixtures	(2,556,685)	(99,840)	(2,656,525)
Other installations - Furniture	(237,305)	(5,377)	(242,682)
Equipment for information processing	(36,449)	(1,413)	(37,862)
Transport items	(66,100)	(3,143)	(69,243)
	(2,896,539)	(109,773)	(3,006,312)
Net	657,592	313,801	971,393

Financial Year 2012

	Euros			
	31-12-2011	Additions	Re-allocations	31-12-2012
Cost:				
Technical Installations-Machinery-Fixtures	2,953,535	9,448	-	2,962,983
Other installations - Furniture	253,748	-	-	253,748
Equipment for information processing	38,247	1,459	-	39,706
Transport items	69,244	-	-	69,244
Plant, property and equipment in progress	122,037	228,451	(122,037)	228,451
	3,436,811	239,358	(122,037)	3,554,132
Amortizations:				
Technical Installations-Machinery-Fixtures	(2,437,842)	(118,842)	-	(2,556,684)
Other installations - Furniture	(229,738)	(7,567)	-	(237,305)
Equipment for information processing	(34,976)	(1,473)	-	(36,449)
Transport items	(59,971)	(6,129)	-	(66,100)
	(2,762,527)	(134,011)	-	(2,896,538)
Net	674,284	105,347	(122,037)	657,594

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

At the close of periods 2013 and 2012 the Company had elements of property, plant and equipment completely amortized which were still in use to the value of 2,590,031 Euros and 2,348,403 Euros respectively.

At the close of the period, the Company had plant, property and equipment in progress amounting to 584,144 Euros, which correspond to research and development works currently ongoing. Research projects are the following: effect of ice and fluxing on bituminous mixes and on the evaluation methods of recycling rate; and research on the behaviour of high-modulus asphalt mixes in extreme temperatures.

7. Leasing

Operating leases

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

Operating leases Minimum quotas	2013 Nominal value	2012 Nominal value
Less than one year	39,218	52,361
Between one and five years	582	2,910
Total	39,800	55,271

8. Group, multi-group and associated companies

8.1 Equity instruments

Financial Year 2013

Investee	Address	Activity	% Participation	Euros			
				Amount	Equity		
					Share Capital	Reserves	Result
Control 7, S.A	Polígono Malpica, Santa Isabel, C7E parcela 57-61, Nave 9, 50057 Zaragoza, España	Laboratory	100.00%	765,902	550,516	879,314	(341,327)
				765,902			

Financial Year 2012

Investee	Address	Activity	% Participation	Euros			
				Amount	Equity		
					Share Capital	Reserves	Result
Control 7, S.A	Polígono Malpica, Santa Isabel, C7E parcela 57-61, Nave 9, 50057 Zaragoza, España	Laboratory	100.00%	765,902	550,516	528,321	350,992
				765,902			

Associate Companies

Financial Year 2013

Investee	Address	Activity	% Participation	Euros			
				Amount	Equity		
					Share Capital	Reserves	Result
CGI-8, S.A.	Polígono de San Cipria de Viñas de Orense, 6 Parcela 33. Orense Spain	Laboratory	49.00%	78,480	160,140	(94,620)	(50,851)
				78,480			

Financial Year 2012

Investee	Address	Activity	% Participation	Euros			
				Amount	Equity		
					Share Capital	Reserves	Result
CGI-8, S.A.	Polígono de San Cipria de Viñas de Orense, 6 Parcela 33. Orense Spain	Laboratory	49.00%	78,480	160,140	(60,758)	(33,823)
Labetec S.A	C/ Mayor de Triana nº 60, 3 planta, puerta 1, Las Palmas de Gran Canaria	Laboratory	50.00%	66,000	72,000	345,633	37,497
Centro de Investigación Carreteras de Andalucía S.A	c/Acústica 24, 1 planta edificio Puerta de Indias41015 Sevilla	Laboratory	49.00%	58,800	120,000	-	-
				203,280			

On 19th June 2013 the company Centro de Investigación de Carreteras de Andalucía S.A. started the procedure for its liquidation; as a consequence, the Company has derecognized said investment from its assets.

On 12th September 2013 the shares of company Labetec S.A. that the Company held in its portfolio were sold for a total amount of 60,000, which the Company derecognized from its assets.

8.2 Other financial assets

At 2013 and 2012 year-end, the Company has recognized in heading "Other long-term financial assets - Investments in group companies and associated companies" of the attached abridged balance sheet a loan granted to Group company Grusamar Ingeniería y Consulting, S.L.U., amounting to 1,861,476 Euro. This loan was signed on 31 December 2012 for a term of 6 years; a period of one year of exemption of interests was established. The interest rate for subsequent periods was set in 8%.

8.3 Joint ventures

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

Name of Temporary Union of Company	Euros	
	Share percentage	Sales
UTE Sg 2/2008	24%	-
UTE Cican-Ciesm	50%	-
UTE Grusamar-Intevia-Dair (Seg.Vial Bizcaya)	60%	-
UTE Seguridad Vial Norte	70%	51
UTE Dair-Intevia	50%	99,353
UTE Sg-2/2011	24%	46,387
Total		145,791

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

9.1 Long-term financial assets

The balance of the account in the heading "Other Financial Assets" at the close of periods 2013 and 2012 groups the bonds given for operating lease contracts signed with third parties.

9.2 Short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the periods 2013 and 2012:

	Euros	
	2013	2012
Customers by sales and provision of services:	1,282,453	1,940,309
Customers	1,282,453	1,940,309
Delinquent Customers	1,465,458	1,082,067
Impairment of credit value for commercial operations	(1,465,458)	(1,082,067)
Customers and Group businesses current accounts (Note 18):	5,121,360	3,660,208
Sundry debtors	9,138	24,994
Personnel	5,472	14,271
Short-term financial investments	221,012	234,305
Credit to businesses	922	1,575
Other financial assets	220,090	232,730
TOTAL	6,639,435	5,874,087

During period 2013, the Company has registered 383,391 Euro for impairment value adjustments, which have been included in heading "Losses, impairment and change in commercial operation allowances" of the profit and loss statement attached (see Note 17).

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.

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.

c) Market risk:

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

11. Stocks

The Company has at 2013 and 2012 year-end a balance of 11,570 and 22,869 Euro, respectively, as "Prepaid Advances to Suppliers".

12. Stockholders' equity

12.1 Share capital

At the close of period 2013 the Company's share capital amounted to 60,000 Euros, represented by 6,000 registered shares of 10 Euros nominal value each, all of the same class, fully subscribed and paid in accordance with the following detail:

	% Participation
Elsamex S.A.	100%
	100%

12.2 Legal reserve

In accordance with the Revised 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.

12.4 Conversion differences

The conversion differences for the period 2013 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 2013, as well as the main movements registered during the year are the following:

Year 2013

	Euros		
	31-12-2012	Write-offs	31-12-13
Variable remuneration	-	164,353	164,353
	-	164,353	164,353

The allocation to this provision was recognized as expense in heading "Provisions-Personnel Expenses" in the attached abridged profit and loss statement.

14. Financial liabilities

The Company's financial liabilities are itemized as follows at closure of the 2013 and 2012 financial years:

Debit and items payable

	Euros	
	2013	2012
Long-term financial liabilities:		
Other financial liabilities	1,144,910	779,819
Total long-term financial liabilities	1,144,910	779,819
Short-term financial liabilities:		
Short-term debts:		
Debts with credit institutions	615	281,863
Other financial liabilities	46,114	43,750
	46,729	325,613
Debts with group companies (Note 18):	9,211,066	8,297,885
Trade creditors and other accounts payable:		
Suppliers	182,460	406,986
Suppliers, Group companies (Note 18)	-	7,784
Personnel	3,422	529
	185,882	415,299
Total short-term financial liabilities	9,443,677	9,038,797

Other financial liabilities:

This heading is formed by several loans signed with non-bank entities. The detail is as follows:

	Amount Granted	Date Contract	Expiration Date	Amounts pending payment (Euros)				
				2014	2015	2016	2017	2018 and beyond
CDTI	494,700	08/04/2010	29/10/2021	24,735	49,470	49,470	49.470	197.880
CDTI	541,197	21/07/2009	27/08/2020	57,792	57,792	57,792	57.792	173.380
CDTI	332,033	13/09/2012	06/10/2023	-	-	20,573	41.146	142.473
Ministry of Economy and Finance	165,144	12/02/2013	01/02/2023	-	5,406	27,329	52.039	80.370
				82,527	112,668	155,164	200,447	594,103

15. Public Administrations and fiscal situation

The breakdown of these balances at 31st December 2013 and 2012 is as follows:

	Euros			
	2013		2012	
	Balances Debtors	Balances Creditors	Balances Debtors	Balances Creditors
Deferred tax assets	430,246	-	286,135	-
Deferred tax liabilities	-	4,733	-	4,733
Long-term balances with Public Administrations	430,246	4,733	286,135	4,733
Public Treasury, debtor for VAT, IGIC, IPSI	7,956	-	14,232	-
Public Treasury, debtor for Corporate Tax	599	-	596	-
Public Treasury, creditor for VAT, IGIC	-	-	-	118
Public Treasury, withholdings IRPF	-	57,539	-	62,228
Public Treasury, withholdings and pre-payments	16,969	-	-	-
Social Security institutions payable	-	21,746	-	24,197
Short-term balances with Public Administrations	25,524	79,285	14,828	86,543

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. The Parent Company has accounting periods 2010 to 2013 open to inspection.

The Directors consider that the above-mentioned tax obligations have been adequately settled. Therefore, in the event of a fiscal inspection and considering there were any disagreements in the usual prevailing interpretation because of the fiscal treatment granted to operations, future resulting liabilities, if any, would not significantly affect these abridged financial statements.

Deferred tax assets

The movement in the account corresponding to Assets for deferred tax on Profits has been as follows:

	Euros			
	Balance at 31-12-2012	Increase	Decrease	Balance at 31-12-2013
Tax credits for R+D+i	146,595	11,809	-	151,349
For amortization limit	-	19,740	-	19,740
For negative tax bases	139,540	112,562	-	259,170
Total	286,135	144,111	-	430,246

The increases are due to the tax credit for research and development pending to be used generated by projects in progress during this financial year and to the deferred assets generated by the limit in amortization applied as an expense of the year.

Value Added Taxes

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

Tax on Profits

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

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

	Amount	Due date
Year 2009	47,008	Year 2025
Year 2010	297,654	Year 2026
Year 2011	172,417	Year 2027
	517,079	

Accounting reconciliation and taxable base result

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

Financial Year 2013

	Euros	
	Share Payable	Expense
Earnings before taxes	336,736	101,020
Results entered in Equity	(262,426)	(78,728)
Temporary differences:		
Amortization limit	105,164	-
Permanent differences: Non-tax deductible expenses	(185)	(55)
Increases		
Taxable base (Tax result)	179,289	22,237
Deductions	-	(63,368)
Corporate tax expenses	-	(41,131)

Financial Year 2012

	Euros	
	Share Payable	Expense
Earnings before taxes	(121,445)	(36,433)
Permanent differences:		
Non-tax deductible expenses	(22,736)	(6,821)
Non-deductible expenses from previous years	(217,511)	(65,253)
Temporary differences:		
Increases	34,707	-
Taxable base (Tax result)	(326,984)	(108,507)
Gross tax due (30% of the taxable base)	(98,095)	-
Deductions	(85,576)	(85,576)
Corporate tax receivables of Consolidated Group	(183,672)	-
Corporate tax expenses	-	(194,084)

16. Contingent Liabilities

At 31st December 2013 and 2012, the Company has been granted several guarantees demanded in order to contract with Public Entities for an amount of 54,507 and 88,284 Euros, respectively.

17. Revenue and expenditure

a) Net amount of the turnover

The distribution of net turnover for periods 2013 and 2012, by business categories. The geographical market is the Spanish territory. The distribution is as follows:

Division	Euros	
	2013	2012
National	2,885,540	1,820,975
Portugal	321,952	384,519
Arab Countries	179,646	-
Rest of international market	20,898	-
	3,408,127	2,205,494

b) Purchases

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

	Euros	
	2013	2012
Purchase of other materials	120,525	94,148
Works carried out by other companies	283,664	72,736
	404,189	166,884

c) Personnel expenditure

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

	Euros	
	2013	2012
Wages, salaries and similar expenses	1,075,219	1,181,696
Employer social security costs	294,226	284,072
Provisions (see Note 13)	164,353	-
Total	1,533,798	1,465,768

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

Categories	2013	2012
Management	1	1
Technical personnel and middle management	40	31
Administration personnel	5	4
Unqualified personnel	0	5
Total	46	41

There were not any employees during period 2013 in Ciesm - Intevia S.A.U with a disability equal to or greater than 33%.

In accordance with the requirements of Art. 260.9 of the Corporate 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 2013 and 2012:

Categories	2013		2012	
	Men	Women	Men	Women
Senior Management	1	0	1	0
Technical personnel and middle management	29	11	22	9
Administration personnel	2	3	1	3
Unqualified personnel	0	0	4	1
Total	32	14	28	13

d) Other operating expenses

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

	Euros	
	2013	2012
Leases and royalties	34,218	7,718
Repairs and maintenance	39,503	36,902
Independent professional services	34,656	32,740
Transport	17	-
Insurance premiums	24,342	13,407
Bank services and other similar	6,327	6,644
Supplies	1,024	4,477
Other services	404,633	431,336
Other taxes	11,160	10,164
Losses, impairment and change in allowances	501,657	-
	1,057,537	543,388

During the period 2013, the Company has entered losses value adjustments for impairment amounting to 383,391 Euros (see Note 9). Additionally, losses for non-recoverable bad debts amounting to 118,266 Euros were recognized. Both expenses have been recognized in the heading "Losses, degradation and supplies variation for commercial operations" of the attached abridged profit and loss statement.

Auditing expenditure

During 2013 and 2012, the fees for account auditing services provided by the auditor of the Company, Mr. Bernardo Tahoces, have been as follows (in Euro):

Description	2013	2012
Auditing Services	8,000	16,000
Total auditing and related services	8,000	16,000
Total professional services	8,000	16,000

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

Description	2013	2012
Auditing Services	8,196	-
Total auditing and related services	8,196	-
Total professional services	8,196	-

18. Environmental aspects

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

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

19. Operations with related parties

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

2013	Euros						
	Accounts receivable		Loans	Income	Expenditure	Interests Group	
	For services rendered	Credits		Services provided	Services received	Expenditure	Income
Control 7, S.A.	-	-	1,026,331	50,616	59,463	48,641	-
Elsamex Portugal Engenharia e Sistemas	32,401	-	-	128,855	-	-	-
Elsamex S.A.	92,791	-	6,938,064	148,839	274,061	328,012	-
Elsamex India Private limited	58,887	-	-	(2,103)	-	-	-
Elsamex Internacional, S.L	-	2,802,540	-	180,504	-	-	138,165
CGI8	23,985	4,630	-	2,721	-	-	-
Grusamar Ingeniería y Consulting, S.L.	-	1,369,726	-	1,303,500	101	-	50,534
Yala Construction CO Private Ltd	2,733	-	-	-	-	-	-
Geotecnia y Control de Qualitar, S.A	1,059	-	-	3,520	-	-	-
Atenea Seguridad y Medio Ambiente, S.A.	-	-	1,232,406	122,000	-	61,481	-
Sociedad Concesionaria Autovia A-4 Madrid S.A	40,906	-	-	67,880	-	-	-
Elsamex branch Dominican Republic	32,140	-	-	-	-	-	-
Elsamex int. branch Colombia	14,943	-	-	-	-	-	-
Kosovo	-	-	14,265	-	-	-	-
Señalización, Viales e Imagen, S.A.	-	462,853	-	-	-	-	23,321
Elsamex Abu Dhabi	-	-	-	173,546	-	-	-
Esm Mantenimiento Integral SA de CV	-	-	-	930	-	-	-
Consolidated Haiti Elsamex Dominicana	-	8,057	-	-	-	-	-
Abu Dhabi	173,709	-	-	-	-	-	-
TOTAL	473,554	4,647,806	9,211,066	2,180,808	333,625	438,134	212,020

2012	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For services rendered	Credits	For services rendered	Loans	Services provided	Services received
Control 7, S.A.	-	-	-	943,971	41,193	25,133
Centro de Investigación de Carreteras de Andalucía, S.A.	90,539	175,000	-	-	6,988	-
Elsamex Portugal Engenharia e Sistemas de Gestão, S.A.	114,226	-	90	-	125,360	-
Elsamex S.A.	-	-	-	6,021,084	28,780	362,690
Elsamex India Private LTD	63,093	-	-	-	23,042	-
Elsamex Internacional, S.L	-	2,538,936	-	-	204,372	28,501
Labetec Ensayos Técnicos Canarios, S.A.	150,126	13,600	-	-	1,321	-
GCI-8, S.A.	20,693	-	-	-	2,099	-
Grusamar Ingeniería y Consulting, S.L.	-	-	-	-	102,181	1,135
Mantenimiento y Conservacion de Viales	-	-	-	-	5,600	-
Inteval Gestao Integral Rodoviaria S.A	-	-	7,612	-	-	-
Yala Construction CO. Private Ltd.	2,733	-	-	-	-	-
Geotecnia y Control de Qualitat, S.A.	-	-	82	-	6,830	300
Atenea Seguridad y Medio Ambiente, S.A.	-	-	-	1,318,565	-	-
VCS Enterprises Limited	4,222	-	-	-	-	-
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	424	-	-	-	29,123	-
Elsamex Internacional sucursal dominica	32,140	-	-	-	-	-
Elsamex Internacional branch Colombia	14,943	-	-	-	-	-
Kosovo	-	-	-	14,265	-	-
Señalización Viales e Imagen, S.A.	-	439,533	-	-	-	-
TOTAL	493,139	3,167,069	7,784	8,297,885	576,889	417,759

The Company has included in its accounts throughout period 2013 the amount of 159,920 Euros for structure expenses allocated by the parent company.

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

- Provision of services (subcontracting): certain Companies of Group Elsamex provide supplementary services to Ciesm - Intevia, S.A.U. for them to develop their 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, 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.

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 31st December 2013 and 2012 are liquid, past due date and demandable.

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

Pursuant to Article 229.2 and 3 of the Spanish Corporate Law, in order to reinforce corporate transparency, it is advised that at the close of accounting periods 2010 and 2009 the members of the Board of Directors of Ciesm - Intevia, S.A.U. have not held shares in companies with the same, analogous or complementary type of activity of the corporate purpose of the company. Similarly, no activities have been carried out or are being carried out, on their own or another's behalf, with the same, analogous or complementary type of activity of the Company's corporate purpose.

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

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

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

Information concerning senior management personnel:

Name	Responsibilities or duties that they hold or carry out in the company	Remuneration period 2013
Managers	Management	104,635

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.

	Payments made and pending payment at the close date of the Balance Sheet			
	Financial Year 2013		Financial Year 2012	
	Amount	% (a)	Amount	% (a)
Within the maximum legal term (b)	255,560	38.04%	300,871	49.75%
Rest	416,317	61.96%	303,865	50.25%
Total payments of the year	671,877		604,736	
PMPE (days) of payments	52		49	
Postponements that at closing date exceed the maximum legal term	43,549		124,795	

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

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

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

22. Segment information

The Company considers that the best segmentation is according to the different business areas.

	Engineering and Consulting	Projects and Studies	Technical Assistance	Courses and Training
Sales	800,800	285,954	2,193,933	127,440
EBITDA	341,421	128,818	769,062	(89,511)
Amortization	(30,377)	(9,504)	(305,967)	(4,699)
EBIT	311,043	119,314	463,095	(94,210)

23. Subsequent Events

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

Procedure for Preparation of Financial Statements

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

Mr. Aurelio Ruiz Rubio

Mr. Fernando Bardisa Jordá

Mr. Harish Chandra Mathur

Mr. Suresh Chand Mittal

Mr. George Cherian