

**INTEVIAL GESTAO INTEGRAL RODOVIARIA S.A.**

**FINANCIAL STATEMENT**

**2014**



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**INTEVIAL - Gestão Integral Rodoviária, S.A.**

**AUDITOR'S REPORT**

**December 31, 2014**

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**LISBOA**

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## AUDITOR'S REPORT

### Introduction

1. We have examined the accompanying balance sheet of INTEVIAL - Gestão Integral Rodoviária, S.A., as of December 31, 2014, (which shows a total assets of € 8.372.353 and total shareholders' equity of € 3.853.197, including a net income for the period of € 1.002.438), and the income statement, the statement of changes in equity and the cash flows statement for the year then ended and the notes of the financial statements.

### Responsibilities

2. The Management is responsible for the preparation of financial statements which give a true and fair view of the Company's financial position, the results of its operations, the changes in shareholder's equity and the cash flows. This responsibility also extends to the adoption of appropriate accounting policies and criteria, as well as the maintenance of a proper internal control system.

3. Our responsibility is to express a professional and independent opinion based on our audit of the above-mentioned financial statements.

### Scope

4. We conducted our audit in accordance with the Technical Standards and Guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the audit be planned and performed in such a manner as to obtain an acceptable level of assurance that the financial statements do not contain material misstatements. To this end, our audit included:

- examining, on a test basis, evidence to support the amounts disclosed in the financial statements and assessing of the reasonableness of estimates, based on judgments and criteria defined by the Management, used in their preparation;
- assessing the appropriateness of the accounting policies adopted and their disclosure, taking into account the circumstances;
- verification of the applicability of the going concern principle, and
- consideration of the adequacy of the overall presentation of the financial statements.

5. Our audit also covered the verification of financial information included in the Management Report and its conformity with the financial statements.

6. We believe that the audit performed by us provides an acceptable basis for expressing our opinion.



### **Opinion**

7. In our opinion the financial statements give, in all material aspects, a true and fair view of the financial position of INTEVIAL - Gestão Integral Rodoviária, S.A. as at December 31, 2014, and the results of its operations, the changes in equity and the cash flows for the year then ended, in accordance with the generally accepted accounting principles in Portugal.

### **Report on other legal requirements**

8. It is also our opinion that the information in the management report is consistent with the financial statements.

Lisbon, February 12, 2015



RCA – Rosa, Correia & Associados, SROC, S.A.  
(Statutory Auditors)  
represented by Gabriel Correia Alves, Statutory Auditor

SPECIAL PURPOSE FINANCIAL STATEMENTS

INTEVIAL, SA

Statement of Profit and Loss for the Year ended December 31, 2014

EURO

	Particulars	Note	For year ended December 31, 2014	For year ended December 31, 2013
I	Revenue from operations	22	15.515.232,11	18.322.776,85
II	Other income	23	118.782,73	179.678,11
III	Total revenue (I + II)		15.634.014,84	18.502.454,96
IV	Expenses			
	Cost of materials consumed	24	120.908,88	162.538,62
	Operating expenses	25	10.689.130,69	13.715.947,00
	Employee benefits expense	26	2.086.791,21	1.665.576,16
	Finance costs	27	87.805,70	56.791,01
	Administrative and general expenses	28	1.175.027,33	1.410.606,81
	Depreciation and amortization expense		89.466,14	53.721,86
	Provision for diminution in value of investments			
	Amortisation of goodwill			
	Total expenses		14.249.129,94	17.065.181,46
V	Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)		1.384.884,90	1.437.273,50
VI	Add / (Less) : Exceptional items			
VII	Profit / (Loss) before extraordinary items and tax (V-VI)		1.384.884,90	1.437.273,50
VIII	Add / (Less) : Extraordinary items			
IX	Profit / (Loss) before taxation (VII-VIII)		1.384.884,90	1.437.273,50
X	Tax expense:			
	(1) Current tax		382.446,73	373.242,18
	(2) Tax relating to earlier period			
	(3) Deferred tax		0,00	23.541,15
	(4) MAT credit entitlement			
	Total tax expenses (X)		382.446,73	396.783,33
XI	Profit / (Loss) from continuing operations before consolidation adjustment (IX-X)		1.002.438,17	1.040.490,17
	Share of profit / (loss) transferred to minority interest (net)			
	Share of profit / (loss) of associates (net)			
XII	Profit / (Loss) from Continuing operation after consolidation adjustment		1.002.438,17	1.040.490,17
XIII	Profit / (Loss) from discontinuing operations			
XIV	Tax expense of discontinuing operations			
XV	Profit / (Loss) from Discontinuing operations (after tax) (XIII-XIV)		-	-
XVI	Profit / (Loss) for the period (XII-XV)		1.002.438,17	1.040.490,17
	Earnings per equity share (Face value per share Rupees 10/-):	29		
	(1) Basic		3,58	3,72
	(2) Diluted		0,00	0,00

Notes 1 to form part of the special purpose financial statements.

In terms of our report attached.  
For <Name of Audit Firm>  
Chartered Accountants

For and on behalf of the Board

<Name of Partner>  
Partner

Managing Director Director

Place:  
Date :

Chief Financial Officer Company Secretary

Place:  
Date :

RCA - ROSA, CORREIA & ASSOCIADOS, S.A.  
Sociedade de Revisores Oficiais de Contas

INTEVIAL, S.A.  
Por Procuração

## SPECIAL PURPOSE FINANCIAL STATEMENTS

INTEVIAL, SA

Balance Sheet as at December 31, 2014

EURO

	Particulars	Note	As at		As at	
			December 31, 2014		December 31, 2013	
I	<b>EQUITY AND LIABILITIES</b>					
1	<b>SHAREHOLDERS' FUNDS</b>					
	(a) Share capital	2	1.400.000,00		1.400.000,00	
	(b) Reserves and surplus	3	2.453.197,34	3.853.197,34	1.450.759,17	2.850.759,17
2	<b>MINORITY INTEREST</b>					
3	<b>NON-CURRENT LIABILITIES</b>					
	(a) Long-term borrowings	4 (A)	493.458,39		57.529,28	
	(b) Deferred tax liabilities (Net)	6	-		-	
	(c) Other long term liabilities	7	-		-	
	(d) Long-term provisions	9	-	493.458,39	-	57.529,28
4	<b>CURRENT LIABILITIES</b>					
	(a) Current maturities of long-term debt		-		-	
	(b) Short-term borrowings	5	247.949,09		22.079,37	
	(c) Trade payables		3.513.752,90		2.238.783,20	
	(d) Other current liabilities	8	263.995,52		175.023,70	
	(e) Short-term provisions	10	-	4.025.697,51	-	2.435.886,27
	<b>TOTAL</b>			<b>8.372.353,24</b>		<b>5.344.174,72</b>
II	<b>ASSETS</b>					
1	<b>NON CURRENT ASSETS</b>					
	(a) Fixed assets	11				
	(i) Tangible assets (net)		866.215,99		132.965,58	
	(ii) Intangible assets (net)		-		-	
	(iii) Capital work-in-progress		-		-	
	(iv) Intangible assets under development		-	866.215,99	-	132.965,58
	(b) Goodwill on consolidation (net)		-		-	
	(c) Non-current investments (net)	12	-		-	
	(d) Deferred tax assets (Net)	6	-		-	
	(e) Long-term loans and advances (net)	14	-		-	
	(f) Other non-current assets	16	2.991,56	2.991,56	86,38	86,38
2	<b>CURRENT ASSETS</b>					
	(a) Current Investments	13	-		-	
	(b) Inventories	18	37.321,36		37.321,34	
	(c) Trade receivables (net)	19	6.309.802,79		3.930.344,75	
	(d) Cash and bank balances	20	1.014.430,22		1.180.020,55	
	(e) Short-term loans and advances	15	-		-	
	(f) Other current assets	17	141.591,32	7.503.146,69	63.436,12	5.211.122,76
	<b>TOTAL</b>			<b>8.372.353,24</b>		<b>5.344.174,72</b>

Notes 1 to \_ form part of the special purpose financial statements.

In terms of our report attached.  
For <Name of Audit Firm>  
Chartered Accountants

For and on behalf of the Board

<Name of Partner>  
Partner

Managing Director Director

Place:  
Date :

Chief Financial Officer Company Secretary

Place:  
Date :

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Components of Cash and Cash Equivalents		
Cash on hand	-	-
Balances with Banks in current accounts	1.014.430,22	530.020,55
Balances with Banks in deposit accounts	-	650.000,00
	1.014.430,22	1.180.020,55
Unpaid Dividend Accounts	-	-
Bank balances / deposits held as margin money or as security against borrowings	-	-
<b>Cash and Cash Equivalents as per Balance Sheet</b>	<b>1.014.430,22</b>	<b>1.180.020,55</b>

@ Please ensure that movements in FCTR are not reflected here.

@@ In case of borrowing costs capitalised, same is to be segregated while preparing cash flow and shown separately under financing activities as per AS 3

@@@ Do not show the net figure of repayment and proceeding of borrowings. Both are to be shown separately under financing activities

Notes 1 to form part of the special purpose financial statements.

In terms of our report attached.

For <Name of Audit Firm>

Chartered Accountants

For and on behalf of the Board

<Name of Partner>

Partner

Managing Director

Director

Place:

Date :

Chief Financial Officer

Company Secretary

Place:

Date :

**INTEVIAL, S.A.**  
Per Procuração

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Sociedade de Revisores Oficiais de Contas

## SPECIAL PURPOSE FINANCIAL STATEMENTS

INTEVIAL, SA

Cash Flow Statement for the Year ended December 31, 2014

EURO

	For year ended December 31, 2014	For year ended December 31, 2013
<b>Cash Flow from Operating Activities</b>		
Profit Before Taxes, Minority Interest and Share of Associates	1.384.884,90	1.437.273,50
<b>Adjustments for :-</b>		
Interest Income	(10.601,59)	(22.744,93)
Interest on deposits		
Interest on debentures		
Interest on call money		
Profit on sale of investments (net)		
Interest on Advance Against Property		
Dividend income		
Finance costs	87.805,70	56.791,01
Loss on sale of fixed assets (net)		
Provision for employee benefits (net)		
Provision for Gratuity		
Depreciation and amortization expense	89.466,14	53.721,86
Provision for Bad and Doubtful Debts		37.081,31
Provision for Overlay expenses		
Provision for diminution in value of investments		
Unrealised Foreign Exchange differences @		
Preliminary expense written off		
Provision for contingency		
Excess provisions written back	-	-
<b>Operating profit before Working Capital Changes</b>	<b>1.551.555,15</b>	<b>1.562.122,75</b>
<b>Adjustments changes in working capital:</b>		
Increase in Trade receivables	(2.379.458,04)	598.686,37
(Decrease) / Increase in other assets & loans and advances (current and non current)	(943.996,62)	(501.929,46)
Increase in liabilities (current and non current)	1.274.969,70	(658.158,61)
<b>Cash Generated from Operations</b>	<b>(496.929,81)</b>	<b>1.000.721,05</b>
Direct Taxes paid (Net)	562.994,09	137.604,58
<b>Net Cash generated from Operating Activities (A)</b>	<b>66.064,28</b>	<b>1.138.325,63</b>
<b>Cash flow from Investing Activities</b>		
Additions to fixed assets @@	(136.873,57)	(41.127,31)
Increase in Receivable under Service Concession Arrangement		
Proceeds from sale of fixed assets	4.500,00	-
Purchase of / advance towards investments (net)		
Acquisition of Subsidiaries / Jointly Controlled Entities		
Sale proceeds of investments		
Investments in Mutual Funds		
Proceeds from redemption of Mutual Fund units		
Long term loans given		
Long term loans recovered		
Short term loans given		
Short term loans recovered		
Interest received	10.601,59	22.744,93
Dividend received		
Inter-corporate deposits placed (net)		
Advance against property		
<b>Net Cash used in Investing Activities (B)</b>	<b>(121.771,98)</b>	<b>(18.382,38)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds from Issue of Shares		
Share Issue expenses paid		
(Decrease)/ Increase in Advance towards capital	-	(330.909,99)
Proceeds from borrowings @@@	-	-
Repayments of borrowings @@@	(22.076,93)	(111.340,61)
Interest and Finance costs paid	(87.805,70)	(56.791,01)
Dividend payment		
Tax on Dividend paid		
Capital Grant received		
Proceeds from minority interest		
<b>Net Cash generated from Financing Activities (C)</b>	<b>(109.882,63)</b>	<b>(499.041,61)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(165.590,33)</b>	<b>620.901,64</b>
Cash and Cash Equivalent at the beginning of the year	1.180.020,55	559.118,91
(+)(-) Impact of forex differences		
(+)(-) Impact of acquisition / sale of subsidiaries / Jointly controlled entities		
Cash and Cash Equivalent at the end of the period	1.014.430,22	1.180.020,55
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>(165.590,33)</b>	<b>620.901,64</b>

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INTEVIAL, S.A.  
Por Procuração



## SPECIAL PURPOSE FINANCIAL STATEMENTS

INTEVIAL, SA

Notes forming part of the Financial Statements for the Year ended December 31, 2014

### Note 1: Significant Accounting policies

#### **Intangible assets**

Intangible assets are stated at cost less accumulated amortization and impairment losses. Intangible assets are only recognized if it is probable that they will result in future economic benefits to the Company, they are controllable and can be reliably measured.

Intangible assets with finite useful life are amortized on a straight-line basis as from the date they start being used. Intangible assets with no finite useful life are subjected to impairment tests.

#### **Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated after the date on which assets are available for use by the straight-line method in accordance with the period of estimated useful life for each group of assets:

##### Asset / Years

Machinery and equipment / 4 – 16

Transport equipment / 5

Computers and other administrative equipment / 3 – 10

The assets' residual values, depreciation method and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Costs regarding repairs of assets that have no effect on their useful life are recorded as cost of the period. Costs with inspection and conservation of assets are also recorded as cost of the period.

Gains and losses on the sale or write-off of tangible assets results from the difference between the asset selling price and the net book value at the date of sale or write-off. Net book value includes accumulated impairment losses. The gains and losses determined are recognized in the income statement captions "Other operating income" or "Other operating costs", respectively.

#### **Leases**

Lease contracts are classified as Finance leases if, substantially, all the risks and benefits of ownership are transferred and Operating leases where this does not occur. Finance and operating leases are classified based on the substance rather than the form of the legal contract.

All leases are recorded in Current Assets by their fair value or, if inferior, by the present value of all payments that will occur according to the legal contract. Depreciation of leased assets follows the policies applied to tangible assets.

Costs with operational leases are recorded as cost of the period.

#### **Inventories**

Source materials and consumables are valued at the average cost of acquisition. Impairment losses are recorded when all or part of the value of inventories is lower than their net realizable value. For such the entity takes into account market information.

#### **Financial assets and liabilities**

Financial assets and liabilities are recorded in the balance sheet in the exact moment that all legal dispositions start to produce their effects, according to cost criteria:

Trade and other debtors – Trade and other receivables are recognized at cost less impairment losses;

Cash and bank deposits – Include the cash values, bank deposits and other investments recognizes at fair value.;

Trade and other creditors – Suppliers and other creditors' balances are recorded at acquisition cost.

##### Impairment of financial assets:

Trade and other receivables are derecognized when the rights to receive cash flows from the assets expire or are transferred and substantially all the risks and rewards of ownership have been transferred. At each balance sheet date, trade and other receivables are reviewed to determine whether there is any objective evidence of impairment. Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Company about one or more of the following loss events: Significant financial difficulty of the debtor; and it becoming probable that the debtor will enter bankruptcy or other financial reorganization. If any such objective evidence exists, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognized in profit or loss of the period in which the impairment occurs.

##### Factoring:

Factoring with recourse – the company holds substantially all the risks and benefits of the rights of recovery. In this case, a financial liability is recognized for each financing transaction, displayed by the financial entity that provides the factoring service, recorded at cost. Interest payable for delay or breach of contract is recognized as cost in the period.

Factoring without recourse – the entity providing the factoring service assumes the risk of the right of recovery. In the case of factoring without recourse to 100%, the company adopts the policy of recording the amounts received as a reduction in trade receivables.

#### **Revenue**

Sales income is recognized in the income statement when the risks and benefits of ownership of the assets are transferred to the buyer and the amount of the income can be reasonably measured. Sales are recognized at the fair value of the amount received or receivable, net of taxes, discounts and other costs incurred to realize them.

Costs and income are recorded in the period to which they relate, independently of when they are paid or received. Where the actual amounts of costs and income are not known they are estimated.

Provided it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably, revenue is recognized as follows:

Works revenue is determined considering the stage of the works, independently of invoicing. The works executed are supported by internal measurements performed by our internal production management.

*Contingent assets and liabilities*

Contingent assets are not recognized in the entity's financial statements but are disclosed when it is likely that there is a future economic benefit.

Contingent liabilities are not recognized in the entity's financial statements, and they are disclosed unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not even disclosed.

**Income tax**

The expense relating to income tax of the period represents the sum of current tax and the deferred tax.

Income tax is calculated based on the taxable results of the company in accordance with the applicable tax rules in force in the area in which the Company's head office is located.

Deferred taxes are calculated based on the liability method and reflect the temporary differences between the amounts of assets and liabilities for accounting purposes and the amounts for tax purposes.

Deferred tax assets and liabilities are calculated and reviewed annually using the tax rates expected to be in force when the temporary differences revert.

Deferred tax assets are recorded only when there is reasonable expectation of sufficient future taxable income to use them or whenever there are taxable temporary differences that offset the deductible temporary differences in the period they revert.

Temporary differences underlying deferred tax assets are reviewed at each balance sheet date in order to recognize deferred tax assets not recorded previously due to not fulfilling the conditions needed for them to be recorded and/or to reduce the amounts of deferred tax assets recorded based on the current expectation of their future recovery.

Deferred tax is recorded in the income statement for the year, unless they result from items recorded directly in equity, in which case the deferred tax is also recorded in equity.

**Estimates and judgments**

The preparation of financial statements in accordance with generally accepted accounting principles requires estimates to be made that affect the recorded amount of assets and liabilities, the disclosure of contingent assets and liabilities at the end of each year and income and costs recognized each year. All estimates and assumptions made by the Board of Directors were made based on the best knowledge existing at the date of approval of the financial statements.

The accounting principles and areas that require the greatest number of judgments and estimates in the preparation of financial statements are: (i) definition of useful life of tangible and intangible assets; (ii) impairment tests on trade debtors and other debtors and on inventories.

**Subsequent events**

Events that occur after the balance sheet date that provide additional information on conditions that existed at the end of the reporting period are recognized in the financial statements. Events that occur after the balance sheet date that provides information on conditions that exist after the balance sheet date, if material, are disclosed in the notes to the financial statements. The estimates were based on the best information available during the preparation of financial statements and based on the best knowledge and experience on past events and/or currents. However, situations could occur in subsequent periods, which are not foreseeable at the time, were not considered in these estimates. Changes to these estimates, which occur after the date of the financial statements, will be recognized in the income statement prospectively.

**INTEVIAL, S. A.**

Por Procuração

RCA – ROSA, CORREIA & ASSOCIADOS, S.A.  
Sociedade de Revisores Oficiais de Contas

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

INTEVIAL, SA

Notes forming part of the Financial Statements for the Year ended December 31, 2014

**Note 2: Share capital**

Particulars	As at December 31, 2014		As at December 31, 2013	
	Number	EURO	Number	EURO
<b>Authorised</b> Equity Shares of (AED/Rp/€) XX/- each				
<b>Issued</b> Equity Shares of (AED/Rp/€) XX/- each				
<b>Subscribed and Paid up</b> Equity Shares of (AED/Rp/€) XX/- each fully paid (refer foot note no. i, ii, and iii)	280.000	1.400.000,00	280.000	1.400.000,00
<b>Total</b>	<b>280.000</b>	<b>1.400.000,00</b>	<b>280.000</b>	<b>1.400.000,00</b>

**Foot Notes:**

i. Of the above 280.000 shares are held by the holding Company (As at December 31, 2014 :ELSAMEX INTERNACIONAL, SL).

ii. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Particulars	As at December 31, 2014		As at December 31, 2013	
	Equity Shares		Equity Shares	
	No. of Shares	EURO	No. of Shares	EURO
Shares outstanding at the beginning of the year	280.000	1.400.000,00	150.000	750.000,00
Shares issued during the year / period	-	-	130.000	650.000,00
Shares bought back during the year / period				
Shares outstanding at the end of the year / period	280.000	1.400.000,00	280.000	1.400.000,00

iii. Shareholding more than 5% shares

Name of Shareholder	As at December 31, 2014		As at December 31, 2013	
	No. of Shares held	% of total holding	No. of Shares held	% of total holding
ELSAMEX INTERNACIONAL, SL	280.000	100,00	280.000	100,00
<b>Total</b>	<b>280.000</b>	<b>100,00</b>	<b>280.000</b>	<b>100,00</b>

**INTEVIAL, S. A.**

Por Procuração

RCA – ROSA, CORREIA & ASSOCIADOS, S.A.  
Sociedade de Revisores Oficiais de Contas

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

**INTEVIAL, SA**

Notes forming part of the Financial Statements for the Year ended December 31, 2014

**Note 3: Reserves and surplus**

**EURO**

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Securities Premium Account</b>				
Opening balance				
(+) Securities premium credited on Share issue				
(-) Premium utilised for various reasons		-		-
<b>(b) General Reserve</b>				
Opening balance	163.859,38		110.514,60	
(+) Current year / period transfer	52.024,52		53.344,78	
(-) Written back in current year / period		215.883,90		163.859,38
<b>(c) Debenture Redemption Reserve</b>				
Opening balance				
(+) Created during the year / period				
(-) Written back in current year / period		-		-
<b>(d) Capital Reserve</b>				
Opening balance			980.909,99	
(+) Created during the year / period				
(-) Written back in current year / period		-	(980.909,99)	-
<b>(e) Other Reserves (refer foot note no. i)</b>				
Foreign currency translation reserve				
Cash flow hedge reserve		-		-
<b>(f) Capital Reserve on Consolidation</b>				
Opening balance				
(+) On account of acquisition / merger				
(-) Written back in current year / period		-		-
<b>(g) Profit / (Loss) Surplus</b>				
Opening balance	1.286.899,79		299.754,41	
(+) Profit for the current year / period	1.002.438,17		1.040.490,17	
(-) Consolidation adjustment (refer foot note no. i)				
(-) Transfer to general reserves	(52.024,52)		(53.344,79)	
(-) Transfer to debenture redemption reserve				
(-) Provision for proposed dividends				
(-) Provision for dividend tax proposed dividends				
(-) Premium on preference shares of subsidiary				
(-) Tax on dividend and premium on preference shares of subsidiary		2.237.313,44		1.286.899,79
<b>Total</b>		<b>2.453.197,34</b>		<b>1.450.759,17</b>

**Foot Note:**

**i(a). Breakup of Consolidation adjustment**

Reasons / Description of Adjustment	As at December 31, 2014	As at December 31, 2013

**i(b). Foreign currency translation reserve**

Particulars	As at December 31, 2014	As at December 31, 2013
Balance at the beginning of the year	-	-
Movement for the year (net)		
Balance at the end of the year	-	-

**i(c). Cash flow hedge reserve**

The movement in hedging reserve held by a subsidiary during the year ended December 31, 2013 for derivatives designated as Cash flow hedges is as follows:

Particulars	As at December 31, 2014	As at December 31, 2013
Balance at the beginning of the year / period	-	-
Changes in the fair value of effective portion of outstanding cash flow derivatives		
Balance at the end of the year / period	-	-

**INTEVIAL, S. A.**

Por Procuração

RCA – ROSA, CORREIA & ASSOCIADOS, S.A.  
Sociedade de Revisores Oficiais de Contas

**SPECIAL PURPOSE FINANCIAL STATEMENTS**

INTEVIAL, SA

Notes forming part of the Financial Statements for the Year ended December 31, 2014

## Note 4: (A) Long-term borrowings

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Bonds / Debentures</b>				
<b>(i) Secured</b>				
Non convertible debentures				
Non convertible debentures - Related party				
Optionally Convertible debentures				
Optionally Convertible debentures - Related party				
Deep discount bonds				
Deep discount bonds - Related party		-		-
<b>(ii) Unsecured</b>				
Non convertible debentures				
Non convertible debentures - Related party				
Optionally Convertible debentures				
Optionally Convertible debentures - Related party				
Deep discount bonds				
Deep discount bonds - Related party		-		-
<b>(b) Term Loans</b>				
<b>(i) Secured</b>				
From banks				
From financial institutions				
From others				
From Related party		-		-
<b>(ii) Unsecured</b>				
From banks				
From financial institutions				
From others				
From Related party		-		-
<b>(c) Long term maturities of finance lease obligations</b>				
<b>(i) Secured</b>				
From Related party				
From others	493.458,39		57.529,28	
<b>(ii) Unsecured</b>				
From Related party				
From others		493.458,39		57.529,28
<b>Total</b>		<b>493.458,39</b>		<b>57.529,28</b>

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## Note 5: Short-term borrowings

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Loans repayable on demand</b>				
<b>(i) Secured</b>				
From banks	-		-	
From financial institutions	247.949,09		22.079,37	
From others				
From Related party		247.949,09		22.079,37
<b>(ii) Unsecured</b>				
From banks				
From financial institutions				
From others				
From Related party		-		-
<b>(b) Short term loans</b>				
<b>(i) Secured</b>				
From banks				
From financial institutions				
From others				
From Related party		-		-
<b>(ii) Unsecured</b>				
From banks				
From financial institutions				
From others				
From Related party		-		-
<b>(c) Commercial paper</b>				
Unsecured				
Less : Unexpired discount		-		-
<b>(d) Deposits</b>				
<b>(i) Secured</b>				
From others				
From Related party				
<b>(ii) Unsecured</b>				
From others				
From Related party		-		-
<b>Total</b>		<b>247.949,09</b>		<b>22.079,37</b>

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**Note 6: Deferred tax liabilities (Net) and Deferred tax assets (Net)**

The entity have net deferred tax liabilities or deferred tax assets aggregating ` 0 as at December 31, 2014 (previous year ` 0).

a) A breakdown of the components of deferred tax liabilities is furnished below:

EURO			
Particulars	As at December 31, 2013	Movement @@@	As at December 31, 2014
<b>Liabilities:</b>			
Timing differences in respect of construction margin			-
Timing differences in respect of depreciation			-
Timing differences in respect of _____ @@			-
<b>Assets:</b>			
Timing differences in respect of depreciation			-
Timing differences in respect of employee benefits			-
Timing differences in respect of unabsorbed depreciation ##			-
Timing differences in respect of unabsorbed losses ##			-
Timing differences in respect of provision for doubtful debts			-
Timing differences in respect of provision for overlay			-
Timing differences in respect of _____ @@			-
<b>Net deferred tax liability</b>	-	-	-

b) A breakdown of the components of deferred tax assets is furnished below:

EURO			
Particulars	As at December 31, 2013	Movement @@@	As at December 31, 2014
<b>Liabilities:</b>			
Timing differences in respect of construction margin			-
Timing differences in respect of depreciation			-
Timing differences in respect of _____ @@			-
<b>Assets:</b>			
Timing differences in respect of depreciation			-
Timing differences in respect of employee benefits			-
Timing differences in respect of unabsorbed depreciation ##			-
Timing differences in respect of unabsorbed losses ##			-
Timing differences in respect of provision for doubtful debts			-
Timing differences in respect of provision for overlay			-
Timing differences in respect of _____ @@			-
<b>Net deferred tax asset</b>	0,00	0,00	-

@@ In case of deferred tax on components other than mentioned above please explain the detail nature thereof.

@@@ Difference between amount reported as deferred tax charge or credit in P&L as compared to these amount be reported here.

## Deferred tax assets on unabsorbed losses and depreciation can be booked only in case of virtual certainty supported by convincing evidence. Please give below the detailed convincing evidence on the basis of which the deferred tax asset has been recognised.

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**Note 7: Other long term liabilities**

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Trade Payables</b>				
From related parties				
From others (give breakup to the extent possible)		-		-
<b>(b) Others</b>				
(i) Redemption premium accrued but not due on borrowings				
From related parties				
From others				
(ii) Mobilisation advance received				
From related parties				
From others				
(iii) Other long term liabilities @				
From related parties				
From others		-		-
<b>Total</b>		-		-

@ Please do not include any item as others in the breakup and give nature of each item

**Note 8: Other current liabilities**

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Interest accrued but not due on borrowings</b>				
From related parties				
From others		-		-
<b>(b) Interest accrued and due on borrowings</b>				
From related parties				
From others		-		-
<b>(c) Income received in advance</b>				
From related parties				
From others		-		-
<b>(d) Advance received</b>				
From related parties				
From others		-		-
<b>(e) Unearned revenue</b>				
From related parties				
From others		-		-
<b>(f) Mobilisation advance received</b>				
From related parties				
From others		-		-
<b>(g) statutory dues</b>				
		-		-
<b>(h) Other current liabilities @</b>				
From related parties				
From others	263.995,52	263.995,52	175.023,70	175.023,70
<b>Total</b>		<b>263.995,52</b>		<b>175.023,70</b>

@ Please do not include any item as others in the breakup and give nature of each item

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**Note 9: Long-term provisions**

**EURO**

Particulars	As at December 31, 2014		As at December 31, 2013	
(a) Provision for dividend on preference shares of subsidiary				
(b) Provision for premium on preference shares of subsidiary				
(c) Provision for tax on preference dividend of subsidiary				
(d) Provision for tax on preference share premium of subsidiary				
(e) Provision for employee benefits				
(f) Provision for overlay expenses (refer foot note no. i)				
(g) Provision for contingency		-		-
<b>Total</b>		-		-

**Foot Note:**

(i) The provision for contingency relates to \_\_\_\_\_

**EURO**

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>Opening balance</b>		-		-
Add : Provision made during the year / period				
Less : Provision utilised / reversed during the year / period				
<b>Closing balance</b>		-		-

**Note 10: Short-term provisions**

**EURO**

Particulars	As at December 31, 2014		As at December 31, 2013	
(a) Provision for employee benefits.				
(b) Provision for tax (net of advance)				
(c) Proposed dividend on equity shares				
(d) Provision for tax on proposed dividend on equity shares				
(e) Provision for overlay expenses (refer foot note no. i)		-		-
<b>Total</b>		-		-

**Foot Note:**

(i) Provision for overlay in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as current contractual requirements, technology, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Accordingly, financial and accounting measurements such as the revenue recognized on financial assets, allocation of annuity into recovery of financial asset, carrying values of financial assets and amortisation of intangible assets and provisions for overlay in respect of service concession agreements are based on such assumptions.

Movements in provision made for overlay are tabulated below:

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**EURO**

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Particulars	As at December 31, 2014		As at December 31, 2013	
	Non-Current	Current	Non-Current	Current
Opening balance	-	-		
Provision made during the year				
Provision utilised				
Adjustment for Foreign exchange fluctuation during the year				
Adjustment for reclassification during the year				
Closing balance as on	-	-	-	-

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Note 11: Fixed assets

Particulars	Gross block (at cost)				Depreciation and Amortisation			Net block		EURO
	Balance as at January 1, 2014	Adjustments / Reclassifications	Additions	Deletions	Balance as at December 31, 2014	Charge for the year	Deletions	Balance as at December 31, 2014	Balance as at January 1, 2014	
<b>a) Tangible assets</b>										
Land	-	-	-	-	-	-	-	-	-	-
Building and structures	-	-	66.245,00	-	19.981,24	11.366,43	-	70.197,58	15.319,01	-
Vehicles	35.300,25	-	-	-	-	-	-	-	-	-
Office processing equipments	-	-	-	-	-	-	-	-	-	-
Office premises	-	-	26.596,42	-	60.218,26	11.792,88	-	29.433,23	14.629,69	-
Office equipments	74.847,95	-	-	-	-	-	-	-	-	-
Household improvements	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-	-
Electrical installations	-	-	-	-	-	-	-	-	-	-
Plant and machinery	2.862.541,62	-	46.000,00	18.030,30	2.838.014,34	21.578,82	18.030,30	48.948,46	24.527,28	-
Advertisement structure	-	-	-	-	-	-	-	-	-	-
<b>Assets taken on lease:</b>										
Plant and machinery - Leased	94.187,52	-	683.875,14	-	15.697,92	23.546,88	-	54.942,72	78.489,60	-
Vehicles - Leased	-	-	-	-	-	21.181,13	-	662.694,01	-	-
Furniture and fixtures - Leased	-	-	-	-	-	-	-	-	-	-
Building and structures - Leased	-	-	-	-	-	-	-	-	-	-
Land - Leased	-	-	-	-	-	-	-	-	-	-
<b>Assets given on lease:</b>										
Plant and machinery - Leased	-	-	-	-	-	-	-	-	-	-
Vehicles - Leased	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures - Leased	-	-	-	-	-	-	-	-	-	-
Building and structures - Leased	-	-	-	-	-	-	-	-	-	-
Land - Leased	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3.066.877,34</b>	-	<b>822.716,56</b>	<b>18.030,30</b>	<b>3.871.563,60</b>	<b>89.466,14</b>	<b>18.030,30</b>	<b>3.005.347,61</b>	<b>866.215,99</b>	<b>132.965,58</b>
<b>b) Intangible assets</b>										
Software / Licences	-	-	-	-	-	-	-	-	-	-
Commercial rights acquired	-	-	-	-	-	-	-	-	-	-
Rights under service concession arrangements (refer foot note no. i)	-	-	-	-	-	-	-	-	-	-
Trademarks and licences	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-
<b>c) Capital work-in-progress</b>										
Capital work-in-progress	-	-	-	-	-	-	-	-	-	-
<b>d) Intangible assets under Development (refer foot note no. i)</b>										
Intangible assets under Development	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>3.066.877,34</b>	-	<b>822.716,56</b>	<b>18.030,30</b>	<b>3.871.563,60</b>	<b>89.466,14</b>	<b>18.030,30</b>	<b>3.005.347,61</b>	<b>866.215,99</b>	<b>132.965,58</b>
<b>Previous period</b>										

Foot Note:

- Depreciation on assets used during the construction period (December 31, 2014) has been included in "Capital Work in Progress". Therefore, the charge to the statement of profit and loss is lower by this amount.
- Estimates under Service Concession Arrangement - Right under Service Concession Arrangements / intangible assets under Developments  
Under the Service Concession Arrangements, where the Group has received the right to charge users of the public services, such rights are recognized and classified as "Intangible Assets". Such a right is not an unconditional right to receive consideration because the amounts are contingent to the extent that the public uses the service and thus are recognized and classified as intangible assets. Such an intangible asset is recognised at cost (which is the fair value of consideration received or receivable for the construction services delivered). Accordingly, the fair value of consideration for construction services in respect of intangible assets covered under service concession arrangements of the Group, the useful lives of such intangible assets, the annual amortisation in respect thereof, and the provisions for overlay costs have been estimated by the management having regard to the contractual provisions, the evaluations of the units of usage and other technical evaluations by independent experts, the key elements having been tabulated below:

Particulars	EURO	
	Upto / As at December 31, 2014	Upto / As at December 31, 2013
Margin on construction services recognised in respect of intangible assets	-	-
Carrying amounts of intangible assets	-	-
Carrying amounts of intangible assets under development	-	-
Amortisation charge in respect of intangible assets	-	-
Units of usage (No. of vehicles) over the entire life of concession period	-	-
Total Estimated Revenue for project (over the entire life of concession period)	-	-
Provision for overlay in respect of intangible assets	-	-

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Note 12: Non-current investments

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Investment in Associates</b>				
i) Equity Investments in associates				
Scrip Name	Qty	Face Value		
1)				
2)				
Add: Unrealised gain on transactions between the Company and its associates				
Add: Post-acquisition share of profit / (loss) of associates				
Add: Post-acquisition share of movement in the capital reserves of an associate				
Less: Cash flow hedge reserve			-	-
ii) Other Investments in associates				
Scrip Name	Qty	Face Value		
1)				
2)			-	-
<b>(b) Investment in Unquoted Equity Instruments (fully paid)</b>				
Scrip Name	Qty	Face Value		
1)				
2)			-	-
<b>(c) Investment in Covered Warrants</b>				
Scrip Name	Qty	Face Value		
1)				
2)			-	-
<b>(d) Investments in property</b>				
<b>(e) Investment in Non Convertible Debentures</b>				
Scrip Name	Qty	Face Value		
1)				
2)			-	-
<b>(f) Investment in Others</b>				
Scrip Name	Qty	Face Value		
1)				
2)			-	-
<b>Less: Provision for diminution in the value of Investments</b>			-	-
<b>Total</b>			-	-

Note 13: Current investments

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Government securities</b>				
Scrip Name	Qty	Face Value		
1)				
2)			-	-
<b>(b) Investment in Units of Mutual funds</b>				
Scrip Name	Qty	Face Value		
1)				
2)			-	-
<b>(c) Investment in Units of Other funds</b>				
Scrip Name	Qty	Face Value		
1)				
2)			-	-
<b>Total</b>			-	-

Footnote :  
Aggregated cost and market value of Quoted Investments :

EURO

	As at December 31, 2014		As at December 31, 2013	
	Non-Current	Current	Non-Current	Current
No of Companies				
Cost				
Market Value				

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Note 14: Long-term loans and advances

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Capital Advances</b>				
Secured, considered good				
To related parties				
To others				
Unsecured, considered good				
To related parties				
To others		-		-
<b>(b) Security Deposits</b>				
Secured, considered good				
Unsecured, considered good		-		-
<b>(c) Loans and advances to related parties</b>				
Unsecured, considered good				
- Option premium (net of provision)				
- Mobilisation & pre-construction advance recoverable to related party				
- Prepaid expenses to related party				
- Long term loans to related parties				
- Other loans and advances to related parties @		-		-
<b>(d) Other loans and advances</b>				
Unsecured, considered good				
- Mobilisation & pre-construction advance recoverable				
- MAT credit entitlement				
- Advance payment of taxes (net of provision)				
- Prepaid expenses				
- Long term loans - others				
- Other loans and advances @		-		-
<b>Total</b>		-		-

@ Please do not include any item as others in the breakup and give nature of each item

Note 15: Short-term loans and advances

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Loans and advances to related parties</b>				
Unsecured, considered good				
- Mobilisation & pre-construction advance recoverable to related party				
- Inter-corporate deposits				
- Short term loans to related party				
- Prepaid expenses to related party				
- Current maturities of Long term loans and advances to related party				
- Other loans and advances to related parties @		-		-
<b>(b) Other loans and advances</b>				
Unsecured, considered good				
- Mobilisation & pre-construction advance recoverable				
- Advance towards share application money				
- Short term loans - others				
- Prepaid expenses				
- Current maturities of Long term loans and advances				
- Other loans and advances @		-		-
<b>Total</b>		-		-

@ Please do not include any item as others in the breakup and give nature of each item

Note 16: Other non-current assets

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Long term Trade Receivables (Including trade receivables on deferred credit terms)</b>				
Secured, considered good				
- Related party				
- Others				
Unsecured, considered good				
- Related party				
- Others		-		-
<b>(b) Receivable under Service Concession Arrangement</b> (refer note 17 foot note no. i)		-		-
<b>(c) Toll Receivable account</b>		-		-
<b>(d) Other non-current assets</b>				
- Interest accrued on _____				
- Unamortised borrowing cost				
- Fixed deposits having maturity more than 12 months under lien				
- Others @				
	2.991,56	2.991,56	86,38	86,38
<b>Total</b>		2.991,56		86,38

@ Please do not include any item as others in the breakup and give nature of each item

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Note 17: Other current assets @

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
(a) Unbilled revenue				
(b) Interest accrued on _____				
(c) Receivable under service concession arrangement (refer foot note no. i)				
(d) Unamortised borrowing cost				
(d) Grant receivable		141.591,32		63.436,12
<b>Total</b>		<b>141.591,32</b>		<b>63.436,12</b>

@ Please do not include any item as others in the breakup and give nature of each item

Foot Note:

(i) **Estimates under Service Concession Arrangement - Financial assets**

Under the Service Concession Arrangements, where the Group has acquired contractual rights to receive specified determinable amounts, such rights are recognised and classified as "Financial Assets", even though payments are contingent on the Group ensuring that the infrastructure meets the specified quality or efficiency requirements. Such financial assets are classified as "Receivables against Service Concession Arrangement".

Accordingly, the fair value of consideration for construction services and the effective interest rate in the case of financial assets of the Group covered under service concession arrangements included as a part of "Receivables against Service Concession Arrangements" have been estimated by the management having regard to the contractual provisions, the evaluations of the future operating and maintenance costs and the overlay / renewal costs and the timing thereof by independent experts, the key elements having been tabulated below:

EURO

Particulars	As at	
	December 31, 2014	December 31, 2013
Margin on construction and operation & maintenance and renewal services recognised in respect of Financial Assets		
Carrying amounts of Financial Assets included under Receivables against Service Concession Arrangements	-	-
Revenue recognised on Financial Assets on the basis of effective interest method		

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## Note 18: Inventories

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>Inventories</b>				
(i) Raw materials	37.321,36		37.321,34	
(ii) Finished goods		37.321,36		37.321,34
(iii) Stores and spares				
<b>Total</b>		<b>37.321,36</b>		<b>37.321,34</b>

## Note 19: Trade receivables

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Trade receivables outstanding for a period less than six months from the date they are due for payment</b>				
Secured, considered good				
- Related party				
- Others	7.018.373,74		4.638.915,70	
Unsecured, considered good				
- Related party				
- Others				
<b>Other considered doubtful</b>				
Less: Provision for doubtful debt	(708.570,95)	6.309.802,79	(708.570,95)	3.930.344,75
<b>(b) Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>				
Secured, considered good				
- Related party				
- Others				
Unsecured, considered good				
- Related party				
- Others				
<b>Other considered doubtful</b>				
Less: Provision for doubtful debt		-		-
<b>Total</b>		<b>6.309.802,79</b>		<b>3.930.344,75</b>

## Note 20: Cash and cash equivalents

EURO

Particulars	As at December 31, 2014		As at December 31, 2013	
<b>(a) Cash and cash equivalents</b>				
Cash on hand				
Balances with Banks in current accounts	1.014.430,22		530.020,55	
Balances with Banks in deposit accounts		1.014.430,22	650.000,00	1.180.020,55
<b>(b) Other bank balances</b>				
Unpaid dividend accounts				
Bank balances / deposits held as margin money or as security against borrowings or under lien less than 12 months		-		-
<b>Total</b>		<b>1.014.430,22</b>		<b>1.180.020,55</b>

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**Note 21: Contingent liabilities and capital commitments**

**A) Contingent liabilities :**

				EURO	
Sr No	Name of party	Description	As at December 31, 2014	As at December 31, 2013	
1		Guarantees issued on behalf of Group Companies			
2		Guarantees issued on behalf of other than Group Companies			
3		Guarantees / counter guarantees issued in respect of borrowing facilities of foreign subsidiary companies			
4		Claims against the Group not acknowledged as debt			
5		Income tax demands contested by the Company			
6		Other tax demands contested by the Company			
		- Service tax			
		- VAT			
		- Others (Please give description)			
7		Work Guarantees	6.294.875	5.045.087	
8					

**B) Financial commitments pending to be executed :**

				EURO	
Sr No	Name of party	Description	As at December 31, 2014	As at December 31, 2013	
1					
2					
3					

**C) Other commitments pending to be executed :**

				EURO	
Sr No	Name of party	Description	As at December 31, 2014	As at December 31, 2013	
1					
2					
3					

**D) Estimated amount of contracts remaining to be executed on capital and other account :**

				EURO	
Sr No	Name of party	Description	As at December 31, 2014	As at December 31, 2013	
1		Estimated amount of contracts remaining on capital account and not provided for. [Net of advances paid of (Rs./€/AED _____ ; (As at December 31, 2014 Rs/€/AED. _____) ]			
2					
3					

**E) Disclose the amount paid/Payable to Auditors :**

				EURO	
Sr No	Name of Auditors	Description	As at December 31, 2014	As at December 31, 2013	
1	Baptista da Costa & Associados - Auditores e		14.500	14.500	
2					
3					

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**Note 22: Revenue from operations****EURO**

Particulars	For year ended December 31,		For year ended December 31,	
	2014		2013	
<b>(a) Income from services</b>				
Advisory and project management fees				
Lenders' engineer and supervision fees				
Operation and maintenance income	15.515.232,11		18.322.776,85	
Toll revenue				
Periodic maintenance income				
Finance income				
Licence fee				
Operation and maintainace Grant		15.515.232,11		18.322.776,85
<b>(b) Construction income</b>		-		-
<b>(c) Sales (net of sales tax)</b>		-		-
		<b>15.515.232,11</b>		<b>18.322.776,85</b>

**Note 23: Other income****EURO**

Particulars	For year ended December 31,		For year ended December 31,	
	2014		2013	
<b>(a) Interest Income</b>				
Interest on loans granted				
Interest on debentures				
Interest on call money			22.744,93	
Interest on bank deposits				
Interest on short term deposit	10.672,20			
Interest on advance towards property		10.672,20		22.744,93
<b>(b) Profit on sale of investment (net)</b>		-		-
<b>(c) Profit on sale of fixed assets (net)</b>		-		-
<b>(d) Dividend</b>		-		-
<b>(e) Other non-operating income</b>				
Advertisement income				
Excess provisions written back				
Foreign exchange gain (net)				
Miscellaneous income	108.110,53	108.110,53	156.933,18	156.933,18
		<b>118.782,73</b>		<b>179.678,11</b>

**Note 24: Cost of materials consumed****EURO**

Particulars	For year ended December 31,		For year ended December 31,	
	2014		2013	
<b>(a) Material consumption</b>	120.908,88		162.538,62	
<b>(b) Purchase of traded products</b>				
<b>(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade.</b>		120.908,88		162.538,62
		<b>120.908,88</b>		<b>162.538,62</b>

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**Note 25: Operating expenses**

EURO

Particulars	For year ended December 31, 2014		For year ended December 31, 2013	
Construction contract costs	10.049.379,63		13.178.105,56	
Fees for technical services / design and drawings				
Diesel and fuel expenses	318.026,30		252.461,90	
Operation and maintenance expenses	321.724,76		285.379,54	
Provision for overlay expenses				
Periodic maintenance expenses				
Toll plaza expenses				
Negative grant		10.689.130,69		13.715.947,00
		<b>10.689.130,69</b>		<b>13.715.947,00</b>

**Note 26: Employee benefit expenses**

EURO

Particulars	For year ended December 31, 2014		For year ended December 31, 2013	
(a) Salaries, Wages and allowances		1.770.267,97		1.434.659,52
(b) Contribution to provident and other funds		316.523,24		230.916,64
(c) Staff Training & Welfare expenses				
(d) Deputation cost				
(e) Gratuity				
Less: Recovery on deputation/Cost Sharing				
Less : Recovery on Common Services				
		<b>2.086.791,21</b>		<b>1.665.576,16</b>

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**Footnote: (Disclosure to be given as per AS-15)**

**(i) Employee benefit obligations:**

**(A) Defined-contribution plans**

(i) The Group offers its employees defined contribution benefits in the form of provident fund, family pension fund and superannuation fund. Provident fund, family pension fund and superannuation fund cover substantially all regular employees. Contributions are paid during the year into separate funds under certain statutory / fiduciary-type arrangements. While both the employees and the Group pay predetermined contributions into the provident fund and pension fund, contributions to superannuation fund are made only by the Group. The contributions are normally based on a certain proportion of the employee's salary.

(ii) A sum of ` \_\_\_\_\_ (previous period ` \_\_\_\_\_ ) has been charged to the consolidated Statement of Profit and Loss in this respect.

**(B) Defined-benefit plans:**

The Group offers its employees defined-benefit plans in the form of gratuity (a lump sum amount). Amounts payable under defined benefit plans are typically based on years of service rendered and the employee's eligible compensation (immediately before retirement). The gratuity scheme covers substantially all regular employees. In the case of the gratuity scheme, the Group contributes funds to the Life Insurance Corporation of India which administers the scheme on behalf of the Group. Commitments are actuarially determined at year end. Actuarial valuation is based on "Projected Unit Credit" method. Gains and losses due to changes in actuarial assumptions are charged to the Consolidated Statement of Profit and Loss.

The net value of the defined-benefit commitment is detailed below:

Particulars	As at December 31, 2014	As at December 31, 2013
Present value of commitment		
Fair value of plans		
Unrecognised past service cost		
<b>Payable / ( Prepaid) amount taken to the balance sheet</b>	-	-

Defined benefit commitments:

Gratuity	As at December 31, 2014	As at December 31, 2013
Opening balance		
Interest cost		
Current service cost		
Benefits paid		
Actuarial (gain) / loss		
Transferred from / to other company		
<b>Closing balance</b>	-	-

Plan Assets:

Gratuity	As at December 31, 2014	As at December 31, 2013
Opening balance		
Expected return on plan assets		
Contributions by the Company / Group		
Benefits paid		
Transferred from / to other company		
Actuarial gain / (loss)		
Other adjustments		
Fair value of plan assets	-	-

The plan assets are managed by Life Insurance Corporation of India and HDFC Standard Life Insurance and the Group does not have details as to the investment pattern.

Return on Plan Assets:

Gratuity	For year ended December 31, 2014	For year ended December 31, 2013
Expected return on plan assets		
Actuarial gain / (loss)		
<b>Actual return on plan assets</b>	-	-

Expenses on defined benefit plan recognised in the Consolidated Statement of Profit and Loss:

Gratuity	For year ended December 31, 2014	For year ended December 31, 2013
Current service cost		
Interest expenses		
Expected return on investments		
<b>Net actuarial (gain) / loss</b>		

(i) The actuarial calculations of estimated defined benefit commitments and expenses are based on the following assumptions, which if changed would affect the defined benefit commitment's size, funding requirements and pension expense.

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Particular	For year ended December 31, 2014		For year ended December 31, 2013	
Rate for discounting liabilities				
Expected salary increase rate				
Expected return on scheme assets				
Attrition date				
Mortality table used				

(ii) The estimates of future salary increases considered in the actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(iii) The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets for the current year and previous three annual years is given below:

Gratuity (Funded Plan)	As at December 31, 2014	As at December 31, 2013
Defined benefit commitments		
Plan assets		
Unfunded liability transferred from group companies		
(Surplus) / Deficit	-	-

Gratuity (Funded Plan)	As at December 31, 2014	As at December 31, 2013
Experience adjustments on plan commitments		
Experience adjustments on plan assets		

(iv) The contribution expected to be made by some of the constituents of the Group during the next 12 months is \_\_\_\_\_.

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## Note 27: Finance costs

EURO

Particulars	For year ended December 31, 2014		For year ended December 31, 2013	
<b>(a) Interest expenses</b>				
Interest on loans for fixed period	4.200,90		5.640,40	
Interest on debentures				
Interest on deep discount bonds				
Other interest		4.200,90		5.640,40
<b>(b) Other borrowing costs</b>				
Guarantee commission	75.841,89		42.197,67	
Finance charges	7.762,91		8.952,94	
Upfront fees on performance guarantee		83.604,80		51.150,61
		<b>87.805,70</b>		<b>56.791,01</b>

## Note 28: Administrative and general expenses

EURO

Particulars	For year ended December 31, 2014		For year ended December 31, 2013	
Legal and consultation fees	49.136,78		30.000,00	
Agency fees	-		-	
Travelling and conveyance	74.153,38		54.886,67	
Rent	461.253,67		188.529,48	
Rates and taxes	19.393,69		25.809,98	
Repairs and maintenance	35.747,20		31.708,84	
Bank commission	-		-	
Registration expenses	-		-	
Communication expenses	34.679,45		30.736,14	
Insurance	104.975,72		110.535,66	
Exchange rate fluctuation (net)	-		-	
Printing and stationery	53.826,85		23.361,15	
Electricity charges	4.587,19		3.979,39	
Directors' fees	-		-	
Bad debts and provision for doubtful debts	-		37.081,31	
Project management fees	-		601.352,00	
Loss on sale of fixed assets (net)	-		-	
Brand subscription fees	-		-	
Auditors remuneration	14.500,00		14.500,00	
Toll amortisation expenses	-		-	
Miscellaneous expenses	322.773,40	1.175.027,33	258.126,19	1.410.606,81
		<b>1.175.027,33</b>		<b>1.410.606,81</b>

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## Note 29: Earnings per equity share

EURO

Particulars	Unit	For year ended December 31, 2014	For year ended December 31, 2013
Profit / (loss) after tax and minority interest	EURO	1.002.438,17	1.040.490,17
Premium on preference shares	-	-	-
Tax on premium on preference shares	-	-	-
Profit available for Equity Shareholders	-	-	-
Weighted number of Equity Shares outstanding	Numbers	280.000	280.000
Nominal Value of equity shares	EURO	5,00	5,00
Basic Earnings per share	EURO	3,58	3,72
Equity shares used to compute diluted earnings per share	Numbers	-	-
Diluted Earnings per share	-	-	-

In the absence of clarity as to the impact of advance towards capital on the earnings of the Group, no adjustment has been made for potential dilution in computing diluted earnings per share.

## Note 30: Disclosure in terms of Accounting Standard (AS) 7 – Construction Contracts

Particulars	Upto / As at December 31, 2014	Upto / As at December 31, 2013
Contract Revenue recognised during the year / period		
Aggregate amount of Contract Costs incurred during the year / period		
Profits during the year / period		
Advances received as at the year / period end		
Retention money as at the year / period end		
Gross amount due from customers for contract work, disclosed as asset, as at the year / period end		
Gross amount due to customers for contract work, disclosed as liability as at the year / period end		

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**Note 31: Derivatives and foreign currency exposures**

- (a) The Company as a part of its strategic initiatives to consolidate/restructure its investments in surface transport sector, has made direct investments in certain special purpose entities ("SPEs") engaged in that sector and also invested in units in a scheme of ITNL Road Investment Trust ("the Scheme") which in turn has made investments in such SPEs. Amounts invested include derivative instruments in the form of call options.
- (b) The amounts outstanding as at December 31, 2014, in respect of derivative transactions are summarized below:

Category	No of instruments	Call option premium	Exercise price payable
Call option of Equity Shares in a subsidiary bought from Elsamex		(-)	(-)
Call option of Equity Shares of a subsidiary held by minority		(-)	(-)
Call option of Equity Shares of a subsidiary (bought from Elsamex) held by		(-)	(-)
Call option of Equity Shares of an associate (bought from Elsamex)		(-)	(-)

- (c) Premiums paid by the Group towards call options purchased by it have been aggregated under the head "Option Premium Assets" and classified as a part of "Other Current Assets".
- (d) The year / period end foreign currency exposures that have not been hedged by derivative instrument or otherwise are given below:

**Receivable in foreign currency :**

As at December 31, 2014			As at December 31, 2013		
Name of Currency	` in million	Foreign Currency in million	Name of Currency	` in million	Foreign Currency in million

**Pavable in foreign currency :**

As at December 31, 2014			As at December 31, 2013		
Name of Currency	` in million	Foreign Currency in million	Name of Currency	` in million	Foreign Currency in million

Note: USD = US Dollar, DOP = Dominican Pesos, COP = Colombian Pesos, MXN = Mexican Pesos, HNL = Honduran Lempira, ECS = Ecuador Sucro, ALL = Albanian Lek, EUR = Euro Rs=Rupees AED=Arab Emirates Dirham

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Note 32 : Disclosure of Leases :

Name of related Party/ Group Companies	Amounts pertaining to related party/ Group Companies	Amounts pertaining to others	Total
(A)	(B)	(C)	(D=B+C)
<b>I. Receipts</b>			
<b>(1) Finance Lease</b>			
Gross Investment in Lease			
Unearned Finance Income			
Net Present Value of Minimum Lease Payments			
<b>NPV of MLP :</b>			
Not later than 1 year			
Later than 1 year and not later than 5 years			
Later than 5 years			
<b>Gross Investment in Lease</b>			
Not later than one year			
Later than 1 year and not later than five years			
Later than 5 years			
<b>(2) Operating Lease</b>			
Minimum future lease receipts during non-cancellable periods is as follows:			
a) not later than 1 year			
b) later than 1 year & not later than 5 years			
c) later than 5 years			
Operating lease income earned during the year			
<b>II. Payments</b>			
<b>(1) Finance Lease</b>			
Gross Investment in Lease			
Unearned Finance Income			
Net Present Value of Minimum Lease Payments			
<b>NPV of MLP :</b>			
Not later than 1 year			
Later than 1 year and not later than 5 years			
Later than 5 years			
<b>Gross Investment in Lease</b>			
Not later than one year			
Later than 1 year and not later than five years			
Later than 5 years			
<b>(2) Operating Lease</b>			
Minimum future lease payments during non-cancellable periods is as follows:			
a) not later than 1 year			
b) later than 1 year & not later than 5 years			
c) later than 5 years			
Operating lease expense incurred during the year			

Note 33 : Movement of MAT Credit for the half year:

Particulars	As at December 31, 2014	As at December 31, 2013
Opening MAT Credit available		
Addition (to tally with P&L)		
MAT Credit Availed during the period		
Closing MAT Credit available	-	-

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Por Representação

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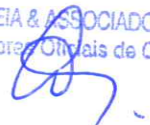
Note 34 : Details of Grant

Sr No	From	Purpose		As at December 31, 2014	As at December 31, 2013
1		Equity Support	Total Sanctioned Grant Amount		
			Received during the year / period		
			Received upto		
			Utilised		
			Unutilised		
2		O&M Support	Total Sanctioned Grant Amount		
			Received during the year / period		
			Received upto		
			Utilised		
			Unutilised		
3			Total Sanctioned Grant Amount		
			Received during the year / period		
			Received upto		
			Utilised		
			Unutilised		

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**Note 35: Related Party Statement****Current Year****a Name of related parties and description of relationship**

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	IL&FS Transportation Networks	ITNL
Holding Company	Elsamex, SA	Elsamex SA
Fellow Subsidiaries		
Co - Venture :		
Enterprises having Significant Influence over the Company	Elsamex Internacional, SL	Elsamex Internacional
Key Management personnel :		

**b Transactions / Balances with related parties as mentioned ( a ) above**

Account head	Name of Entity	As at December 31, 2014
<b>Balances:</b>		
	Elsamex SA	-363,26
Account head	Name of Entity	For year ended December 31, 2014
<b>Transactions:</b>		
	Elsamex SA	-363,26
	Elsamex Portugal	-35.017,80

**Previous Year / period****c Name of related parties and description of relationship**

Nature of Relationship	Name of Entity	Acronym used
Ultimate Holding Company	IL&FS Transportation Networks	ITNL
Holding Company	Elsamex, SA	Elsamex SA
Fellow Subsidiaries		
Co - Venture :		
Enterprises having Significant Influence over the Company	Elsamex Internacional, SL	Elsamex Internacional
Key Management personnel :		

**d Transactions / Balances with related parties as mentioned (c) above**

Account head	Name of Entity	As at December 31, 2013
<b>Balances:</b>		
	Elsamex SA	-603.900,15
	Elsamex Portugal	-20.517,63
Account head	Name of Entity	For year ended December 31, 2013
<b>Transactions:</b>		
	Elsamex Internacional SL	-257.023,79
	Elsamex SA	-1.215.598,25
	Elsamex Portugal	-347.203,63

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Note 36: Segment information

(I) Primary - Business Segments:

	Surface Transportation Business		Building Maintenance		Non reportable		Total	
	For the Year ended December 31, 2014	For the Year ended December 31, 2013	For the Year ended December 31, 2014	For the Year ended December 31, 2013	For the Year ended December 31, 2014	For the Year ended December 31, 2013	For the Year ended December 31, 2014	For the Year ended December 31, 2013
Revenue								
External								
Inter-Segment								
Segment Revenue								
Total Revenue								
Segment expenses								
Segment results								
Unallocated income (excluding interest income)								
Unallocated expenditure								
Interest Expenses								
Interest Income unallocated								
Provision for taxation								
(Including Wealth Tax & Fringe Benefit Tax)								
Add: Share of Profit / (Loss) of Associates								
Add: Share of (Loss)/Profit of Minority Interest								
Net Profit / (Loss)								
As at December 31, As at December 31, As at December 31, As at December 31, As at December 31, As at December 31,	2014	2013	2014	2013	2014	2013	2014	2013
<b>Segment assets</b>								
Unallocated Assets (Refer footnote 1)								
Total assets								
<b>Segment liabilities</b>								
Unallocated Liabilities (Refer footnote 2)								
Total liabilities								
For the Year ended For the Year ended For the Year ended For the Year ended For the Year ended For the Year ended	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Capital Expenditure for the year / period								
Depreciation for the year / period								
Non cash expenditure other than depreciation for the year / period								

(II) Secondary - Geographical Segments:

Particulars	Spain		Outside Spain	
	As at December 31, 2014	As at December 31, 2013	As at December 31, 2014	As at December 31, 2013
Revenue - External				
Segment Assets				
Capital Expenditure				

Footnotes:

- 1) Unallocated assets include investments, advance towards share application money, loans given, interest accrued, option premium, deferred tax assets, advance payment of taxes (net of provision), unpaid dividend accounts and fixed
- 2) Unallocated liabilities include borrowings, interest accrued but not due on borrowings, deferred tax liabilities (net), provision for tax (net), unpaid dividends, etc.

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**Note 37: Previous period / year**

Figures for the previous year / period have been regrouped, reclassified where necessary, to conform to the classification of the current period.

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