

CENTRO DE INVESTIGACIÓN ELPIDIO
SÁNCHEZ MARCOS, S.A

ANNUAL REPORT

2009

Num IC-5110

Date the 24th May 2010

PERFORMANCE :

Audit. Report on Abridged Annual
Accounts for the fiscal year 2009

ENTITY :

CENTRO DE INVESTIGACIÓN
ELPIDIO SANCHEZ MARCOS, S.A.
"CIESM, S.A."

DOMICILE :

18, San Severo St, 28042 - Madrid

ENTRUSTED BY :

The Management by delegation of the
Directors

ADDRESSED TO :

The Shareholders

DOCUMENTS AUDITED :

Abridged Annual Accounts for the fiscal
year 2009

PERFORMED BY THE AUDITING
FIRM :

B. Tahoces Acebo
Nº 5625 of R.O.A.C.
Active Member of the Institute of
Auditors of Spain which is a member of
the FEE, IFAC and IASB

BERNARDO TAHOCES ACEBO
Auditor-Censor Jurado de Cuentas
Nº 5.625 del ROAC
C/ Alcalá, 161
28009-Madrid

AUDIT REPORT OF ABRIDGED ANNUAL ACCOUNTS

To the Shareholders of:

CENTRO DE INVESTIGACION ELPIDIO SANCHEZ MARCOS, S.A.
"CIESM, S.A"

I have audited the Abridged Annual Accounts of CIESM, S.A. that include the Balance Sheet as of 31st December 2009, the Profit and Loss Account, the Statement of Changes in the Net Worth and the Abridged Notes of the fiscal year then ended which is the responsibility of the Directors of the Company. This audit is performed by voluntary decision of the Directors since it is not legally obligatory due to the limited size of this company

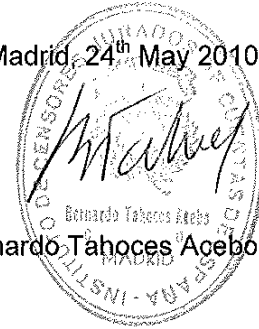
My responsibility is to express an opinion on the cited Abridged Annual Accounts as a whole based on the work performed and conducted in accordance with the generally accepted auditing rules which require the examination by selected tests of the evidence to justify the transactions in the Annual Accounts and the evaluation of the presentation of the accounting principles used and of the estimates made.

The Directors of this company in keeping with the commercial regulations present of the purposes of comparison for each item in the Abridged Balance, Profit and Loss Account, Changes in Net Worth and the Notes, the amounts of the present fiscal year and those of the preceding year. My opinion is provided only in respect of the Abridged Annual Accounts of fiscal year 2009.



IN MY OPINION, the enclosed Abridged Annual Accounts of 2009 fiscal year express in all significant aspects a fair view of the Shareholders and of the financial position of CIESM, S.A. as of the 31st December 2009 and of the result of the operations, and the changes in the Net Worth and of the Abridged Notes corresponding to the 2009 fiscal year then ended and include the necessary and sufficient information for its interpretation and understanding in conformity with generally accepted accounting principles applicable in Spain.

Madrid, 24th May 2010



Bernardo Taboas Acebo

**Centro de Investigación
Elpidio Sánchez Marcos,
S.A.**

Abridged Annual Accounts for the
period ending
31st December 2009, together with the
Independent Auditors' Report

Centro de Investigación Elpidio Sánchez Marcos, S.A.

BALANCE SHEET AT 31 DECEMBER 2009 AND 2008
(Euros)

ASSETS		Report Notes	Period 2009	Period 2008	LIABILITIES	Report Notes	Period 2009	Period 2008
NON-CURRENT ASSETS								
Intangible fixed assets		Note 5	1,917,302	1,437,372	NET EQUITY	Note 10	173,387	164,779
Development			379,507	3,540	STOCKHOLDERS' EQUITY		173,387	164,779
Patents, licences, trademarks and similar			373,795	-	Capital		120,000	120,000
IT applications				11	Registered capital		120,000	120,000
			5,722	3,529	(Voluntary capital)			
Tangible fixed assets		Note 6	517,958	603,125	Reserves		44,779	31,126
Technical installations and other tangible fixed assets			517,958	603,125	Legal and statutory		17,002	15,637
					Other reserves		27,777	15,489
Long-term investments in Group companies and associates			915,240	784,817	Result of the period		8,608	13,653
Equity instruments			915,240	656,303	NON-CURRENT LIABILITIES			
Facilities to companies				128,514	Long-term debts	Note 7	325,121	516,969
Long-term financial investments			4,597	40,890	Debts with credit institutions		10,997	49,000
Equity instruments				36,000	Creditors from financial leasing		81,891	155,429
Other financial assets			4,597	4,890	Other financial liabilities		232,243	312,540
CURRENT ASSETS		Note 4	5,511,852	5,923,791	Liabilities for deferred tax	Note 12	6,657	
Stock			62,282	45,954	CURRENT LIABILITIES	Note 7	6,823,959	6,884,415
Marketing/sales			29,284	18,898	Short-term debts		319,582	655,045
Advances to suppliers			33,018	27,055	Debts with credit institutions		139,013	180,974
Trade debts and other accounts receivable		Note 8	2,851,110	4,118,805	Creditors from financial leasing		68,685	117,234
Customers for sales and provisions of services			1,414,840	1,331,343	Other financial liabilities		111,884	356,637
Customers, Group companies and associates		Note 14	1,312,157	1,917,536	Liabilities for deferred tax	Note 14	4,989,947	2,642,637
Sundry debtors				820,358	Trade creditors and other accounts payable	Note 11	1,507,339	3,386,733
Staff			100,204	38,780	Suppliers	Note 14	908,028	1,620,484
Assets for current tax			13,558		Suppliers, Group companies and associates		163,168	1,418,575
Other credits with Public Administrations		Note 12	10,341	10,678	Sundry creditors		193,252	73,651
Short-term investments in Group companies and associates		Note 14	2,268,746	1,584,990	Liabilities for current tax	Note 12	228,984	160,046
Other financial assets			2,268,746	1,584,990	Other debts with Public Administrations		13,909	50,761
Short-term financial investments			413,604	18,044	Customer advances		7,121	9,993
Facilities to companies			3,322	1,000	Short-term periodifications			
Other financial assets			110,282	17,044	TOTAL NET EQUITY AND LIABILITIES		7,329,154	7,366,163
Short-term periodifications			216,110	160,998				
Cash and other equivalent liquid assets			216,110	160,998				
Treasury								
TOTAL ASSETS			7,329,154	7,366,163				

Notes 1 to 15 of the attached Report form an integral part of the balance sheet at 31 December 2009

Centro de Investigación Elpidio Sánchez Marcos, S.A.

ABRIDGED PROFIT AND LOSS ACCOUNTS FOR ACCOUNTING PERIODS ENDED

31 DECEMBER 2009 AND 2008

(Euros)

	Report Notes	Period 2009	Period 2008
CONTINUING OPERATIONS			
Net amount of the annual turnover	Note 12	3,961,119	4,111,600
Rendering of services		3,961,119	4,111,600
Provisions	Note 12	(1,369,453)	(1,536,338)
Consumption of raw and other consumable materials		(155,399)	(179,788)
Works carried out by other companies		(1,214,054)	(1,358,550)
Other income from operations		316,412	
Current additional income and other from management		252,179	
Exploitation subsidies incorporate dinto the year results		64,233	
Staff expenses	Note 12	(1,643,611)	(1,903,174)
Wages, salaries and equivalent		(1,334,813)	(1,536,798)
Social payments		(308,798)	(366,376)
Other operating expenditure	Note 12	(1,059,637)	(429,640)
External services		(767,325)	(359,614)
Taxes		(27,020)	(8,950)
Losses, impairments and variation in provisions from trade operations		(265,292)	(61,076)
Amortization of fixed assets	Note 5	(184,606)	(176,522)
Impairment and result of transfers of fixed assets		18,945	(1,240)
Results for transfers and other		18,945	(1,240)
RESULT FROM OPERATIONS		39,169	64,686
Financial income		30	11
From third parties		30	11
Financial expenditure		(23,793)	(63,055)
For debts with Group companies and associates			
For debts with third parties		(23,793)	(63,055)
Exchange differences (+/-)		424	
Impairment and result for transfers of financial Instruments (+/-)		8,766	
Impairment and losses		8,766	
FINANCIAL RESULT		(14,573)	(63,044)
RESULT BEFORE TAXES		24,596	11,642
Tax on profits	Note 11	(15,988)	2,011
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS		8,608	13,653
RESULT FOR THE PERIOD		8,608	13,653

Notes 1 to 15 of the attached Report form an integral part of the balance sheet at 31 December 2009

Centro de Investigación Elpidio Sánchez Marcos, S.A.

STATEMENT OF CHANGE IN THE NET WORTH OF THE ACCOUNTING PERIODS 2009 AND 2008

A) STATEMENT OF ASSIGNED INCOME AND EXPENDITURE

(Euros)

	Report Notes	Period 2009	Period 2008
RESULT FOR THE PROFIT AND LOSS ACCOUNT (I)		8,608	13,653
TOTAL INCOME AND EXPENDITURE ASSIGNED DIRECTLY TO NET WORTH (II)		8,608	13,653
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		8,608	13,653
TOTAL ASSIGNED INCOME AND EXPENDITURE ((I)+(II)+(III))		8,608	13,653

Notes 1 to 15 of the attached Report form an integral part of the statement of changes in total net worth for the accounting period of 2009

Centro de Investigación Elpidio Sánchez Marcos, S.A.

STATEMENT OF CHANGE IN THE NET WORTH OF THE ACCOUNTING PERIODS OF 2009 AND 2008

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Reserves	Result of the period	TOTAL
BALANCE AT THE CLOSE OF PERIOD 2007	120,000	22,101	9,025	151,126
Allocation of 2007 result	-	9,025	(9,025)	-
Result of 2008 period (Profit)	-	-	13,653	13,653
FINAL BALANCE FOR PERIOD 2008	120,000	31,126	13,653	164,779
Allocation of 2008 result	-	13,653	(13,653)	-
Result of 2009 period (Losses)	-	-	8,608	8,608
FINAL BALANCE FOR PERIOD 2009	120,000	44,779	8,608	173,387

Notes 1 to 15 of the attached Report form an integral part of the statement of changes in total net worth for the accounting period 2009

Centro de Investigación Sánchez Marcos, S.A.
Abridged Report for the
period ending
31st December 2009

1. Incorporation and activity

Incorporation

Centro de Investigación Elpidio Sánchez Marcos, S.A. (hereinafter, the Company) was incorporated as a Spanish corporation ("*sociedad anónima*") on 21 December 1990. Its company name has remained unchanged since the incorporation date.

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

Corporate objective

The Company's objective is:

- a. Analysis, testing and technical control for projects, materials, works and installations, as well as the building's quality control.
- b. Studies, reports and other technical tasks related to cartography, geotechnology, ecology, hydrology and the environment.
- c. Consultancy and technical studies and reports related to public works, construction, land development and urban planning, industry, mining, agriculture and the environment.

The activities included in the corporate object may be executed by the Company, in whole or in part, indirectly, by holding shares or participations in other companies with an identical or similar object.

All those activities which, in order to be exercised, must meet special legal requirements that are not fulfilled by the Company, are excluded. If the law were to require professional qualifications for these activities, such activities will be carried out by somebody holding the necessary qualifications.

The Company belongs to the Elsamex Group, the final controlling company of which is Elsamex, S.A., with registered address in calle San Severo 18, Madrid, the company that draws up the consolidated financial statements. The consolidated annual accounts of the Elsamex, S.A. Group for the 2008 financial year were drawn up by the Directors of Elsamex, S.A. at the Board of Directors' Meeting held on 14 May 2009 and deposited at the Commercial Register of Madrid. In turn, the Elsamex Group is controlled by an international group, the final controlling company of which is "Infrastructure Leasing & Financial Services Limited (IL&FS)", with registered address in Bombay (India) Bandra – Kurla Complex.

2. Presentation principles for the abridged annual accounts

2.1 True picture

The attached abridged annual accounts have been obtained from the Company's accounts registers and are presented in accordance with R.D. 1514/2007 by which the General Accountancy Plan is approved, so as to show the true picture of the assets, the financial situation, and the Company results obtained during the relevant accounting period. These abridged annual accounts, drawn up by the Company Directors, will be presented to the Ordinary General Shareholders' Meeting for its approval, and are expected to be approved with no modification whatsoever.

Further to Article 175 of the Spanish Corporations Act, as amended by Act 16/2007, in force since 1 January 2008, the Company draws up abridged annual accounts.

According to applicable commercial regulations, the Company is not obliged to audit its abridged annual accounts. However, and for the sole purpose of improving the transparency of its financial data, the Management Body has deemed it appropriate to present these abridged annual accounts for the 2009 financial year to an external auditor for verification. Subsequently, they will be subjected to the approval of the General Shareholders' Meeting, and are expected to be approved with no change whatsoever.

The abridged annual accounts for the 2008 financial year were approved by the General Shareholders' Meeting on 30 June 2009.

2.2 Non-obligatory accounting principles

Non-obligatory accounts principles have not been applied. In addition, the Directors have prepared these abridged annual accounts taking into consideration all the obligatory accounting principles and standards of application that have a significant effect on the said abridged annual accounts. There is no obligatory accounting principle that has not been applied.

2.3 Critical aspects of valuation and estimation of uncertainty

In the preparation of the attached abridged annual accounts estimations have been used that have been made by the Company's Administrators in order to evaluate some of the assets, liabilities, incomes, expenditure and commitments that appear in them. Basically these estimations refer to the useful life of the intangible and tangible assets, and the calculation of the supplies through creditor invoices pending receipt.

In spite of these estimations having been done on the basis of the best information available at the close of the 2009 accounting period, it is possible that future events may require them to be amended (upwards or downwards) in the next periods, which would be done, if required, prospectively.

2.4 Comparison of information

The information contained in this abridged report relating to the 2009 accounting period is presented for purposes of comparison with the information for the 2008 accounting period.

2.5 Grouping of entries

Specific items from the abridged balance sheet, profit and loss account, and statement of changes in the net assets are presented in a grouped format in order to facilitate comprehension and, insofar as it is significant, the information has been broken down in the corresponding notes in the report. There are no asset items entered in two or more entries.

2.6 Changes in accounting principles

During the 2009 accounting period no changes in accounting principles have arisen with respect to the principles applied in the 2008 accounting period.

2.7 Correction of errors

In the preparation of the attached abridged annual accounts no significant error has been detected that might presuppose the re-expression of the amounts included in the annual accounts of the 2008 accounting period.

3. Application of results

The Company Directors will propose to the General Shareholders' Meeting the following allocation of results of the 2009 accounting period:

	Euros
Distribution basis:	
Profit and loss (Profit)	8,608
	8,608
Allocation:	
To Legal Reserve	861
To Voluntary Reserves	7,747
	8,608

4. Standards for recording and evaluation

The principal recording and evaluation standards used by the Company in the preparation of its abridged annual accounts, 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, if there should be any.

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

a) R&D expenses:

R&D expenses are activated when the following conditions are met:

- They are specifically individualized by project and their cost may be clearly established.
- There are justified reasons to trust in the technical success and economic/commercial profitability of the project.

Any assets generated in this way are amortized following the linear method, throughout their useful life span (over a maximum of 5 years).

If there are doubts about the project's technical success or economic profitability, the amounts entered into the assets will be directly assigned to the profit and loss account of the financial year.

b) Industrial Property:

This account enters all amounts paid to acquire industrial property or the right to use the same, in its various forms, or the expenses incurred as a result of registering the industrial property developed by the company.

c) IT applications:

The Company enters in this account the costs incurred in the acquisition and development of computer programmes. The maintenance costs for the IT applications are entered in the profit and loss account for the period in which they are incurred. Amortization of the IT applications is done by applying the linear method over a term of between 4 and 5 years.

4.2 Tangible 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, if there should be any.

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

The Company amortizes the tangible fixed assets following the linear method, applying annual amortization percentages calculated as a function of the estimated years of useful life of the respective assets, in accordance with the following detail:

	Percentage
Construction	2-7
Technical installations – Machinery – Tools – Electricity	15
Transport items	
Other installations – Furnishings	10
Data processing equipment	25

The expenses for servicing and maintaining the different items comprising the tangible fixed assets 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 lengthening the useful life of the said assets is entered as a greater cost of the same.

4.3 Leasing

Leases are classified as capital leases provided that from the conditions for the same it may be deduced that they will transfer substantially to the lessee the risks and benefits inherent in the ownership of the asset that is the subject of the contract. The other leases are classified as operating leases.

When the company is the lessee – Capital lease

In the capital lease operations in which the Company is acting as lessee, the cost of the leased assets is presented in the balance sheet according to the nature of the property that is the subject of the contract and, simultaneously, a debit for the same amount. The said amount will be the lesser between the reasonable value of the leased property and the actual value at the start of the lease, of the minimum amounts agreed, including the option to purchase, when there is no reasonable doubt over its exercise. Not to be included in its calculation are outgoings of a contingent nature, the cost of services and taxes recoverable by the lessor. The total capital charge of the contract is allocated to the profit and loss account for the period in which it is accrued, the effective interest rate method being applied. Outgoings of a contingent nature are included as an expense for the period in which they are incurred.

The assets entered through this type of operation are amortized with principles similar to those applied to the whole of the tangible assets, attention being paid to their nature.

When the company is the lessee – Operating lease

The expenses deriving from operating lease agreements are charged to the profit and loss account for the period in which they accrue.

Any income or payment made on contracting an operating lease is to be treated as an advance income or payment advance and is to be allocated to the results throughout the leasing period, as the profits of the leased asset are transferred or received.

4.4 Financial Instruments

4.4.1 Financial assets

Classification-

The financial assets that the Company has are classified as Loans and items receivable: financial assets originating in the sale of goods or in the provision of services through the company's trading operations, or those that do not have a commercial origin, are not equity instruments or derivatives and the charges of which are a fixed or specific amount and are not negotiated in an active market.

Initial valuation -

The financial assets are entered initially at the reasonable value of the consideration delivered plus the transaction costs that may be directly attributable.

Subsequent valuation –

Loans and items receivable are valued by their amortized cost.

At the close of the period at least, the Company carries out an impairment test for the financial assets that are not entered at reasonable value. It is considered that there is objective evidence of impairment if the redeemable value of the financial asset is less than its book value. When it occurs, the entry of this impairment is made in the profit and loss account.

The Company discharges the financial assets when they expire or their rights over the cash flow of the corresponding financial asset have been assigned and the risks and benefits inherent in their ownership have been substantially transferred.

On the other hand, the Company does not discharge the financial assets, and enters a financial debit for an amount equal to the consideration received, in assignments of financial assets in which the risks and benefits inherent in their ownership may be substantially retained.

4.4.2 Financial liabilities

Financial liabilities are those debts and items payable that the Company has and that have originated in the purchase of goods and services through the company's trading operations, or also those that cannot be considered as derived financial instruments as they do not have a commercial origin.

The debts and items payable entries are valued initially at the reasonable value of the consideration received, adjusted by the directly attributable transaction costs. Subsequently, the said liabilities are valued in accordance with their amortized cost.

The Company discharges the financial liabilities when the obligations they have generated have been wiped out.

4.4.3 Equity instruments

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

The capital instruments issued by the Company are entered in the net equity as the amount received, net of costs of issue.

4.5 Stock

Stock is valued at its purchase price, production cost or net realizable value, applying the lowest value. All trading discounts, reductions in prices, other similar items and interest incorporated into the debit face value are deducted when calculating the purchase price.

The production cost includes the direct cost of materials and, if applicable, the direct cost of workmanship and general manufacturing expenses.

The net realizable value represents an estimated sale price minus all estimated costs for completed manufacturing and the costs incurred in marketing, sale and distribution processes.

When allocating a value to its inventories, the Company uses the average weighted cost method.

The Company makes the necessary value adjustments and applies them as an expense in the profit and loss account whenever the net realizable value of the stock is less than its purchase price (or production cost).

This heading gathers all advances paid to suppliers for services to be received.

4.6 Corporate tax

The expenditure or income for tax on profits comprises the part relating to the expenditure or income for the current tax and the part corresponding to the expenditure or income for deferred tax.

The current tax is the amount the Company meets as a consequence of the fiscal payments of tax on profits relating to an accounting period. The deductions and other tax advantages in the tax quota, excluding withholdings and down-payments, as well as the compensable fiscal losses of previous periods and applied effectively in this one, give rise to a lower amount of current tax.

The expenditure or income for deferred tax corresponds to the entry and cancellation of assets and liabilities for deferred tax. These include temporary discrepancies that are identified as those amounts that are anticipated to be payable or recoverable, derived from the differences between the book amounts of the assets and liabilities and their fiscal value, as well as the negative tax bases pending compensation and the credits for tax credit not fiscally applied. These amounts are entered by applying a temporary difference or credit which corresponds to the rate of levy at which it is expected to recover or pay.

Liabilities are included for deferred taxes for all temporary taxable discrepancies, except those derived from the initial entry of goodwill or other assets or liabilities in an operation which does not affect either the fiscal result or the accounting result and is not a combination of businesses, as well as those related to investments in dependent companies, partners and businesses in which the Company can control the reversion time and it is probable that they will not revert in the foreseeable future.

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

The assets and liabilities for deferred taxes that originate from operations with direct charges or payments into equity accounts are also accountable with a counter-entry in net equity.

4.7 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 contamination.

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

4.8 Revenue and expenditure

Revenue and expenditure are allocated in accordance with the amount accrued principle, i.e. when the actual flow of goods and services they represent takes place, independently of the time in which the cash or financial flow derived from them takes place. This revenue and expenditure are valued by the reasonable value of the consideration received or given, once the discounts and taxes, incorporated interests or similar items have been deducted.

In order to adjust the revenue in the financial year in which they accrue, the Company makes provisions for those projects that are ongoing at the close of the financial year, depending on the progress made and regardless of the invoice issue date.

4.9 Provisions and contingencies

In preparing the annual accounts, the Company Directors differentiate between:

- a) Provisions: credit balances that cover current obligations derived from past events, the cancellation of which is likely to cause an outflow of resources, although they are undetermined with regard to their amount and/or time of cancellation.
- b) Contingent liabilities: possible obligations arising as a consequence of past events, the future materialization of which is conditional on the occurrence, or not, of one or more future events, independent of the Company's will and which are not reasonably calculable.

The abridged annual accounts assemble all the provisions with respect to which it is deemed that the probability of having to meet the obligation is higher than the reverse. The contingent liabilities are not included in the abridged annual accounts, but the information about them can be found in the report notes, insofar as they are not considered remote.

The provisions are valued by the current value of the best possible estimate of the amount necessary to cancel or transfer the obligation, taking into account the information available about this event and its consequences, and entering any adjustments that may arise through updating these provisions as a financial expense as it accrues.

Compensation receivable from a third party at the time the obligation is settled, provided that there are no doubts as to whether this reimbursement should be made, is entered as a credit, unless there is a legal link by which the risk part has been externalised and under which the Company is not obliged to respond. In this situation, the compensation is to be taken into account for estimating the amount in which, if relevant, the corresponding provision is to appear.

4.10 Compensation for dismissal

In accordance with prevailing legislation, the Company is obliged to pay compensation to those employees with whom, under specific conditions, it terminates its employment relations. Therefore, compensation for dismissal, subject to reasonable quantifying, is entered as an expense in the period in which the termination decision is taken. In the attached abridged annual accounts there is no provision entered under this heading, as situations of this nature are not anticipated.

4.11 Principles used in transactions between related parties

A 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, the related parties are:

- a) The companies that are considered to be a company of the group, associates or multi-group, in accordance with article 42 of the Commercial Code.
- b) Individuals who, directly or indirectly, have 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. The close relatives of these physical persons are also included.
- c) The key staff of the Company or of its dominant entity, which means the individuals with authority and responsibility over the planning, management and control of the Company's activity, either directly or indirectly, amongst whom are included the administrators and managers. The close relatives of these individuals are also included.
- d) The companies over which any of the persons mentioned in b) and c) above can exercise a significant influence.
- e) The companies that share any board member or director with the Company, unless this person does not exercise a significant influence in the financial and operational policies of both.
- f) The persons who are regarded as close relatives of the Company administration's agent, whenever this person is a legal entity.
- 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. Amongst them are included:

- 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 with an analogous relationship;

The Company carries out all its operations with entities linked to market values. In addition, the transfer prices are adequately supported so that the Company Directors consider that there are no significant risks related to this aspect from which liabilities for future consideration could be derived. The Company is currently preparing the documentation required in Article 16 of the Revised Corporate Tax Act and its Regulations in order to withstand the transfer prices applied in the transactions between linked entities.

5. Intangible fixed assets

The movements occurring under this heading of the balance sheet during accounting periods 2009 and 2008, as well as the most significant information affecting this heading, are the following:

Accounting period 2009

	Euros		
	31-12-08	Additions	31-12-09
Cost:			
Research	-	373,785	373,785
Industrial Property	14,782	-	14,782
IT Applications	4,840	3,500	8,340
	19,622	377,285	396,907
Amortization:			
Research	-	-	-
Industrial Property	(14,771)	(11)	(14,782)
IT Applications	(1,311)	(1,307)	(2,618)
	(16,082)	(1,318)	(17,400)
Net value	3,540	375,967	379,507

The cost of fully amortized items at 31 December 2008 and 2009 is 14,782 euros.

Accounting period 2008

	Euros		
	31-12-07	Additions	31-12-08
Cost:			
Research	-	-	-
Industrial Property	14,782	-	14,782
IT Applications	4,840	-	4,840
	19,622	-	19,622
Amortization:			
Research	-	-	-
Industrial Property	(14,689)	(82)	(14,771)
IT Applications	(101)	(1,210)	(1,311)
	(14,790)	(1,292)	(16,082)
Net value	4,832	(1,292)	3,540

Registrations during the period basically reflect development expenses activated during this account period and related to the manufacturing of asphalt combinations based on crushed rubber.

6. Tangible fixed assets

The movements occurring under this heading of the balance sheet during accounting periods 2009 and 2008, as well as the most significant information affecting this section are the following:

Accounting period 2009

	Euros		
	31-12-08	Additions	31-12-09
Cost:			
Technical installations-	1,727,529	90,326	1,817,855
Machinery-Tools			
Other Installations-	156,219	2,795	159,014
Furnishings			
Equipment for information processing	766,116	-	766,116
Transport items	26,571	-	26,571
	2,676,435	93,121	2,769,556
Accrued amortization:			
Technical installations-	(1,442,324)	(71,312)	(1,513,636)
Machinery-Tools			
Other Installations-	(146,182)	(2,511)	(148,693)
Furnishings			
Equipment for information processing	(453,233)	(109,465)	(562,698)
Transport items	(26,571)	-	(26,751)
	(2,068,310)	(183,288)	(2,251,598)
Net value	608,125	(90,167)	517,958

Accounting period 2008

	Euros				
	31-12-07	Additions	Transfers	Adjustments	31-12-08
Cost:					
Technical installations-	1,485,148	130,665	111,715	-	1,727,529
Machinery-Tools					
Other	151,889	4,330	-	-	156,219
Installations-					
Furnishings					
Equipment for information processing	877,831	-	(111,715)	-	766,116
Transport items	26,571	-	-	-	26,571
	2,541,439	134,995	-	-	2,676,435
Accrued amortization:					
Technical installations-	(1,376,387)	(65,937)	-	-	(1,442,324)
Machinery-Tools					
Other	(144,079)	(2,103)	-	-	(146,182)
Installations-					
Furnishings					
Equipment for information processing	(344,236)	(107,190)	-	1,807	(453,233)
Transport items	(26,571)	-	-	-	(26,571)
	(1,891,273)	(175,230)	-	1,807	(2,068,310)
Net value	650,166	(40,235)	-	(1,807)	608,125

The Company's policy is to formalize insurances policies in order to cover the risks to which the different elements of its tangible fixed assets are subjected to. The Company Administrators consider the coverage of these risks on 31st December 2009 and 2008 is the appropriate.

At the closing of tax years 2009 and 2008, the Company has tangible fixed assets completely amortized which were still in use by the amount of 1,542,002 y 1,314,424 Euros respectively.

As it is shown in Note 7, at the closing of tax years 2009 and 2008 the Company had several financial leasing operations on its tangible fixed assets contracted.

7. Leasing

Financial leasing

At the close of accounting periods 2009 and 2008 the Company, as a financial lessee, has some leased assets included in accordance with the following information:

Accounting period 2009

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	885,965	-	885,965
Total	885,965	-	885,965

Accounting period 2008

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	774,250	-	774,250
Total	774,250	-	774,250

At the close of accounting periods 2009 and 2008 the Company has contracted with the lessors the following minimum leasing quotas (including, if appropriate, options to purchase), in accordance with the contracts currently in force, and not taking into account implications of common expenses, future increases due to the CPI or future updates in income agreed under contract:

Financial leasing Minimum quotas	2009		2008	
	Nominal value	Current value	Nominal value	Current value
Less than one year	70,608	68,685	120,399	117,234
Between one and five years	83,984	81,881	159,559	155,429
More than five years	-	-	-	-
Total	154,592	150,556	279,958	272,663

There are no contingent quotas.

Operating leases

At the close of accounting periods 2009 and 2008 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	2009 Nominal value
Less than a year	1,200,898
Between one and five years	-
Total	1,200

8. Short-term financial assets

The Company's financial assets have the following breakdown at the close of the 2009 accounting period:

Credits and items receivable

The detail of this section of the abridged balance sheet at 31st December 2009 and 2008 is as follows:

	Euros	
	2009	2008
Customers for sales and provisions of services:	1,414,840	1,331,343
Customers, Group businesses current accounts (Note 16):	1,312,167	1,917,636
Sundry debtors:	-	820,368
Personnel:	100,204	38,780
Short-term financial investments	113,604	18,044
Credits to companies	3,322	1,000
Other financial assets	110,282	17,044
Total	2,940,815	4,126,171

9. Information about the nature of 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 to show its balance, as well as on short-term financial investments which are detailed in Note 8.

c) Market risks:

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 follows the policy of investing in financial assets that are practically not exposed to interest rate risks.

10. Stockholders' equity

10.1 Share capital

The share capital is represented by 12,500 registered shares, with a face value each of 9.60 euros, which are fully subscribed and paid up. All the shares enjoy identical voting and economic rights.

The shareholders of the Company at 31 December are as follows:

	Nominal	Percentage
Inversiones Tyndrum	90,144	75.12%
Elsamex	29,856	24.88%
Total:	120,000	100.00%

10.2 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. The legal reserve may be used to increase the capital in the part of its balance that exceeds 10% of the capital already increased. Except for the above mentioned purpose, and while it does not exceed 20% of the share capital, this reserve may only be assigned to the compensation of losses and provided that there are no other sufficient reserves available for this purpose.

At the close of the 2009 accounting period this reserve was established according to the legal limit

10.3 Voluntary reserves

These are unrestricted reserves.

11. Financial liabilities

The Company's financial liabilities are broken down in the following manner at the end of the 2009 and 2008 accounting periods:

Debits and items payable

	Euros	
	2009	2008
NON-CURRENT LIABILITIES:		
Debts with credit institutions	10,997	49,000
Financial leasing creditors (Note 7)	81,881	155,429
Other financial liabilities	232,243	312,540
Total non-current liabilities	325,121	516,969
CURRENT LIABILITIES:		
Short-term debts:		
Debts with credit institutions	139,013	180,974
Financial leasing creditors (Note 7)	68,685	117,234
Other financial liabilities	111,884	356,837
	319,582	655,045
Debts with group companies (Note 16)	4,989,947	2,642,637
Trade creditors and other accounts payable:		
Suppliers	908,026	1,620,484
Suppliers, Group companies (Note 16)	163,168	1,418,575
Sundry creditors	193,252	73,561
	1,264,446	3,173,364
Total current liabilities	6,573,975	6,471,046

The Company has taken out a discount policy over merchandise with a financial institution, up to a limit of 150,000 euros.

12. Public Administrations and fiscal situation

The composition of this section of the attached balance sheet at 31st December 2009 and 2008 is as follows:

	Euros			
	2009		2008	
	Debtors' Balances	Creditors' Balances	Debtors' Balances	Creditors' Balances
Public Treasury, creditor for VAT	-	63,350	-	1,625
Public Treasury, debtor for VAT	-	-	6,418	-
Public Treasury, debtor for instalments	13,558	-	-	-
Public Treasury, debtor for IRPF	10,341	-	-	-
Public Treasury, creditor for IRPF	-	58,912	-	70,707
Public Treasury, debtor for Corporate Tax	-	-	4,261	-
Public Treasury, creditor for Corporate Tax	-	-	-	57,444
Social Security system entities, creditors	-	106,722	-	76,936
Liabilities for deferred tax	-	6,657	-	6,657
Short-term balances with Public Administrations	23,899	235,641	10,678	213,369

Accounting reconciliation and taxable base result

The reconciliation between the accounting result and the taxable base for Corporation Tax is as follows:

Accounting period 2009

	Euros	
	Base	Quota
Accounting result before tax (Profit)	24,595	7,379
Permanent differences		4,655
Kosovo difference		3,955
Taxable base / Quota	24,595	15,988
Adjustments over quota, difference previous years		(4,655)
Adjustments Corporation Tax Kosovo		(3,955)
To pay	24,595	7,379
Corporation Tax instalments	-	(20,937)
Public Treasury debtor for Corporation Tax	24,595	13,558

Accounting period 2008

	Euros	
	Base	Quota
Accounting result before tax (Profit)	11,642	2,910
Provisional differences:		
Tax treatment of leasing agreements	201,650	57,978
	213,292	
Up to 120,202.41 at 25%	120,202	30,051
From 120,202.41 to 213,292.33 at 30%	93,090	27,927
Taxable base	57,978	
Instalments	(281)	
Taxable base	57,697	57,697

Temporary differences arising from the 2008 accounting period arise as a result of the different treatment, for accounting and tax purposes, of the expense entered into the accounts by the Company during the period as technical amortization of goods and right of use derived from financial leasing agreements, further to Royal Decree 4/2004, of 5 March, on Corporate Tax.

The movement in the account for Assets for deferred tax on profits during the 2009 and 2008 accounting periods is as follows:

2009 Accounting Period:

	Euros		
	Balance at 31-12-2008	Adjustments previous years	Balance at 31-12-2009
Tax treatment of leasing agreements	6,657	-	6,657
	6,657	-	6,657

2008 Accounting Period:

	Euros			
	Balance at 31-12-2007	Increase	Decrease	Balance at 31-12-2008
Tax treatment of leasing agreements	66,252	17,335	76,930	6,657
	66,252	17,335	76,930	6,657

According to applicable law, any tax losses from a certain year may be offset for taxation purposes against the profit of tax periods ending in immediately successive 15 years. However, the final amount to be offset for said tax losses may change as a result of verifying the accounting periods in which they arose.

At the close of the 2009 accounting period, the Company had no undergoing inspection. The Directors consider that it has satisfactorily settled the above mentioned tax obligations, because of which, in the event of fiscal inspection and presupposing the arisal of discrepancies in the usual prevailing interpretation by the fiscal treatment delivered to the operations, future resultant liabilities, should they materialise, would not significantly affect these abridged annual accounts.

13. Contingent liabilities

At 31 December 2009 and 2008, the Company has handed over different warranties demanded in order to contract with Public Bodies, for the value of 23,418 euros.

14. Revenue and expenditure

a) Net amount of the ventures figure

The net amount of the ventures figure for the 2009 and 2008 accounting periods is distributed by type of activity. The geographical market is Spain. The distribution is as follows:

Split	Euros	
	2009	2008
Provision of services to third parties	2,342,177	2,513,787
Provision of services to group businesses (Note 14)	1,618,942	1,597,813
	3,961,119	4,111,600

b) Provisions

The breakdown of this section of the profit and loss account for the accounting period ending on 31 December 2009 and 2008 is as follows:

	Euros	
	2009	2008
Purchase of other provisions	155,399	179,479
Works carried out by other businesses	536,331	779,271
Works carried out group business (Note 18)	677,723	577,588
	1,369,453	1,536,338

Detail of the purchases made by the Company during the 2009 and 2008 accounting periods, based on their source, is as follows:

	2009		2008	
	National	Intra-Community	National	Intra-Community
Purchases	155,399	-	179,788	-

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account for the accounting period ending on 31 December 2009 and 2008 is as follows:

	Euros	
	2009	2008
Wages, salaries and equivalents	1,334,813	1,536,798
Social security payable by the Company	308,798	366,376
Total	1,643,611	1,903,174

The average number of persons employed during accounting periods 2009 and 2008, broken down into categories, is as follows:

Categories	2009	2008
Executives	2	2
University graduates	9	12
Laboratory assistant	1	2
Analyst	9	8
Technicians	9	8
Administrative assistants	3	3
Assistants	4	4
Labourer	2	1
Total	39	40

In accordance with the requirements of Art. 200.9 of the Corporation Law, distribution by sex is shown for the end of the period for the Company's personnel, broken down by category for the accounting periods 2009 and 2008:

Categories	2009		2008	
	Men	Women	Men	Women
Executives	2	-	2	-
University graduates	5	4	7	5
Laboratory assistant	-	1	1	1
Analyst	8	1	7	1
Technicians	6	3	6	2
Administrative assistants	-	3	-	3
Assistants	3	1	3	1
Labourer	2	-	1	-
Total	26	13	27	13

d) Details on senior management staff

Name	Posts or duties held or carried out in the company	Remuneration 2009 accounting period
Executive staff	Management	164,887

e) Other operating expenses

The detail for this section of the attached profit and loss account for accounting periods 2009 and 2008 is as follows:

	Euros	
	2009	2008
Leases and royalties	76,095	97,160
Repairs and maintenance	1,770	975
Independent professional services	19,280	13,781
Transport	4	7
Insurance premiums	43,578	53,499
Bank services and other similar	14,160	14,476
Supplies	162	2,028
Other services	612,275	177,688
Other taxes	27,020	8,950
Losses, impairments and variation in provisions	265,293	61,076
	1,059,637	429,640

15. Environmental aspects

Given the activities to which the Company dedicates itself, it has no responsibilities, expenses, assets or provisions or contingencies of an environmental nature that could be significant in relation to the equity, financial situation and results. For this reason, they are not included in the specific breakdowns in this report.

The Company's Directors consider that there are no contingencies related to the protection and improvement of the environment and do not consider it necessary to enter any resource to the provision for risks and expenses of an environmental nature as at 31 December 2009 and 2008 in the abridged annual accounts.

16. Operations with related parties

The detail of the balances and transactions made during the 2009 and 2008 accounting periods between the Company and the "Elsamex Group" companies is the following:

2009	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services provided	Services received
Control 7, S.A.	420	-	1,941	504,378	24,088	44,488
Centro de Investigación de Carreteras de Andalucía	299,818	-	161,137	-	329,801	31,908
Elsamex Portugal, S.A.	6,739	-	90	-	7,172	-
Elsamex, S.A.	6,954	-	-	3,549,632	8,161	301,654
Instituto Técnico de Vialidad y del Transporte, S.A.	1,856	-	-	81,320	125,918	61,814
Elsamex Private India	40,051	-	-	-	-	-
Elsamex Internacional	1,740	1,520,442	-	-	441,744	120,645
Elsamex Sucursal Dominicana	32,140	-	-	-	6,790	-
Labetec	174,979	43,600	-	-	15,844	-
GCI-8	6,019	-	-	-	6,790	-
Grusamar Ingeniería y Consulting, S.L.	737,948	425,024	-	-	658,672	-
Proyectos de Gestión, Sistemas, Cálculo y Análisis	-	-	-	-	-	1,313
Yala Construcciones Private	2,733	-	-	-	-	-
Sánchez Marcos Señalización e Imagen, S.A.	-	68,233	-	-	-	-
Atenea, S.A.	-	-	-	694,974	752	-
Geotecnia 7, S.A.	-	-	-	159,942	-	115,901
TOTAL	1,312,167	2,268,746	163,168	4,989,947	1,618,942	677,723

2008	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services provided	Services received
Control 7, S.A.	10,705	-	66,448	378,337	163,257	52,814
Centro de Investigación de Carreteras de Andalucía	91,489	-	-	-	175,797	-
Elsamex Portugal, S.A.	104,772	-	90	-	105,524	-
Elsamex Sucursal Dominicana	32,140	-	-	-	-	-
Elsamex, S.A.	316,880	-	1,139,144	1,262,130	52,669	266,385
Instituto Técnico de la Vialidad y del Transporte, S.A.	184,882	33,537	206,727	-	231,392	191,184
Proyectos de Gestión, Sistemas, Cálculo y Análisis	1,395	100,910	5,181	-	-	3,180
Geotecnia 7, S.A.	-	15,000	6,329	-	-	35,123
Señalización Viales e Imagen, S.A.U.	-	42,000	-	-	-	-
Elsamex Internacional	144,658	1,062,840	-	-	113,874	33,864
Elsamex India Private	37,947	-	-	-	-	-
Labetec	159,134	43,600	-	-	39,862	-
GCI-8	3,928	-	411	-	4,124	-
Atenea, S.A.	-	-	-	700,833	-	-
Grusamar Ingeniería y Consulting, S.L.	535,570	37,587	5,756	-	711,314	(4,962)
Mirna 2006	11,822	-	-	-	-	-
Sánchez Marcos Señalización e Imagen, S.A.	-	68,233	-	-	-	-
Other	282,314	181,283	-	301,337	-	-
TOTAL	1,917,636	1,584,990	1,418,575	2,642,637	1,597,813	577,588

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

- Provision of services (subcontracting): specific Companies of the Elsamex Group provide supplementary services to Atenea so that the latter may develop its activity.
- Financial operations: there are monetary transactions between the entities of the Elsamex Group that occur insofar as the companies require liquidity. These intragroup transactions accrue interest.
- 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 comparable 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 administration 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 a similar nature in an operation between independent persons or entities in comparable circumstances making, if required, the corrections necessary to obtain the equivalence and in consideration of the particularities of the operation.

The total of the live balances that exist between the connected entities at 31 December 2009 and 2008 are liquid, past due date and demandable.

The Company is currently completing all the documentation required by fiscal regulations (art. 16 of the Regulations for Corporation Tax) in order to discover the different services provided and received and to withstand the transfer prices applied in the transactions carried out between the different Elsamex Group entities.

17. Subsequent facts

Subsequent to the close of the period, and up to the date of preparation of these abridged annual accounts, no significant subsequent facts have occurred that are worthy of mention.

Declaration of Submission of Annual Accounts

In compliance with the rules stipulated in the Corporations Act, on 31 March 2010 the Board of Directors of Centro de Investigación Elpidio Sánchez Marcos, S.A. lodged the Annual Accounts relating to accounting period 2009, which shall be submitted for the approval of the General Shareholders' Meeting.

Mr. Aurelio Ángel Ruiz Rubio

Mr. Ramchand Karunakaran

Mr. Ramón Tomás Raz

Mr. Ignacio Chueca García
