CONTROL 7, S.A.

ANNUAL REPORT

2009

Num IA-5110	Date the 24th May 2010
PERFORMANCE :	Audit. Report on Abridged Annual Accounts for the fiscal year 2009
ENTITY :	CONTROL 7, S.A.
DOMICILE :	Polígono Malpica, Santa Isabel Calle E Parcela 59-61, Nave 9 50057-Zaragoza
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

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AUDIT REPORT OF ABRIDGED ANNUAL ACCOUNTS

To the Shareholders of:

Control 7, S. A.

I have audited the Abridged Annual Accounts of Control 7, S.A. that include the Abridged Balance Sheet as of 31st December 2009, the Abridged Profit and Loss Account, the Abridged Statement of Changes in the Net Worth, and the Abridged Notes of the fiscal year then ended which are the responsibility of the Directors of the Company.

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

The Directors of Control 7, S.A. in keeping with commercial regulations present for the purposes of comparison with each item of the Abridged Balance, Abridged Profit and Loss Account, Abridged Changes in Net Worth, and the Abridged Notes, the amounts of the present fiscal year and those of the preceding year. My opinion is provided only in respect of the Annual Accounts of fiscal year 2009.

IN MY OPINION, the enclosed Abridged Annual Accounts express in all significant aspects a fair view of the Shareholders Equity, an of the financial position of Control 7, S.A. as of the 31st December 2009 and of the result of the operations and the Changes in the Net Worth corresponding to the 2009 fiscal year in conformity with generally accepted accounting principles applicable in Spain.

Madrid, the 24th May 2010

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA
Bernardo Tahoces Acebo
MADRID

Bernardo Tahoces Acebo

Control 7, S.A.

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

Control 7, S.A.

BALANCE SHEETS AT 31 DECEMBER 2009 AND 2008
(Euros)

ASSETS	Report Notes	Period 2009	Period 2008
NON-CURRENT ASSETS		794,103	615,091
Intangible fixed assets	Note 5	232,696	0
Development		230,536	-
Patents, licences, trademarks and similar		-	-
IT applications		2,160	-
Tangible fixed assets	Note 6	561,407	604,778
Land and buildings		361,127	366,237
Technical installations and other tangible fixed assets		200,280	238,541
Long-term investments in group companies and associates		-	8,839
Equity instruments		-	-
Company facilities			8,839
Long-term financial investments		0	0
Equity instruments			-
Other financial assets		-	-
Assets for deferred tax			1,474
CURRENT ASSETS		2,557,081	2,682,509
Stock	Note 4	5,768	5,008
Marketing/sales		-	-
Advances to suppliers		5,768	5,008
Trade debts and other accounts receivable	Note 8	1,150,717	1,597,344
Customers for sales and provisions of services		1,078,590	1,363,906
Customers, group companies and associates	Note 16	66,261	200,770
Sundry debtors		-	32,500
Staff		5,866	-
Assets for current tax		-	168
Other credits with Public Administrations	Note 12	-	-
Short-term investments in group companies and associates	Note 16	1,123,976	976,255
Other financial assets		1,123,976	976,255
Short-term financial investments		69,489	-
Company facilities		-	-
Other financial assets		69,489	
Short-term periodifications		34,224	13,582
Cash and other equivalent liquid assets	Note 12	172,907	90,320
Treasury		172,907	90,320
TOTAL ASSETS		3,351,184	3,297,600

LIABILITIES	Report Notes	Period 2009	Period 2008
NET EQUITY	Note 10	582,724	578,774
STOCKHOLDERS' EQUITY		582,724	578,774
Capital		550,516	550,516
Registered capital		550,516	550,516
(Voluntary capital)			
Reserves		28,258	24,070
Legal and statutory		2,825	2,406
Other reserves		25,433	21,664
Result of the period		3,950	4,188
NON-CURRENT LIABILITIES		207,794	197,944
Long-term debts	Note 11	203,017	191,910
Debts with credit institutions		64,027	100,180
Creditors from financial leasing		56,298	91,730
Other financial liabilities		82,692	
Liabilities for deferred tax	Note 12	4,777	6,034
CURRENT LIABILITIES		2,560,666	2,520,882
Short-term debts	Note 11	82,349	133,044
Debts with credit institutions		18,521	27,501
Creditors from financial leasing		32,719	39,197
Other financial liabilities		31,109	66,346
Short-term debts with Group companies and associates	Note 16	1,545,451	755,985
Trade creditors and other accounts payable	Note 11	932,866	1,631,853
Suppliers		711,102	803,201
Suppliers, Group companies and assocaites	Note 16	32,643	639,797
Staff (remuneration outstanding)		-	7,619
Liabilities for current tax		1,358	
Other debts with Public Administrations	Note 12	177,044	168,548
Customer advance		10,719	12,688
Short-term periodifications			
TOTAL NET EQUITY AND LIABILITIES		3,351,184	3,297,600

Notes 1 to 17 of the attached Report form an integral part of the balance sheet at 31 December 2009

Control 7, 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 14	2,769,843	2,777,447
Rendering of services		2,769,843	2,777,447
Provisions	Note 14	(619,897)	(604,131)
Consumption of raw and other consumable materials		(108,008)	(134,588)
Works carried out by other companies		(511,889)	(469,542)
Other income from operations		115,049	
Accessory income and other from current management		106,897	
Exploitation subsidies incorporated into the year results		8,151	
Staff expenses	Note 14	(1,824,028)	(1,822,142)
Wages, salaries and others		(1,412,289)	(1,383,645)
Social payments		(411,739)	(438,497)
Other operating expenditure	Note 14	(343,244)	(241,281)
External services		(209,124)	(234,274)
Taxes		(9,465)	(6,606)
Losses, impairments and variation in provisions from trade operations		(124,656)	
Other current management expenses			(400)
Amortization of fixed assets	Note 5	(63,884)	(64,886)
Impairment and result of transfers of fixed assets		28,426	
Results for transfers and other		28,426	
RESULT FROM OPERATIONS		62,264	45,008
Financial income			
For third parties			
Financial expenditure		(56,622)	(39,024)
For debts with Group companies and associates			
For debts with third parties		(56,622)	(39,024)
Exchange differences (+/-)			
Impairment and result of transfers of fixed assets (+/-)			
Impairment and losses			
FINANCIAL RESULT		(56,622)	(39,024)
RESULT BEFORE TAXES		5,643	5,984
Tax on profits	Note 12	(1,693)	(1,795)
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS		3,950	4,188
RESULT FOR THE PERIOD		3,950	4,188

Notes 1 to 15 of the attached Report from an integral part of the profit and loss account for the 2009 accounting period

Control 7, 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)		3,950	4,188
TOTAL INCOME AND EXPENDITURE ASSIGNED DIRECTLY TO NET WORTH (II)		3,950	4,188
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		3,950	4,188
TOTAL ASSIGNED INCOME AND EXPENDITURE (I+II+III)		3,950	4,188

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

Control 7, S.A.

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

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Reserves	Result for the period	TOTAL
BALANCE AT THE CLOSE OF PERIOD 2007	**550,516**	**22,101**	**9,025**	**581,642**
Allocation of 2007 result	-	9,025	(9,025)	-
Result of 2008 accounting period	-	-	4,188	4,188
FINAL BALANCE FOR PERIOD 2008	**550,516**	**31,126**	**4,188**	**585,830**
Allocation of 2008 result	-	4,188	(4,188)	-
Result of 2009 accounting period	-		3,950	3,950
FINAL BALANCE FOR PERIOD 2009	**550,516**	**35,314**	**3,950**	**589,780**

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

Control 7, S.A.
Abridged Report for the period ending 31st December 2009

1. Incorporation and activity

Incorporation

Control 7, S.A. (hereinafter, the Company) was incorporated as a Spanish corporation ("*sociedad anónima*") on 19 July 1990. Its company name has remained unchanged since the incorporation date.

The Company's registered address is in Zaragoza, its facilities are located in Polígono Industrial Malpica, C/E 59-61, Nave 9 – 50057, where the company carries out its main activity.

Corporate objective

The Company's objective is:

a. Research, development and advice in the fields of engineering, construction, the environment, food, quality of life, general industry and related products.

b. Quality system works, including projects, manufacturing, installation, maintenance, inspection and testing in the fields indicated in point a) above.

c. The purchase of plots and land, for urban development and segregation, the construction of buildings, the use, lease and sale thereof in blocks or by flats and apartments.

d. Industry related to direct transport derived from the corporate purpose, referred to in the foregoing sections, on its own account and for third parties, in the company's vehicles or in others owned by third parties, including those used for general transport.

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.

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, degradation of customer invoices 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 proposed allocation of results of the financial year, made by the Company Directors and presented to the General Shareholders' Meeting for its approval, is as follows:

	Euros
Distribution basis:	
Profit and loss (Profit)	3,950
	3,950
Allocation:	
To Legal Reserve	395
To Voluntary Reserves	3,555
	3,950

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 3 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 abridged 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 into the following categories:

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

b) Investments maintained until maturity: securities representing debt, with a fixed maturity date, and items receivables of an ascertainable amount, negotiated on an active market and in relation to which the Company has manifested its wish and capacity to keep them in its power until their maturity date.

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, items receivable and investments held up to maturity 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 debits 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 debits 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

This heading gathers all advance payments made to suppliers for future services.

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.

At the close of each financial year, assets for deferred taxes entered are reconsidered, and the necessary adjustments are made insofar as there are doubts as to their future recovery. Furthermore, at each closing date assets for deferred taxes not entered into the balance sheet are evaluated and acknowledged insofar as their recovery is likely with future fiscal gains.

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	-	230,536	230,536
IT Applications	4,731	2,411	7,142
	4,731	232,947	237,678
Amortization:			
Research	-	-	-
IT Applications	(4,731)	(251)	(4,982)
	(4,731)	(251)	(4,982)
Net value	-	**232,696**	**232,696**

The cost of fully amortized items at 31 December 2008 and 2009 is 4,731 euros.

Accounting period 2008

	Euros		
	31-12-07	Additions	31-12-08
Cost:			
IT Applications	4,731	-	4,731
	4,731	-	4,731
Amortization:			
IT Applications	(4,652)	(79)	(4,731)
	(4,652)	(79)	(4,731)
Net value	**79-**	**(79)**	-

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:			
Construction	442,052	-	442,052
Technical installations-Machinery-Tools	105,724	18,775	124,499
Other Installations-Furnishings	124,321	452	124,773
Equipment for information processing	298,163	-	298,163
Transport items	22,117	-	22,117
	992,377	19,227	1,011,604
Accrued amortization :			
Construction	(75,815)	(5,110)	(80,925)
Technical installations-Machinery-Tools	(65,839)	(11,604)	(77,443)
Other Installations-Furnishings	(93,771)	(7,015)	(100,786)
Equipment for information processing	(130,224)	(38,785)	(169,009)
Transport items	(21,949)	(84)	(22,033)
	(387,598)	(62,598)	(450,196)
Net value	**604,779**	**(43,371)**	**561,407**

Accounting period 2008

	Euros				
	31-12-07	Additions	Transfers	Adjustments	31-12-08
Cost:					
Construction	442,052	-	-	-	442,052
Technical installations-Machinery-Tools	101,695	4,030	-	-	105,725
Other Installations-Furnishings	124,321	-	-	-	124,321
Equipment for information processing	40,350	-	257,814	-	298,164
Transport items	22,117	-	-	-	22,117
	730,535	4,030	257,814	-	992,379
Accrued amortization:					
Construction	(70,705)	(5,110)	-	-	(75,815)
Technical installations-Machinery-Tools	(56,308)	(9,531)	-	-	(65,839)
Other Installations-Furnishings	(85,738)	(8,034)	-	-	(93,772)
Equipment for information processing	(33,685)	(41,591)	(54,923)	(25)	(130,224)
Transport items	(21,048)	(541)	-	-	(21,949)
	(267,844)	(64,807)	(54,923)	(25)	(387,599)
Net value	**462,691**	**(60,777)**	**202,891**	**(25)**	**604,780**

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 had elements of tangible fixed assets completely amortized which were still in use and valued at 99,532 euros and 86,259 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.

The building owned by the Company in Zaragoza, Polígono Industrial Malpica, C/E 59-61, Nave 9 – 50057, with a book value at 31 December 2009 of 361,127 euros, is mortgaged to secure the payment of a mortgage loan (Note 11).

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	257,814	-	257,814
Total	257,814	-	257,814

Accounting period 2008

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	257,814	-	257,814
Total	257,814	-	257,814

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	33,623	32,719	40,278	39,197
Between one and five years	57,804	56,298	93,798	91,730
More than five years	-	-	-	-
Total	91,427	89,017	134,076	130,567

There are no contingent quotas.

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:		
Customers	1,078,590	1,363,906
Delinquent customers	1,078,590	1,363,906
Impairment of value of credits for commercial operations	(209,568)	(84,913)
Customers, Group businesses current accounts (Note 16):	66,261	200,770
Sundry debtors:	-	32,500
Personnel:	5,866	-
Short-term financial investments		
Credits to companies	69,489	-
Total	**1,220,206**	**1,597,176**

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 9,160 registered shares, with a face value each of 60.10 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
Centro de Investigación Elpidio Sánchez Marcos, S.A. (Ciesm)	550,506	99.98
Elsamex, S.A.	110	0,02
Total	**550,516**	**100**

The Company's shares are not traded on the stock market.

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

The breakdown of this item on the abridged balance sheet on 31 December 2009 and 2008 is as follows:	Euros	
	2009	**2008**
NON-CURRENT LIABILITIES:		
Debts with credit institutions	64,027	100,181
Financial leasing creditors (Note 7)	56,298	91,730
Other financial liabilities	82,692	
Total non-current liabilities	**203,017**	**191,911**
CURRENT LIABILITIES:		
Short-term debts:		
Debts with credit institutions	18,521	27,501
Financial leasing creditors (Note 7)	32,719	39,197
Other financial liabilities	31,109	66,346
	82,349	133,044
Debts with group companies (Note 16)	1,545,451	755,985
Trade creditors and other accounts payable:		
Suppliers	711,102	803,201
Suppliers, Group companies (Note 16)	32,643	639,797
Staff		7,619
Advance payments from clients	10,719	12,688
	754,464	1,463,305
Total current liabilities	**2,382,264**	**2,352,334**

Debts with credit institutions

At 31 December 2009, the Company had formalized two facility agreements:

a) On 5 November 2002, the Company formalized a facility agreement with a financial institution for an initial capital of 217,000 euros to purchase the Warehouse located in Zaragoza, Polígono Industrial Malpica, C/E 59-61, Nave 9 – 50057, where the Company carries out its main activity. At 31 December 2009, the outstanding capital amounted to 82,547 euros, of which 64,027 euros was classified as long-term and 18,520 euros as short-term. The average interest rate of the loan during the 2009 accounting period was 5% and there is a mortgage security over the building.

b) On 21 August 2006, the Company formalized a facility agreement with a financial institution for an initial capital of 38,290 euros, to execute work in the industrial warehouse where the Company carries out its activity in Zaragoza, located in Polígono Industrial Malpica, C/E 59-61, Nave 9 – 50057. At 31 December 2008, the outstanding capital amounted to 12,364 euros, of which 5,023 euros was classified as long-term and 7,341 euros as short-term. The average interest rate of the loan during the 2009 accounting period was 5%.

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	
	Creditors' Balances	Debtors' Balances	Creditors' Balances
Public Treasury, creditor for VAT	89,209	-	48,365
Public Treasury, creditor for Corporate Tax	1,358	1,642	-
Public Treasury, creditor for IRPF	46,561	-	47,165
Social Security system entities, creditors	41,274	-	73,018
Liabilities for provisional differences	4,777	-	6,034
Short-term balances with Public Administrations	**183,179**	**1,642**	**174,582**

Accounting reconciliation and taxable base result

Accounting period 2009

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

	Euros	
	Base	Quota
Accounting result before tax (Profit)	5,643	1,693
Provisional differences:		
Tax treatment of leasing agreements	4,189	1,257
Taxable base / Quota	9,832	2,950
Negative taxable base / Deferred asset tax	(4,912)	(1,474)
Instalments	-	118
Corporate Tax payable	**4,920**	**1,358**

Accounting period 2008

	Euros	
	Base	Quota
Accounting result before tax (Profit)	5,983	1,795
Provisional differences:		
Tax treatment of leasing agreements	(10,895)	(2,588)
Taxable base / Quota	(4,912)	(1,474)
Instalments		(336)
Corporate Tax payable	**(4,912)**	**(1,810)**

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	Increase	Decrease	Balance at 31-12-2009
Tax treatment of leasing agreements	6,034	1,508	2,765	4,777
	6,034	**1,508**	**2,765**	**4,777**

2008 Accounting Period:

	Euros			
	Balance at 31-12-2007	Increase	Decrease	Balance at 31-12-2008
Tax treatment of leasing agreements	2,765	4,056	787	6,034
	2,765	**4,056**	**787**	**6,034**

In accordance with the provisions of the prevailing legislation, taxes may not be considered to be finally settled until the returns presented have been inspected by the fiscal authorities or the four year time limit has elapsed. At the end of the accounting period of 2009, the Company had no inspections under way. 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 appearance 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, the Company has handed over different warranties demanded in order to contract with Public Bodies and as a financial guarantee for the value of 29,069 euros, the same amount granted or this item during 2008.

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	Euros 2008
Provision of services to third parties	2,598,831	2,124,173
Provision of services to group businesses (Note 16)	171,012	653,274
	2,769,843	**2,777,447**

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	Euros 2008
Purchase of other provisions	108,008	134,576
Works carried out by other businesses	(66,635)	345,745
Works carried out group business (Note 10)	578,524	123,810
	619,897	**604,131**

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	108,008	-	134,576	-

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	Euros 2008
Wages, salaries and equivalents	1,412,289	1,383,645
Social security payable by the Company	411,739	438,497
Total	**1,824,028**	**1,822,142**

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

Categories	2009	2008
Executives	-	-
Manager	3	3
Head of department	-	1
Analyst	25	25
Technician	17	15
Administrative assistant	2	2
Assistant	17	15
Driller	12	4
Total	76	65

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:

	2009		2008	
Categories	Men	Women	Men	Women
Executives	-	-	-	-
Manager	3	-	3	-
Head of department	-	-	1	-
Analyst	12	13	12	13
Technician	11	6	10	5
Administrative assistant	1	1	1	1
Assistant	7	10	9	6
Driller	10	2	3	1
Total	44	32	40	25

d) 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	77,157	80,560
Repairs and maintenance	-	1,554
Independent professional services	7,629	2,904
Transport	-	197
Insurance premiums	27,001	20,323
Bank services and other similar	16,339	23,202
Advertising	2,657	539
Supplies	16,365	18,697
Other services	61,975	85,714
Other taxes	9,465	6,606
	218,588	**240,296**

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
Instituto Técnico de la Vialidad y del Transporte, S.A.	-	141,205	-	-	-	11,553
Proyectos de gestión sistema, cálculo y análisis, S.A.	-	164,677	-	-	-	-
Centro de Investigación Elpidio Sánchez Marcos S.A.	16,063	504,378	-	-	44,983	27,003
Geotecnia 7, S.A.	39,324	216,716	30,616	-	108,403	227,463
CGI-8, S.A.	7,062	-	-	-	6,088	-
Sánchez Marcos Señalización e Imagen, S.A.	-	-	-	149,925	-	-
Señalización, Viales e Imagen, S.A.	-	-	-	61,000	-	-
Elsamex, S.A.	-	-	1,872	981,556	667	312,505
Elsamex Internacional, S.A.	-	97,000	-	-	-	-
Labetec, S.A.	-	-	-	-	400	-
Grusamar Ingeniería y Consulting, S.L	3,799	-	-	90,624	10,471	-
Centro de Investigación de Carreteras de Andalucía	-	-	155	-	-	-
Atenea, Seguridad y Medio Ambiente, S.A.	13	-	-	262,346	-	-
TOTAL	**66,261**	**1,123,976**	**32,643**	**1,545,451**	**171,012**	**578,524**

2008	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services provided	Services received
Instituto Técnico de la Vialidad y del Transporte, S.A.	15,080	176,800	4,273	-	-	3,684
Proyectos de gestión sistema, cálculo y análisis, S.A.	2,302	139,990	379	-	-	-
Centro de Investigación Elpidio Sánchez Marcos S.A.	79,996	378,337	5,688	-	163,257	54,184
Geotecnia 7, S.A.	79,011	178,777	-	-	211,260	47,053
CGI-8, S.A.	8,697	-	-	-	-	15,538
Sánchez Marcos Señalización e Imagen, S.A.	-	-	-	149,925	-	-
Señalización, Viales e Imagen, S.A.	-	-	-	131,000	-	-
Elsamex, S.A.	4,840	-	629,457	205,293	278,757	2,240
Elsamex Internacional, S.A.	-	15,000	-	-	-	-
Grusamar Ingeniería y Consulting, S.L	9,671	24,258	-	-	-	100
Atenea, Seguridad y Medio Ambiente, S.A.	1,173	-	-	161,285	-	1,011
Other	-	63,093	-	108,482	-	-
TOTAL	**200,770**	**976,255**	**639,797**	**755,985**	**653,274**	**123,810**

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 Control 7, S.A. 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 Control 7, 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