

Elsamex S.A.

Annual Report

2010

Num AT-5111

Date the 6th May 2011

PERFORMANCE :

Audit, Report on Annual Accounts for the
fiscal year 2010

ENTITY :

ELSAMEX, S.A.

DOMICILE :

18, San Severo St, 28042 -- Madrid
Parque empresarial BARAJAS PARK

ENTRUSTED BY :

The General Shareholders Meeting

ADDRESSED TO :

The Shareholders

DOCUMENTS AUDITED :

Annual Accounts for the fiscal year 2010

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 ON ANNUAL ACCOUNTS

To the Shareholders of Elsamex, S.A.

We have audited the Annual Accounts of Elsamex S.A. that include the Balance Sheet as of 31st December 2010, the Profit and Loss Account, the Statement of Changes in the Net Worth, the Statement of Cash Flow and the Notes of the fiscal year then ended. The Directors of the Company are responsible to formulate the Annual Accounts in keeping with the Regulatory Frame of Financial Information as applicable to the entity (as indicated in Note 3) and particularly with the accounting principles therein contained.

My responsibility is to express an opinion on the cited Annual Accounts as a whole based on the work conducted in accordance with the norms which regulate the auditing activity in force in Spain which require the examination by selected tests of the evidence to justify the Annual Accounts and the evaluation whether the presentation, agree with the Regulatory Frame of Financial Information as applicable.

My work did not include the audits of the Annual Accounts of the participated companies in Note 8, audited by other Auditors and my Opinion on the Annual Accounts as expressed in the present Report is only based on the Reports of the respective Auditors.

Elsamex, S.A. has uncertainties for litigations which the legal consultant confirms to be difficult to estimate on an objective basis and the Directors estimate that the final solution will not materially affect the Annual Accounts.



IN MY OPINION, except for the effect of those adjustments which would be considered necessary if we could know the final solution of the uncertainties referred to above, the enclosed Annual Accounts express in all significant aspects a fair view of the financial position of Elsamex S.A. as of the 31st December 2010 and of the result of the operations, and of the Cash Flow corresponding to the 2010 fiscal year in conformity with the Regulatory Frame of Financial Information as applicable and particularly with the accounting principles therein contained.

Elsamex, S.A. has informed of its intention to give financial support to the participated companies that need it with the extent and term which could be necessary.

The enclosed Management Report of the 2010 fiscal year comprises the explanations that the Directors consider are appropriate to the situation and on the evolution of the business and other matters and is not a part of the Annual Accounts. We have verified that the information therein contained is consistent with the Annual Accounts of 2010 fiscal year. My work as Auditor is limited to the verification of the Management Report with the scope mentioned in this paragraph and does not include any review of information different from that one obtained from the accounting records of the Company.

Madrid, 6th May 2011



Bernardo Tahoces Acebo

Elsamex, S.A.

Annual Accounts for the
Year Ending
31st December 2010
and Management Report, together with
the Independent Auditors' Report

Elsamex, S.A.

BALANCE SHEET AT 31 DECEMBER 2010 AND 2009
(Euros)

ASSETS	Notes	Year		LIABILITIES	Notes	Year	
		2010	2009			2010	2009
NON-CURRENT ASSETS				NET EQUITY	Note 13		
Intangible fixed assets				STOCKHOLDERS' EQUITY			
Development	Note 5	55,429,379	49,414,594	Capital		50,596,821	49,751,725
Concessions		8,278,714	3,297,504	Subscribed capital		51,412,802	50,455,882
Patents		51,650	121,838	Securities premium		20,264,625	20,264,625
IT applications		7,895,724	3,143,688	Reserves		26,866,454	26,866,454
Tangible fixed assets		253	255	Legal and statutory		2,129,441	1,333,228
Land and buildings	Note 6	331,087	31,723	Other reserves		1,151,381	952,224
Technical installations and other tangible fixed assets		6,618,512	12,168,960	Result of the year		978,060	381,004
Fixed assets in progress and advances		195,616	378,113	ADJUSTMENTS FOR CHANGES IN VALUE		2,152,282	1,991,575
Long-term investments in the Group and associates	Note 8	6,422,896	8,697,686	Cash Flow Hedge Reserve		(815,980)	(704,157)
Equity instruments		-	3,093,161	Foreign Exchange Fluctuation Reserve	Note 11	(718,389)	(1,169,301)
Credits to businesses		35,261,435	30,193,689	NON-CURRENT LIABILITIES	Note 13.4	(97,591)	465,144
Credits to third parties	Note 9.1	24,217,011	24,249,667	Long-term provisions		37,557,771	41,583,289
Other financial assets		11,044,424	5,944,021	Other provisions		16,800	44,200
Assets for deferred tax	Note 15	2,288,813	3,002,859	Long-term debts	Note 14	34,207,197	38,185,248
				Debts with credit institutions		32,917,508	34,184,622
				Creditors from financial leasing	Note 7	787,721	1,933,094
				Derivatives		495,717	1,656,282
				Other financial liabilities		6,250	381,251
				Long-term debts with Group companies and associates	Note 14	2,500,000	2,500,000
				Liabilities for deferred tax	Note 15	565,762	657,650
				Long-term periodifications		268,012	226,190
CURRENT ASSETS		105,655,536	104,166,492	CURRENT LIABILITIES		72,930,322	62,246,072
Stock	Note 12	1,656,805	1,729,116	Short-term provisions		529,602	180,328
Primary material and other supplies		1,030,207	1,186,919	Short-term debts		30,534,570	14,516,153
Advances to suppliers		626,598	542,197	Debts with credit institutions		23,818,563	4,816,386
Trade debts and other accounts receivable	Note 9.2	68,579,827	65,669,884	Creditors from financial leasing	Note 7	1,658,230	2,378,462
Customers for sales and provisions of services		60,331,093	58,027,610	Derivatives		535,472	14,148
Customers, Group companies and associates		373,893	200,427	Other financial liabilities		4,522,305	7,307,158
Sundry debtors		6,602,651	6,546,745	Short-term debts with Group companies and associates		5,918,016	4,620,907
Personnel		426,233	119,065	Trade creditors and other accounts payable	Note 14	35,611,147	41,581,620
Assets for current tax	Note 15	845,966	776,036	Suppliers, Group companies and associates		26,572,800	27,801,005
Short-term investment in Group companies and associates		22,708,712	20,991,730	Sundry creditors		1,907,430	63,521
Other financial assets	Note 9.2	1,909,684	2,076,256	Personnel		58,421	308,875
Short-term financial investments		1,906,684	2,076,256	Other debts with Public Administrations	Note 15	2,298,906	4,195,480
Other financial assets		845,336	828,005	Advances from clients		4,773,589	9,212,740
Short-term periodifications		9,955,171	12,871,501	Short-term periodifications		336,987	1,347,064
Cash and other equivalent liquid assets		9,955,171	12,871,501	TOTAL NET EQUITY AND LIABILITIES		161,084,915	153,581,086
Treasury							
TOTAL ASSETS		161,084,915	153,581,086				

Notes 1 to 19 of the attached Report form an integral part of the balance sheet as at 31 December 2010

Elsamex, S.A.

PROFIT AND LOSS ACCOUNTS FOR ACCOUNTING PERIOD ENDED DECEMBER 31st 2010 AND 2009

(Euros)

	Report Notes	Year 2010	Year 2009
CONTINUING OPERATIONS			
Net amount of the annual turnover	Note 17	91,614,994	117,972,731
Income from services		91,614,994	117,972,731
Construction income		1,887,953	3,093,161
Purchases	Note 17	(44,657,760)	(68,216,266)
Consumption of raw and other consumable materials		(15,245,380)	(5,751,681)
Works carried out by other companies		(29,412,380)	(62,464,574)
Other Income from operations		49,823	117,776
Miscellaneous income		45,054	117,320
Operation and Maintenance Grants		4,769	456
Staff expenses	Note 17	(26,546,096)	(28,274,354)
Salaries and allowances		(20,613,977)	(21,824,267)
Contribution of provident and other funds		(5,932,119)	(6,450,087)
Other operating expenditure		(13,844,050)	(16,633,700)
Administrative and general expenses	Note 17	(12,597,538)	(14,134,678)
Rates and Taxes		(643,784)	(718,631)
Bad debts and provision for doubtful debts	Nota 9.2	(379,859)	(172,558)
Miscellaneous expenses		(222,871)	(607,833)
Depreciation of fixed assets	Notes 5 and 6	(3,005,742)	(3,274,383)
Impairment and result of transfers of fixed assets		(245,278)	(82,524)
Impairments and losses		(16,800)	300
Results for transfers and other		(254,083)	(82,824)
		25,604	
PROFIT FROM OPERATIONS		5,253,844	5,702,460
Financial income		1,049,906	64,912
From shares in equity instruments		1,048,847	-
- In Group companies and associates		1,048,847	-
From negotiable securities and other financial instruments		1,059	64,912
- On third parties	Note 14	1,059	64,912
Interest and financial charges		(4,039,812)	(2,922,255)
For debts with Group companies and associates		(64,733)	(464,790)
Interest on loans for fixed period		(3,865,978)	(2,457,465)
Foreign exchange fluctuation (Net)		(109,101)	-
Impairment and result for transfers of financial instruments		268,256	-
Results for transfers and other		268,256	-
FINANCE EXPENSES (NET)		(2,721,650)	(2,857,343)
PROFIT BEFORE TAXES	Note 15	2,532,194	2,845,107
Provision for tax		(379,912)	(853,532)
PROFIT AFTER TAXES		2,152,282	1,991,575
INTERRUPTED OPERATIONS			
Result of the year coming from interrupted operations			
RESULT FOR THE YEAR		2,152,282	1,991,575

Notes 1 to 19 of the attached Report form an integral part of the profit and loss account as at 31 December 2010

Elsamex, S.A.

STATEMENT OF CHANGE IN THE NET WORTH OF THE YEAR ENDED DECEMBER 31 st, 2010 AND 2009

A) STATEMENT OF ASSIGNED INCOME AND EXPENDITURE

(Euros)

	Report Notes	Tax Year 2010	Tax Year 2009
RESULT FOR THE PROFIT AND LOSS ACCOUNT (I)		2,152,282	1,991,575
Income and expenditure recorded directly to net worth			
- For cash flow hedge	Note 11	(1,026,270)	(1,670,430)
- For other adjustments		(97,591)	465,144
- Tax effect	Note 11	307,881	501,129
TOTAL INCOME AND EXPENDITURE ASSIGNED DIRECTLY TO NET WORTH (II)		1,336,302	1,287,418
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	-
TOTAL ASSIGNED INCOME AND EXPENDITURE (I+II+III)		1,336,302	1,287,418

Notes 1 to 20 of the attached Report form an integral part of the assigned income and expenditure in relation to accounting period 2010

Elsamex, S.A.

STATEMENT OF CHANGE IN THE NET WORTH OF THE YEAR ENDED DECEMBER 31, 2010 AND 2009
B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Issue premium	Reserves	Results for previous periods	Result for the period	Adjustments for changes in value	TOTAL
FINAL BALANCE FOR PERIOD 2008	14,516,213	17,370,077	9,052,980	(7,644,733)	359,870	-	33,654,407
Adjustments for criteria changes 2008	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-
BALANCE ADJUSTED AT THE BEGINNING OF PERIOD 2008	14,516,213	17,370,077	9,052,980	(7,644,733)	359,870	-	33,654,407
Total income and expenditure allocated	-	-	-	-	1,991,575	(704,157)	1,287,418
Distribution of 2008 result	5,748,412	9,496,377	-	359,870	(359,870)	-	15,244,789
Operations with shareholders	5,748,412	9,496,377	-	-	-	-	15,244,789
- Increases in capital	-	-	-	-	-	-	-
Other variations in net worth	-	-	(7,719,753)	7,284,863	-	-	(434,890)
CLOSING BALANCE FOR PERIOD 2009	20,264,625	26,866,454	1,333,227	-	1,991,575	(704,157)	49,751,725
Adjustments for criteria changes 2009	-	-	-	-	-	-	-
Other adjustments	-	-	(1,178,177)	-	-	-	(1,178,177)
BALANCE ADJUSTED AT THE BEGINNING OF PERIOD 2009	20,264,625	26,866,454	155,050	-	1,991,575	(704,157)	48,573,548
Total income and expenditure allocated	-	-	-	-	2,152,282	(815,980)	1,336,302
Distribution of 2010 result	-	-	1,991,575	-	(1,991,575)	-	-
Other variations in net worth	-	-	(17,185)	-	-	704,157	686,972
CLOSING BALANCE FOR PERIOD 2010	20,264,625	26,866,454	2,129,440	-	2,152,282	(815,980)	50,596,821

Notes 1 to 20 of the attached Report form an integral part of the statement changes in total net worth relating to period 2010

ELSAMEX S.A.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

(Euros)

	Report Notes	Period 2010	Period 2009
CASH FLOW FOR OPERATING ACTIVITIES (I)			
Pre-tax result for the year		(3,942,312)	(10,885,563)
Adjustments to the result:		2,532,194	2,845,107
- Assets depreciation		6,683,207	6,388,016
- Valuation corrections for impairment	Notes 5 and 6	3,005,742	3,274,383
- Variation in provisions	Note 9	379,859	172,558
- Results for drops and transfers of fixed assets		321,874	44,200
- Results for drops and transfers of financial instruments	Note 6	254,083	82,824
- Financial income		-	-
- Financial expenditure	Note 14	(1,049,906)	(64,912)
- Other income and expenditure		4,039,812	2,922,255
Changes in current capital		(9,482,820)	(17,261,343)
- Stock		72,311	2,565,760
- Debtors and other accounts receivable		(3,289,802)	10,818,401
- Other current assets		(1,567,743)	(1,960,790)
- Creditors and other accounts payable		(4,673,365)	(15,347,775)
- Other current liabilities		(660,802)	(13,336,939)
- Other non-current assets and liabilities		636,580	-
Other cash flow from operating activities		(3,369,818)	(2,857,343)
- Interest payments	Note 14	(4,039,812)	(2,922,255)
- Dividend receipts		-	-
- Interest receipts		1,049,906	64,912
- Receipts (payments) for tax on profits		(379,912)	-
CASH FLOW FOR INVESTMENT ACTIVITIES (II)		(9,737,202)	(7,550,361)
Payments for investments		(9,875,429)	(9,423,105)
- Group companies and associates		(5,067,747)	(1,814,567)
- Intangible fixed assets	Note 5	(2,150,403)	(30,519)
- Tangible fixed assets	Note 6	(695,212)	(4,381,457)
- Other financial assets		(1,962,067)	(3,196,562)
Receipts from disinvestments		138,227	1,872,744
- Intangible fixed assets		-	-
- Tangible fixed assets	Note 6	138,227	722,002
- Other financial assets		-	1,150,742
- Other assets		-	-
CASH FLOW FOR FINANCE ACTIVITIES (III)		10,763,183	22,725,726
Receipts and payments for equity instruments	Note 13	(1,307,185)	15,244,789
- Issue of equity instruments		-	15,244,789
- Equity instruments amortization		(1,307,185)	-
Receipts and payments for financial liability instruments	Note 14	12,070,368	7,480,936
- Issue of debts with credit institutions		18,281,945	29,075,000
- Issue of debts with Group companies and associates		-	-
- Issue of other debts		-	-
- Repayment and amortization of debts with credit institutions		(2,412,487)	(2,230,528)
- Repayment and amortization of debts with Group companies and associates		-	(17,586,638)
- Repayment and amortization of other debts		(3,799,090)	(1,776,898)
EFFECT OF THE VARIATIONS IN EXCHANGE RATES (IV)			
NET INCREASE/REDUCTION OF CASH OR EQUIVALENTS (I+II+III+IV)		(2,916,330)	4,289,803
Cash or equivalents at the beginning of the year		12,871,501	8,581,698
Cash or equivalents at the end of the year		9,955,171	12,871,501

Notes 1 to 19 described in the attached Report form an integral part of the cash flow statement relating to period 2010

Elsamex, S.A.

Report for the period
ending
31st December 2010

1. Constitution and activity

Constitution

Elsamex, S.A. (henceforth, the Company), was formed as a public limited company (*sociedad anónima*) for an indefinite time on 9 December 1977. Its head offices are in calle San Severo 18, Madrid.

Corporate objective

The Company's objective is:

- a. Drafting projects, quality control and technical management of all types of public and private works, whether industrial, agricultural, civil engineering, railways or highways.
- b. Technical assistance in general and especially in matters of management and protection of the environment, including inspection, testing, surveillance and diagnostics in matters of environmental quality, business advice and the management and administration of all types of businesses, companies or ventures; the transfer of technology of all types of construction products and systems, transport and management of dangerous waste, excluding all activities for the performance of which the Law makes special requirements that the Company does not fulfil.
- c. The purchase, sales and hiring of construction or works materials, vehicles and equipment.
- d. The subscription, acquisition, holding and transfer of stocks and shares in the assets of companies of all types, whether civil or commercial and, all this on their own behalf and excluding activities regulated by the Law of Collective Investment and Security Market Institutions.
- e. The provision of administrative services, as auxiliary services for administrative or archive work or similar, payment collection management services, meter reading, organization and promotion of conferences, fairs and exhibitions, specialist services, cleaning, disinfection, rodent and insect extermination, service and operation of security installations, forest fire prevention and species protection services; professional services for works of art restoration; servicing and maintenance of real estate; filter system maintenance; maintenance and repair services for equipment and installations, in particular, electrical, electronic, plumbing, water and gas pipes, heating and air conditioning, electro-medicine, security and fire prevention, office machinery and equipment, elevators and horizontal moving equipment; machinery maintenance and repair services; installation, generally, of all types; transport services; waste and rubbish treatment services; PR services, in particular advertising, radio, television and news agency services; general cleaning, laundry and dry cleaning services; storage and travel agency; IT and communication technology services; and, telecommunication services; excluding all activities for the performance of which the Law makes special requirements that the Company does not fulfil. If the Law demands a professional qualification for these activities, such activities shall be carried out through a person who holds the required qualification.

- f. The construction, in general, of all types of works both for building and also for public, agricultural, farming, forest and industrial works, implementation of urban development and its maintenance, both for companies and for public or private bodies, as well as the manufacture or supply of any product or goods for performance of the same.
- g. The promotion, purchase and sale, leasing, construction and renovation of all types of real estate, excluding all activities for the performance of which the Law makes special requirements that the Company does not fulfil. If the Law demands a professional qualification for these activities, such activities shall be carried out by means of a person who holds the required qualification.
- h. Carrying out surveys and gathering data; caretaker services, control of access and information to the public; collection of luggage trolleys in airports and stations; maintenance of urban furniture; transport services by whatever means for people and goods.
- i. The construction, improvement, repair, conservation, extension, remodelling and maintenance works of all types, public or private, and the administration and operation of concessions which have the same objectives. Tendering for concession contracts for public works or for management of public services or, generally, for those on which their financing is charged, or must be managed by the bidders themselves, whatever the method adopted, with public or private financing.
- j. Social, cultural and labour promotion of persons with any type of disability, services for senior citizens and for persons with social assistance needs, all through the provision of assistance, education and advice services, in particular amongst others: management and operation of geriatric homes, domestic support services, management and operation of day centres, management and operation of homes for senior citizens and the elderly, sheltered accommodation, management and operation of children's homes.
- k. Operation of Service Stations, sale of fuels, operation of hotels, restaurants, cafeterias and shops; operation of mechanical workshops and vehicle washing services; operation of all types of renewable and non-renewable energy generator installations; operation of public car parks; manufacture and installation of corporate image signage of all types; supply of materials, installation and provision of services related to energy saving and efficiency; operation of waste treatment installations of all types; maintenance of all the elements pertaining to corporate objective activities.

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

For the provision of services related to the construction and maintenance of 6 service stations, as well as for the construction, exploitation and maintenance of photovoltaic technology electricity generation systems, and for the construction, maintenance and operation of highway A-4 from P.K. 3.78 to P.K. 67.5 and of the access highway to Hyderabad City from P.K. 95 to P.K. 133.63 in the State of Andhra Pradesh in India, Elsamex, S.A., by itself or through Uniones Temporales de Empresas, (*U.T.E. – Joint Ventures*) and their dependents. Sociedad Concesionaria Autovía A-4 Madrid S.A. and Ramky Elsamex Hyderabad Ring Road Limited operate through different administrative concessions with the following characteristics:

Centre	Activity	Date of Concession	Term of Concession
Elsamex, S.A.:			
Abedul Villvidel U.T.E.	Service Station Maintenance	07-06-2001	44 years
Abedul Orihuela U.T.E.	Service Station Maintenance	09-04-2001	29 years
Abedul Zamora U.T.E.	Service Station Maintenance	06-05-2002	46 years
Abedul Ponferrada U.T.E.	Service Station Maintenance	11-03-2004	46 years
Coiros service area	Service Station Maintenance	08-03-2004	39 years
Área de Servicio Punta Umbría, S.L.	Service Station Maintenance	18-11-2010	30 years
Alcantarilla Fotovoltaica, S.L.U.	Exploitation of photovoltaic technology electricity generation systems	11-11-2010	25 years
Ramky Elsamex Hyderabad Ring Road Limited:			
Hyderabad highway	Highway operation	18-08-2007	15 years
Sociedad Concesionaria Autovía A-4 Madrid, S.A.:			
Highway A-4	Highway operation	15-11-2007	19 years

The Company is head of a group of dependent entities and in accordance with prevailing legislation, is required to prepare consolidated accounts separately. The consolidated annual accounts of the Elsamex Group for the 2009 period have been prepared by the Directors, meeting with their Board on 18th May 2010. The consolidated annual accounts for the 2009 period were approved at the Elsamex, S.A. General Shareholders' Meeting held on 18th May 2010 and deposited in the Madrid Commercial Registry. In turn, the Elsamex Group is controlled by an international group whose ultimate controlling company is "Infrastructure Leasing & Financial Services Limited (IL&FS)", whose address is in Bombay (India) Bandra – Kurla Complex.

2. Presentation principles for the annual accounts

2.1 True and fair value

The attached 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, the Company Balance Sheet and the cash flows during the corresponding period. These annual accounts, which have been prepared by the Company Directors, are to be submitted for the approval of the General Ordinary Shareholders' Board, and are expected to be approved without any amendment.

2.2 Non-obligatory accounting principles

Non-obligatory accounts principles have not been applied. In addition, the Directors have prepared these annual accounts taking into consideration all the obligatory accounting principles and standards of application that have a significant effect on the said 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 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 2010 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

As indicated in Annex I hereto, during 2010 a merger was formalised between Elsamex, S.A. and its subsidiary, Inversiones Tyndrum, S.A. Nevertheless, as informed in Annex I, the current balance sheet of the absorbed company is not relevant when compared to the information contained in this Report, which is why the 2010 figures are comparative with those of 2009.

2.5 Application of new rules

During this financial year, Resolution dated 29 December 2010, issued by the Spanish Accounting and Auditing Institute, on the information to be included in the annual statements report in relation to deferred payments to commercial suppliers was applied for the first time. By virtue of the Second Transitional Provision, during the first year this Resolution is applied, the Company exclusively provides information on the balance payable to suppliers which, upon closure, accumulates a deferral that exceeds the legal term for payment and no comparative information is provided in relation to this new obligation; thus, the annual statements are treated as initial statements exclusively for these purposes, as regards the application of the principle of uniformity and comparability requirement.

2.6 Grouping of entries

Specific items from the balance, profit and loss account, statement of changes in the net assets and cash flow statement 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.

2.7 Changes in accounting principles

During the 2010 accounting period no changes in accounting principles have arisen with respect to the principles applied in the 2009 accounting period.

2.8 Correction of errors

In the preparation of the attached annual accounts no significant error has been detected that might presuppose the re-expression of the amounts included in the annual accounts of the 2009 accounting period.

3. Application of results

The proposal for the application of the results of the period prepared by the Company's Directors and to be submitted for the approval of the General Shareholders' Board is the following:

	Euros
Distribution basis:	
Profit and loss	2,152,282
	2,152,282
Application:	
To legal reserve	215,228
To voluntary reserves	1,937,054
	2,152,282

The Company is required to assign 10% of the profits of the period to the formation of the legal reserve until this reaches, at least, 20% of the share capital. Until it reaches 20% of the share capital, this reserve is not distributable to the shareholders (see note 13 on Own Funds).

4. Standards for recording and evaluation

The principal recording and evaluation standards used by the Company in the preparation of their 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, should there be any.

Although there are loss of value indices, 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) Research and development expenditure:

With respect to the research and development expenditure, this is activated when it fulfils the following conditions:

- It is specifically individualized by projects and their cost may be clearly established.
- There are good grounds for confidence in the technical success and economic and commercial profitability of the project.

The assets thus generated are amortized linearly throughout their useful life (over a maximum period of 5 years).

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

b) Concessions:

The costs incurred in order to obtain the concession for five service stations are amortized linearly in the concession period (see note 1). If circumstances of non-fulfilment of conditions were to occur that might

cause a loss of the rights derived from this concession, the value entered for the same will be made whole in its entirety with the aim of cancelling its accountable net book value.

c) Industrial property:

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

d) IT applications:

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

4.2 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.

Although there are loss of value indices, 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
Machinery	6.5
Other installations, equipment and movable assets	10-15
Computer equipment	25
Transport items	15

The expenses for servicing and maintaining the different items comprising the tangible fixed assets are allocated to the profit and loss account of the period in which they are incurred. However, the amounts invested in improvements that contribute to increasing the capacity or efficiency or lengthening the useful life of the said assets is entered as a major 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

Classification –

4.4.1 Financial assets

The capital 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) Financial assets held for negotiation: those that are acquired with the objective of transferring them in the short-term or those that form part of a portfolio for which there is evidence of recent activity with the said objective. This category also includes those derivative instruments that may not be contracted from capital guarantees (e.g. bank guarantees) and have not been designated coverage instruments.
- c) Investments in the equity of the companies of the group, associates and multi-group: those companies considered to be part of the group are those connected to the Company through a relationship of control, and associated companies are those over which the Company exerts significant influence. In addition, within the multi-group category those companies are included over which, under an agreement, control is exercised in conjunction with one or more partners.

Initial valuation -

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

Subsequent valuation –

Loans, items receivable are valued by their amortized cost.

Financial assets held for negotiation are valued at their reasonable value, the result of the variations in the said reasonable value being entered in the profit and loss account.

Investments in the group's companies, associates and multi-group are valued by their cost, reduced, if required, by the amount accrued from the corrections to value through impairment. These corrections are calculated as the difference between their book value and the amount redeemable, this being understood as the larger amount between their reasonable value minus the costs of sale and the actual value of the future cash flow resulting from the investment. Unless there is better evidence of the amount redeemable, the net equity of the participating entity is taken into consideration, corrected by the capital gains implied on the date of valuation (including any goodwill there may be).

At 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, such as in firm sales of assets, assignment of commercial credit in "factoring" operations in which the Company does not retain any credit risk or interest, sales of financial assets with agreements to repurchase at their reasonable value or the securitization of financial assets in which the assigning Company does not retain subordinate financing nor assigns any type of guarantee or assumes any other type of risk.

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

4.4.2 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.

4.4.4 Cash Flow Hedge

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

In order that these financial instruments may qualify as accountable coverage, they are designated initially as such, the coverage relationship being documented. Similarly, the Company checks initially and periodically throughout their life (at least every end of period) that the coverage relationship is effective, i.e. that it is expected, prospectively, that the changes in the reasonable value or in the cash flow of the item covered (attributable to the risk covered) are compensated almost completely by those of the coverage instrument and that, retrospectively, the coverage results will have oscillated within a variation range of between 80 and 125% in relation to the result of the item covered.

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

Accounting of coverage is suspended when the coverage instrument matures, or is sold, ended or exercised, or fails to fulfil the accounting principles for coverage. At this time, any accrued profit or loss relating to the coverage instrument that may have been entered in the net equity is held within the net equity until the anticipated operation occurs. When the operation that is the subject of the coverage is not expected to occur, the accrued net profits or losses accounted for in the net equity are transferred to the net results for the period.

4.5 Stock

The stock is valued at its acquisition price, cost of production or net realisable value, whichever is least. Commercial discounts, reductions obtained, other similar items and interest added to the nominal debits are deducted in determining the acquisition price.

The cost of production includes the direct costs of materials and if relevant, the direct costs of labour and the general costs of manufacture.

The net realisable value represents the estimation of the sales price less all the estimated costs to complete its manufacture and the costs that will be incurred in the marketing, sales and distribution processes.

In assigning a value to its stock inventories the Company uses the average weighted cost method.

The Company makes the appropriate value corrections, entering them as a cost in the profit and loss account when the net realisable value of the stock is lower than its acquisition price (or than its cost of production).

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

4.6 Transactions in currency other than Euro

The operating currency used by the Company is the Euro. Consequently, operations in currencies other than the Euro are considered to be denominated in foreign currency and are entered in accordance with the exchange rates prevailing on the dates of the operations.

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

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

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

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

4.8 Environment

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

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

4.9 Joint ventures (Joint business)

The Company's annual accounts assemble the effect of the proportional integration of the Joint Ventures in which it participates.

1. The difference between the work carried out at origin, valued at sale price, and the amount certified by the customer up to the date of the consolidated balance sheet, is entered under "Production carried out pending certification" under the "Customers for sales and provision of services" heading. In turn, the amounts certified

in advance for miscellaneous headings are reflected in consolidated liabilities' balance sheet under "Trade customers".

The main figures the Joint Ventures contribute to the balance sheet and to the profit and loss account for the accounting periods ending 31st December 2010 and 2009 are presented in Note 8.3.

4.10 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.

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

In order to adjust the revenue in the period in which it is accrued, the Company adopts the principle of provisioning those projects in progress at the close of the period, in accordance with their advancement, independently of the date of issue of the invoice.

4.11 Provisions and contingencies

In preparing the annual accounts, the Company Directors differentiates 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 annual accounts assemble all the provisions with respect to which it is deemed that the probability of having to meet the obligation is higher the reverse. The contingent liabilities are not included in the 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.

4.12 Compensation for dismissal

2. 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 annual accounts there is no provision entered under this heading, as situations of this nature are not anticipated.

4.13 Principles used in transactions between related parties

One party is considered linked to another when one of them or a group acting together, exercises or has the power to exercise directly or indirectly or in accordance with agreements between shareholders or participants, control over another or has significant influence over the other in the making of financial or operational decisions. In any case, 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 41 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 has prepared 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.

4.14 Subsidies, donations and legacies

With regard to the accounting of subsidies, donations and legacies received, the Company adopts the following principles:

- a) Non-reimbursable capital subsidies, donations and legacies: they are valued by the reasonable value of the amount or asset granted, depending on whether or not they have a monetary nature, and they are attributed to the results in proportion to the allocation made to amortization in that period for the subsidized items or, if relevant, whenever their transfer or value impairment correction takes place, except those received from partners or owners which are entered directly into funds and which do not constitute income.
- b) Reimbursable subsidies: They are considered as liabilities as long as they are reimbursable.
- c) Operational subsidies: They are posted to profits at the time they are granted, unless they are used to finance operational deficits of future periods, in which case they are to be taken into account in those periods. If they are granted to finance specific expenditure, the allocation is to be made as the expenditure financed accrues.

5. Intangible fixed assets

The movements occurring under this heading of the balance sheet during accounting periods 2010 and 2009 are the following:

Accounting period 2010

	Euros				
	31-12-09	Additions	Transfers	Adjustments	31-12-10
Cost:					
Development	1,502,226	-	-	-	1,502,226
Concessions	3,656,798	1,887,953	2,961,913	-	8,506,664
Patents	28,103	-	-	-	28,103
IT Applications	1,751,559	262,450	80,861	-	2,094,870
	6,938,686	2,150,403	3,042,774	-	12,131,863
Accrued amortization:					
Development	(1,380,389)	(38,455)	-	(31,733)	(1,450,577)
Concessions	(513,110)	(97,945)	115	-	(610,940)
Patents	(27,847)	(3)	-	-	(27,850)
IT Applications	(1,719,836)	(43,833)	(115)	-	(1,763,784)
	(3,641,182)	(180,236)	(31,733)	(31,733)	(3,853,151)
Net Value	3,297,504	1,970,167	3,042,774	(31,733)	8,278,712

The new entries during the 2010 financial year are mainly due to the Company's construction of a service station, a food & drink establishment and a shop in Coiros (la Coruña), in order to be exploited under an administrative concession for a 40-year term.

On 17 January 2011, the Company provided, in exchange for company participations in the dependent company Área de Servicios de Coiros, S.L., the administrative concession for the construction and exploitation of Área de Servicio de Coirós, together with all buildings, civil engineering works and other components used for the exploitation of the service station (see Note 19).

Accounting period 2009

	Euros		
	31-12-08	Additions	31-12-09
Cost:			
Development	1,502,226	-	1,502,226
Concessions	3,656,798	-	3,656,798
Patents	28,103	-	28,103
IT Applications	1,721,040	30,519	1,751,559
	6,908,167	30,519	6,938,686
Accrued amortization:			
Development	(1,322,829)	(57,560)	(1,380,389)
Concessions	(415,050)	(98,060)	(513,110)
Patents	(27,845)	(2)	(27,847)
IT Applications	(1,695,469)	(24,367)	(1,719,836)
	(3,461,193)	(179,989)	(3,641,182)
Net value	3,446,974	(149,470)	3,297,504

At the close of accounting period 2010 and 2009, the Company had intangible fixed asset items that were completely amortized and which continued in use for a value of 3,048,116 Euros and 2,935,178 Euros respectively.

5. 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 2010

	Euros					
	31-12-09	Additions	Transfers	Adjustments	Outgoings	31-12-10
Cost:						
Land and buildings	497,647	-	-	-	(59.694)	437.953
Machinery	17,097,921	523,066	(1.495.628)	9.952	(85.330)	16.049.981
Other installations, tools and furniture	5,815,596	25,086	(586.028)	33.400	(102.246)	5.185.808
Equipment for information processing	483,614	-	3.262	14.343	(14.343)	486.876
Transport items	5,169,020	147,060	2.128.781	-	(200.914)	7.243.947
Tangible assets in progress	3,093,161	-	(3.093.161)	-	-	-
	32,156,959	695.212	(3.042.774)	57.695	(462.527)	29.404.565
Accrued amortization						
Land and buildings	(119,534)	(24,337)	-	(98,466)	-	(242,337)
Machinery	(10,459,558)	(2,029,962)	852,023	(2,523)	59,788	(11,580,232)
Other installations, tools and property	(4,899,716)	(381,210)	518,302	(69,716)	29,911	(4,802,429)
Equipment for information processing	(475,932)	(4,569)	(3,262)	(7,929)	4,493	(487,199)
Transport items	(4,033,259)	(385,428)	(1,367,063)	(97,138)	128,252	(5,673,856)
	(19,987,999)	(2,825,506)	-	(194,992)	222,444	(22,786,053)
Net value	12,168,960	(2,130,294)	(3,042,774)	(482,077)	(240.083)	6,618,512

Accounting period 2009

	Euros				
	31-12-08	Additions	Adjustments and transfers	Outgoings	31-12-09
Cost:					
Land and buildings	719,477	59,694	-	(281,524)	497,647
Machinery	19,422,922	744,378	(1,958,492)	(1,110,887)	17,097,921
Other installations, tools and furniture	4,552,939	140,632	1,243,927	(121,902)	5,815,596
Equipment for information processing	473,221	10,393	-	-	483,614
Transport items	4,330,851	333,199	714,565	(209,596)	5,169,020
Tangible assets in progress	35,000	3,093,161	-	(35.000)	3,093,161
	29,534,410	4,381,457	-	(1,758,909)	32,156,959
Accrued amortization					
Land and buildings	(112,012)	(7,522)	-	-	(119,534)
Machinery	(10,166,890)	(2,481,961)	1,224,498	964,795	(10,459,558)
Other installations, tools and property	(3,865,803)	(268,917)	(765,927)	931	(4,899,716)
Equipment for information processing	(473,221)	(2,711)	-	-	(475,932)
Transport items	(3,229,762)	(333,283)	(458,571)	(11,643)	(4,033,259)
	(17,847,688)	(3,094,394)	-	954,083	(19,987,999)
Net value	11,686,722	1,287,063	-	(769,826)	12,168,960

The Company has other fixed assets the value of which, separated as buildings and land, at the close of accounting periods 2010 and 2009, is the following:

Assets	2010	2009
Land	159,829	159,829
Buildings	278,124	337,818
Total	437,953	497,647

Under the heading "Buildings", the Company includes an office in property situated in Coruña which is mortgaged under the guarantee of a loan made by a financial institution, for an initial amount of 450,000 Euros from which 248,396 Euros remains amortizable in the long term and 44,304 in the short term (see Note 14).

At 31 December 2010 the Company had the following investments in tangible fixed assets located abroad:

Description	Country	Cost (gross)	Accumulated depreciation	Net Value
Machinery	R. Dominicana	2,515,255	(2,071,653)	443,602
Machinery	Honduras	427,371	(405,239)	22,132
Transport items	R. Dominicana	937,643	(612,640)	325,003
Total		3,880,269	(3,089,532)	790,737

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 2010 and 2009 is the appropriate.

At the closing of tax year 2010 and 2009 the Company had elements of tangible fixed assets completely amortized which were still in use to the value of 10,045,828 Euros and 9,104,663 Euros respectively.

As it is shown in Note 7, at the closing of tax years 2010 and 2009 the Company had several financial leasing operations on its tangible fixed assets contracted.

7. Leasing

Financial leasing

At the close of accounting periods 2010 and 2009 the Company, as a financial lessee, has some leased assets included in accordance with the following information:

Accounting period 2010

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	9,335,504	-	9,335,504
Total	9,335,504	-	9,335,504

Accounting period 2009

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	11,729,689	-	11,729,689
Total	11,729,689	-	11,729,689

At the close of accounting periods 2010 and 2009 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	2010		2009	
	Nominal value	Current value	Nominal value	Current value
Less than one year	1,691,739	1,658,230	2,498,104	2,378,462
Between one and five years	806,089	787,721	2,003,630	1,933,094
More than five years	-	-	-	-
Total	2,497,828	2,445,951	4,501,734	4,311,556

There are no contingent quotas.

Operating leases

At the close of accounting periods 2010 and 2009 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	2010 Nominal value	2009 Nominal value
Less than a year	3,188,595	6,630,898
Between one and five years	146,214	1,041,310
More than five years	-	-
Total	3,334,809	7,672,208

In their capacity of lessor, the most significant operating leasing contracts that the Company has at the close of the 2010 accounting period are the following:

- Lease of a building comprising a basement, ground floor and two upper floors, in calle San Severo, 18 in Madrid. The leasing contract began on 21st December 2000 and its term was 7 years, having been renewed annually. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.

- Lease of an office on the first floor in calle San Severo, 20 in Madrid. The contract began on 1st May 2009 and its term was 8 years, until 30th April 2017. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.
- Lease of offices in calle San Severo, 30 in Madrid. The leasing contract began on 19th January 2001 and its term was 5 years, having been renewed annually since then for 5 more years until 31st July 2010, and thereafter renewed for one-year periods. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.

Nevertheless, the major part of the accrued expenditure under this heading corresponds to the hire of equipment, vehicles and machinery for works or construction.

8. Group, multi-group and associated companies

8.1 Equity instruments

The movement which has taken place in the balance sheet section during accounting periods 2009 and 2008, as well as the most important information which affects this section are the following:

Accounting period 2010

Participant company	Address	Activity	% de Participacion	Euros			
				Amount	Equity		
					Company Capital	Reserves	Result
Ramky Elsamex Hyderabad Ring Road Limited	RAMKY House, 6-3-1089/G/10&11 Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad – 500 082. A.P. India	Services	26%	811.711	2,984,344	11,073,239	(73,044)
CIESM - INTEVIA, S.A.	San Severo 18, 28042 Madrid España	Laboratory	100%	120.003	120,000	14,328	(192,327)
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	San Severo 18, 28042 Madrid España	Servicios	99,5%	59.801	60,101	(850,072)	(41,158)
Control 7, S.A.	Polígono Malpica, Santa Isabel, C7E parcela 57-61, Nave 9, 50057 Zaragoza, Spain	Laboratory	0,02%	508	550,516	55,227	1,743
Sánchez Marcos Señalización e Imagen, S.A.	C/ San Severo, 18, Madrid 28042 Spain	Services	99,92%	149.880	150,000	(120,031)	(22,380)

Atenea Seguridad y Medio Ambiente, S.A.	C/ San Severo, 18, Madrid 28042 Spain	Services	40,05%	130.183	130,200	536,198	80,879
Grusamar Ingeniería y Consulting, S.L.	C/ San Severo, 18, Madrid 28042 Spain	Engineer	99,99%	3.494.777	3,494,897	101,504	24,235
Elsamex Internacional, S.L	C/ San Severo, 18, Madrid 28042 Spain	Services	99,99%	14.310.549	14.310.555	(3,086,608)	784,081
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	C/ San Severo, 18, Madrid 28042 Spain	Services	0,33%	10	3,010	(579,090)	(38,808)
Sociedad Concesionaria A4 Madrid, S.A.	C/ Caballero Andante, nº 8 Madrid Spain	Services	46,25%	4.353.512	9.413.000	(147,012)	(493,986)
Señalización Viales e Imagen S.A.U.	Pol Ind. La variante c/ La Grajera nº 2, 26140 Lardero, La Rioja Spain	Manufact	100%	773.398	688.025	(1,722,073)	(835,613)
Área de Servicio Coiros, S.L.U. (*)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Maintenance	100%	3.010	3.010	-	(3,386)
Alcantarilla Fotovoltaica, S.L.U. (*)	C/ San Severo, 18, Madrid 28042 Spain	Exploitation of photovoltaic technology electricity generation systems	100%	3.000	3.000	-	(332)
Área de Servicio Punta Umbría, S.L. (*)	C/ San Severo, 18, Madrid 28042 Spain	Service Station Maintenance	100%	3.000	3.000	-	(332)
Conservación de Infraestructura de Méjico S.A. de C.V. (*)	Mauricio Garces 855, La Joya, 76180, Ciudad de Santiago de Querétaro, Estado de Querétaro, México	Services	90%	2.696	3.085	-	(1,258)
Empresa PAME S.A. de C.V. (*)	C/ Alberto Cossio 105, 15B, Tangamanga,	Services	32,5%	973	2.995	-	-

	San Luis Potosí, 78269, México						
				24,217,011			

(*) Incorporated in 2010.

Most of the changes made in this section are a result of the merger carried out during the 2010 financial year, as described in Annex I hereto.

In addition, on 22 November 2010, the Sole Shareholders of Centro de Investigación Elpidio Sánchez Marcos, S.A. and of Instituto Técnico de la Vialidad y del Transporte S.A., respectively, unanimously agreed that the former absorb the latter company in a merger. The absorbed company, Instituto Técnico de la Vialidad y del Transporte S.A., was fully owned by Centro de Investigación Elpidio Sánchez Marcos, S.A., which is why no share capital increase was carried out in the absorbing company, nor was there any exchange of shares, pursuant to the provisions established in Article 250 of Royal Legislative Decree 1564/1989, Consolidated Version of the Spanish Corporations Act. The operations carried out by the absorbed company between 1 January and 31 December 2010 were carried out on account of the absorbing company. As a result of this merger process, the absorbing company changed its name to CIESM – INTEVIA, S.A.

The Group companies are not listed on the stock exchange.

Accounting period 2009

Participant company	Address	Activity	% Participa-tion	Euros			
				Amount	Equity		
					Company Capital	Reserves	Result
Ramky Elsamex Hyderabad Ring Road Limited	RAMKY House, 6-3-1089/G/10&11 Gulmohar Avenue, Rajbahavan Road, Somajiguda, Hyderabad – 500 082. A.P. India	Services	26%	2,624,440	2,984,344	5,953,945	-
Centro de Investigación Elpidio Sánchez Marcos, S.A.	San Severo 18, 28042 Madrid Spain	Laboratory	24.88%	29,859	120,000	44,779	11,190
Instituto Técnico de la Vialidad y del Transporte S.A.	San Severo 18, 28042 Madrid Spain	Services	50%	30,051	60,200	(24,175)	7,858
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	San Severo 18, 28042 Madrid Spain	Services	99.5%	59,801	60,101	(805,211)	(44,861)
Control 7, S.A.	Polígono Malpica, Santa Isabel, C7E parcela 57-61,	Laboratory	0.02%	481	550,516	28,258	5,423

	Nave 9, 50057 Zaragoza, Spain						
Sánchez Marcos Señalización e Imagen, S.A.	C/ San Severo, 18, Madrid 28042 Spain	Services	99.92%	149,880	150,000	(25,234)	(64,954)
Atenea Seguridad y Medio Ambiente, S.A.	C/ San Severo, 18, Madrid 28042 Spain	Services	40.05%	52,106	130,200	451,561	84,637
Grusamar Ingeniería y Consulting, S.L.	C/ San Severo, 18, Madrid 28042 Spain	Engineer.	99.99%	3,494,777	3,494,897	35,640	65,788
Elsamex Internacional, S.L	C/ San Severo, 18, Madrid 28042 Spain	Services	99.99%	14,310,549	14,310,555	(3,001,592)	52,653
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	C/ San Severo, 18, Madrid 28042 Spain	Services	0.33%	10	3,010	(549,928)	(29,162)
Sociedad Concesionaria A4 Madrid, S.A.	C/ Caballero Andante, nº 8 Madrid Spain	Services	46.25%	4,353,512	9,413,000	(5,918,000)	(45,000)
Inversiones Tyndrum, S.A.	C/ Velázquez nº 17 3ª, 28011 Madrid Spain	v	100%	183,531	185,000	(9,571)	(7,412)
Señalización Viales e Imagen S.A.U.	Pol Ind. La variante c/ La Grajera nº 2, 26140 Lardero, La Rioja Spain	Manufact.	100%	773,398	688,025	(1,471,397)	(250,676)
				26,062,395			

The detail of the capital pending outlay is as follows as of 31st December 2009:

Participant company	Euros
	Amount
Ramky Elsamex Hyderabad Ring Road Limited	1,812,728
	1,812,728

The company has analyzed the potential depreciation of its financial investments at closing of the business periods 2010 and 2009, and concluded that no provision for depreciation must be recorded.

8.2 Credits to businesses

The Company participates together with two other partners in the Highway A-4 Concessionary Company, the successful bidder in 2007 for a contract for the construction and operation as an administrative concession for the stretch of highway A-4 from P.K. 3.78 to P.K. 67.5 (R4) in Madrid province. During accounting period 2008 the concessionary company for Highway A-4 took out a syndicated loan for the financing of the construction works deriving from the concession contract, conditional upon the fulfilment of specific ratios of financial autonomy. Specifically, this syndicated loan requires the partners of the concessionary company to pay out in the manner of a participative loan or by means of the issue of new shares in the concessionary company, for an amount equivalent to 29.4% of the amount provided by the said loan.

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

8.3 Joint ventures

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

Joint Venture (<i>UTE</i>) name	Percentage	Sales
	participation	Euros
Ute Elsamex Arias	75%	-
Elsamex-Arias Ute Conservación Coruña II	60%	40,177
Elsamex-Infraestructuras Terrestres	80%	1,772,679
Elsamex- Modecar Ute Chenlo	80%	-
Ute Elsamex Arias Oca Conservación Orense	50%	39,401
Ute Elsamex-Alpidesa	50%	-
Elsamex-Iberseñal Ute Señalización Madrid	60%	-
Elsamex-Opsa Ute Peri Serrano Uribe	80%	-
Elsamex-Fitonovo Ute Casa del Queso	50%	-
Elsamex-Const,Cesfer Ute San Jerónimo	50%	-
Elsamex-Torrescamara Ute Presas	50%	187,405
Grusamar-Elsamex-Atenea Ute Seguridad Vial Murcia	30%	69,848
Elsamex-Cauchil Ute Elsamex- Cauchil Jaen	80%	1,264,792
Cauchil – Elsamex Ute Guadahortuna	50%	-
Elsamex-Cauchil Ute Sierra Nevada	50%	-
Elsamex-Cauchil Ute Estepona	50%	-
Elsamex- Prointec Ute R4	50%	34,197
Api Conservacion-Elsamex Ute Teruel II	50%	1,161,355
Elsan Pacsa-Elsamex Ute Navalvillar de Pela II	50%	817,163
Elsamex-Sando Ute II Conservación A-395	50%	-
Elsamex-Sando Ute Refuerzo del firme A-395	50%	-
Elsamex-Asfaltos Uribe Este Señal Ute Durango II	45%	-
Elsamex-Lopesan Ute Conservación Zona Sur	50%	-
Serop-Elsamex Ute Mantenimiento Serop-Elsamex	50%	737,687
Elsamex-Const,Hispánica Ute peaje La Jonquera	50%	-
Ute Elsamex Mag 3	40%	-
Ute Mag 3 Elsamex	60%	-
Elsamex-Asfaltos Urretxu Ute Itziar	50%	-

Elsamex-Tractores y obras	50%	-
Ute Elsamex-Tyosa Obras Públicas	50%	-
Elsamex-Velasco Ute Polideportivos Latina	50%	-
Elsamex-Velasco Ute Polideportivos Hortaleza	50%	207,131
Elsamex-Velasco Ute Polideportivos Tetuán	50%	-
Corsan Corviam-Elsamex Ute Corelsa	50%	19,764,418
Elsamex-Oca Ute Coruña III	70%	1,257,533
Asfaltos Uribe-Norte Industrial-Construcciones	28%	1,590,111
Eder-Elsamex Ute Vizcaya III		
Elsamex-Rubau Ute Argenton	50%	345,950
Elsamex- Martín Casillas Ute Conservación Cádiz	50%	725,679
Sice-Elsamex Ute Sice Fuente el Fresno II	50%	-
Elsamex-Vimac Ute Vimac 01	50%	150,084
Elsamex-Oca Ute Conservación Orense III	50%	1,681,748
Ute Abedul Orihuela	25%	364,793
Ute Area Zamora	25%	-
Ute Abedul Zamora	25%	176,197
Ute Area Leon	25%	-
Ute Abedul Villavidel	25%	132,649
Ute Abedul Cáceres	25%	-
Ute Abedul Ponferrada	25%	190,551
Ute Vizcaya II	45%	-
Ute Elsamex-Tyosa	50%	13,581
Ute Córdoba	50%	639,823
Ute Arona	60%	633,069
Ute Sector 03	50%	147,771
Ute Viales el Jable	50%	-
Ute AP-7 Ondara	60%	-
		34,145,792

The main figures that the Joint Venture contributes to the balance sheet and the profit and loss account for the accounting periods ending on 31st December 2010 and 2009 are:

	Euros	
	2010	2009
Non-current assets	3,358,461	3,510,524
Current Assets	23,338,864	18,337,135
Total Assets	26,697,325	21,847,659
Net equity	6,115,632	3,194,829
Non-current liabilities	3,366,800	3,509,530
Current liabilities	17,214,893	15,143,300
Total Liabilities and Net Equity	26,697,325	21,847,659

9. Financial assets (long and short-term)

9.1 Long-term financial assets

In the section entitled "Third Party Loans", the Company includes part of a deferred long-term loan to a public entity, by virtue of a court sentence. Under this ruling, the entity undertakes to pay to Elsamex, S.A., over the next few years, both the outstanding credit and the litigation costs and interest accrued on deferred payment.

The balance of the account in the "Long-term financial investments" section at the close of the 2010 accounting period groups the bonds given in consequence of the operating lease contracts signed with third parties as described in Note 7, other financial assets, and some deposits by way of pledge contracted with a banking institution.

9.2 Short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the 2010 and 2009 accounting period:

	Euros	
	2009	2008
Credits and entries receivable	92,338,257	87,947,833
Financial assets held for negotiation	14,000	14,000
Total	92,352.257	87,961,833

a) Credits and items receivable

The detail of the balance sheet at 31st December 2010 and 2009 is as follows:

	Euros	
	2010	2009
Customers for sales and provisions of services:		
Customers	60,331,093	58,027,610
Delinquent customers	978,682	598,823
Impairment of value of credits for commercial operations	(978,682)	(598,823)
	60,331,093	58,027,610
Customers, Group businesses current accounts (Note 15):	23,082,595	21,192,157
Sundry debtors:	6,602,651	6,546,745
Personnel:	426,233	119,065
Credits to third parties:	1,873,496	2,040,067
Short-term deposits:	22,189	22,189
Total	92,338,257	87,947,833

During the period the Company entered as losses through impairment the amount of 379,859 Euros.

At the close of the period the Company had pledged its customer accounts in guarantee of a loan granted through a pool of banks (see Note 14).

10. 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.

In addition, it must be pointed out that, despite the fact that it maintains a significant volume of operations with a significant number of customers, the solvency of the majority of them is guaranteed as they are largely Public Bodies and so there is no high credit risk with third parties.

b) Liquidity risk:

In order to guarantee the liquidity and to be able to fulfil all the payment commitments deriving from its activity, the Company relies on the Treasury to show its balance, as well as on short-term financial investments which are detailed in Note 9).

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 and uses derived financial instruments to cover the risks to which its activities, operations and future cash flows are exposed.

11. Derived financial instruments

The Company Elsamex, S.A., by itself or through Uniones Temporales de Empresas, (*U,T,E*, – *Joint Ventures Abedules*) uses derived financial instruments to cover the risks to which its activities operations and future cash flows are exposed, In the context of these operations the Company has contracted specific financial instruments of coverage in accordance with the following details:

	Classification	Rate	Contracted amount (Euros)	Maturity	Inefficacy entered in results (Euros)	Reasonable value (Euros)	
						Credit	Debit
Interest rate Swap	Interest rate coverage	Variable to fixed	20,300,000	2010-2012	-	-	950,418
Interest rate Swap	Interest rate coverage	Variable to fixed	2,277,730	2014	-	-	80,771

The maturity date of the coverage instruments coincides with the period in which it is expected that cash flows may occur and which may affect the profit and loss account.

As a result of the valuation at reasonable value that at close the derived financial instruments have made, it is seen that the net equity of the Company has been reduced by the amount of 450,912 Euros once the fiscal impact has been deducted (see Note 15).

12. Stocks

Year 2010

	Euros			
	31-12-09	Additions	Withdrawals	31-12-10
Primary materials and other provisions	1,186,919	3,347,051	(3,503,764)	1,030,207
Net value	1,186,919	3,347,051	(3,503,764)	1,030,207

Year 2009

	Euros			
	31-12-08	Additions	Withdrawals	31-12-09
Primary materials and other provisions	2,326,710	2,824,039	(3,963,830)	1,186,919
Net value	2,326,710	2,824,039	(3,963,830)	1,186,919

At the close of accounting period 2010 the Company has pledged its stock in guarantee of a loan granted by a pool of banks (see Note 14).

13. Stockholders' equity

13.1 Share capital

At the close of period 2010 the Company's share capital amounted to 20,264,625 Euros, represented by 337,175 shares of 60,101210 Euros nominal value each, all of the same class, fully subscribed and paid in accordance with the following detail:

	% Participation
ITNL Internacional Pte, Ltd	22,61%
IL&FS Transportation Networks Ltd	77,39%
	100,00%

The shares are not quoted on the Stock Exchange.

13.2 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*,

13.3 Voluntary reserves

These are freely available reserves,

13.4 Conversion differences

The conversion differences for the 2010 accounting period are brought about integrally by the impact of the inclusion in the Company's balance sheet in this period of balances coming from a branch that the Company has abroad,

The Company applies the rate of exchange at close to the assets of the branch located abroad expressed in an operating currency other than the Euro, The difference that arises with respect to the amount by which they are included in the Company's equity, is accounted directly against the net equity, given that the entries denominated in operating currency are not converted into Euros in the short term and, consequently, will not affect the Company's cash flow,

14. Financial liabilities

The Company's financial liabilities are itemized as follows at closure of the 2010 and 2009 financial years:

Debit and items payable

A description of this section of the abridged current balance sheet at 31 December 2010 and 2009 is provided below:

	Euros	
	2009	2008
NON-CURRENT LIABILITIES:		
Debts with credit institutions	32,917,508	34,184,622
Financial leasing creditors (Note 7)	787,721	1,933,094
Derivatives (Note 11)	495,717	1,656,282
Other financial liabilities	6,250	381,251
Debts with other Group companies	2,500,000	2,500,000
Total non-current liabilities	36,707,196	40,655,248
CURRENT LIABILITIES:		
Short-term debts:		
Debts with credit institutions	23,818,563	4,816,386
Derivatives (Note 11)	535,472	14,148
Financial leasing creditors (Note 7)	1,658,230	2,378,462
Other financial liabilities	4,522,305	7,307,158
	30,534,570	14,516,154
Debts with group companies and partners (Note 19)	5,918,016	4,620,907
Trade creditors and other accounts payable:		
Suppliers	26,572,800	27,801,005
Suppliers, Group companies (Note 15)	1,907,430	63,521
Sundry creditors	58,421	308,875
Personnel	-	-
	28,538,652	28,173,401
Total current liabilities	64,991,238	47,310,460

Long-term debts with Group companies and associates:

The Company has a loan with one of its partners for an amount at close of 2,500,000 Euros, This loan accrues an annual market interest payable quarterly, The due date of this loan is fixed at the requirement of the lender but will not be before 18th March 2013, The accountable financial cost during this period amounts to 62,393 Euros and is entered in the "Financial expenditure through debts with Group companies and associates" section of the profit and loss account attached.

Debts with credit institutions:

The breakdown of the long-term debts with credit institutions is shown below:

	Euros		
	Limit	Provision	
		Long-term	Short-term
Credit lines	13,150,000	-	10,065,151
Loans	55,390,083	32,669,112	13,709,068
Mortgage loan (Note 6)	450,000	248,396	44,344
		32,917,508	23,818,563

In July 2009, the Company took out a syndicated loan policy with a group of financial institutions for a maximum amount of 47,500,000 Euros from which they have availed themselves of 37,500,000 Euros at the close of the period. The due date of this loan is 17th July 2012 and it has been assigned to refinance part of the debt that the Company has at this time and to finance Company operating requirements. The interest rate applicable to this syndicated loan is Euribor plus a spread. However, the contract accommodates updating the differential dependant on the fulfilment of specific ratios. The loan contract is guaranteed by the pledging of specific assets of the business (see Notes 9 and 12).

The Company has taken out five credit policies with five financial institutions in only three of which are there funds available. The resulting rate of interest for the amounts that are available in all of them is determined by the Euribor plus a spread, except that in one of them the rate of interest is fixed at market value.

The financial cost during the 2010 period for all these debts with credit institutions amounts to 3,865,978 Euros and is included in the "Financial costs for debts with third parties" section of the attached profit and loss account.

The detail for the due dates of the entries that form part of the "Long-term debts" section is the following:

	Euros					
	2012	2013	2014	2015	2016 and beyond	Total
Debts with credit institutions	26,844,259	1,952,747	1,958,566	1,870,713	42,827	32,669,112

15. Public Administrations and fiscal situation

The composition of this section of the attached balance sheet at 31st December 2010 and 2009 is as follows:

	Euros			
	2010		2009	
	Debtors' Balances	Creditors' Balances	Debtors' Balances	Creditors' Balances
Deferred tax assets	2,288,813	-	3,002,859	-
Deferred tax liabilities	-	565,762	-	657,650
Long-term balances with Public Administrations	2,288,813	565,762	3,002,859	657,650
Public Treasury, debtor for J,V, VAT	446,063	-	301,439	-
Public Treasury, debtor double taxation	99,977	-	99,977	-
Public Treasury, debtor for IGIC	68,658	-	25,143	-
Public Treasury, debtor for Corporation	96,864	-	290,538	-
Public Treasury, debtor for retentions made	134,405	-	58,939	-
Public Treasury, creditor J,V,	-	410,284	-	805,987
Public Treasury, creditor for VAT	-	1,315,422	-	2,500,967
Public Treasury, creditor for IPSI	-	27,617	-	60,247
Public Treasury, creditor for IGIC	-	-	-	(13,759)
Public Treasury, creditor for retentions on interest	-	3,590	-	20,961
Public Treasury, creditor for IRPF	-	323,051	-	325,898
Social Security bodies, Creditors	-	218,942	-	495,179
Short-term balances with Public Administrations	845,966	2,298,906	776,036	4,195,480

Accounting reconciliation and taxable base result

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

Accounting period 2010

	Euros	
	Base	Quota
Earnings Before Tax (Profit)	2,643,692	793,108
Permanent differences:		
Non-tax deductible expenses	224,762	67,429
Expenses directly charged to equity	(1,178,176)	(353,453)
Non-tax deductible income	111,498	33,449
Provisional differences:		
Derived from the financial year:		
Impairment in value of company participations	(539,327)	(161,798)
Derived from previous financial years:		
Financial leases	626,905	203,744
Offsetting of negative taxable bases of previous years	(1,777,856)	(533,357)
Taxable base	-	-

Accounting period 2009

	Euros	
	Base	Quota
Accounting result before tax (Profit)	2,845,107	853,532
Compensation for negative taxable bases for previous years	(2,845,107)	(853,532)
Fiscal taxable base	-	-

The movement in the account for Assets for deferred tax on profits during the 2010 accounting period is as follows:

	Euros			
	Balance at 31-12-2009	Increase	Decrease	Balance at 31-12-2010
Assets for deferred tax on profits	3,002,859	-	(714,046)	2,288,813
	3,002,859	-	(714,046)	2,288,813

The decrease during this year corresponds largely with the tax effect deriving from the accounting of the financial coverage instruments (see Note 11) and the offsetting of taxable bases according to the results obtained in the financial year.

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

	Amount	Due date
Year 2007	5,472,039	Year 2024
	5,472,039	

The information required by tax legislation, with respect to the time difference in value impairment of company participations, for tax purposes, is as follows:

Dependent company	Difference own funds beg.-end 2010	Tax-deductible impairment in previous years	Tax-deductible impairment 2010	Adjustment conducted 2010 Tax
Sociedad Concesionaria A4 Madrid, S.A.	(4.242.513)	20.813	4.242.513	20.813
Inversiones Tyndrum, S.A.U.	-	7.646	-	7.646
Señalización Viales e Imagen S.A.U.	(835.613)	298.746	474.652	(474.652)
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	(128)	-	-	-
Sánchez Marcos Señalización e Imagen, S.A.	(52.181)	64.902	52.181	(52.181)
Proyectos de Gestión, Sistemas, Cálculo y Análisis S.A.	(40.952)	-	40.952	(40.952)
CIESM - INTEVIA, S.A.	(127.099)	-	127.099	-

In accordance with prevailing legislation, the fiscal losses of a period may be offset against the tax effects with the profits of the tax periods that end in the immediate 15 successive years, However, the final amount to be offset by these fiscal losses may be amended in consequence of the comparison of the accounting periods in which they occur.

In the 2009 accounting period the inspection activity was completed for the 2005 accounting period relating to Corporation Tax, Value Added Tax, Retentions and revenue on account of work and professionals, returns on non-fixed capital and return on fixed capital, The papers for all of them, except those for Corporation Tax, were signed accordingly, resulting in an insignificant amount payable, On 31st December 2009, the inspection activity for the 2005 Corporation tax would remain to be finalised, unless the comparison activity carried out up to that date were to reveal that it was going to result in an amount payable to the Tax Administration.

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, The Company has opened to inspection accounting periods 2006 to 2009.

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 annual accounts.

16. Contingent liabilities

At 31st 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 21,216,997 Euros and 42,400 dollars, The amount granted under this heading during 2008 amounted to 16,392,323 Euros and 95,499 dollars,

17. Revenue and expenditure

a) Net amount of the ventures figure

The net amount of the ventures figure entered by the Company relates to the revenues obtained through the activity considered in their Corporate objective.

The detail for this section in the results account at 31st December 2010 and 2009 is as follows:

Split	Euros	
	2010	2009
Provision of services to third parties	89,846,491	99,430,804
Provision of services to group businesses (Note 19)	1,768,503	18,541,927
Construction income	1,887,953	3,093,161
	93.502.947	121,065,892

All services rendered were carried out on national territory.

b) Purchases

The breakdown of this section of the profit and loss account for the accounting period ending on 31st December 2010 and 2009 is as follows:

	Euros	
	2010	2009
Purchase of other materials	15.245.380	5,751,681
Works carried out by other companies	25.629.770	54,787,572
Works carried out group companies (Note 19)	3.782.610	7,677,003
	44.657.760	68,216,256

All the purchases were made from suppliers were within national territory.

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account for the accounting period ending on 31st December 2010 and 2009 is as follows:

	Euros	
	2010	2008
Wages, salaries and equivalents	20.613.977	21,824,267
Social security payable by the Company	5.932.119	6,450,087
Total	26.546.096	28,274,354

The average number of persons employed during accounting periods 2010 and 2009, broken down into categories, is as follows:

Categories	2010	2009
Senior management	3	3
Technical personnel and middle management	82	92
Administration personnel	81	89
Unqualified personnel	539	583
Total	705	767

The average number of persons employed by Elsamex, S.A. during 2010, with a handicap equal or greater than 33% by category, is as follows:

Categories	2010
Administration personnel	3
Unqualified personnel	20
Total	23

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 2010 and 2009:

Categories	2010		2009	
	Men	Women	Men	Women
Senior management	3	-	3	-
Technical personnel and middle management	64	18	68	24
Administration personnel	24	57	27	62
Unqualified personnel	509	30	548	35
Total	600	105	646	121

d) Other operating expenses

The detail for this section of the attached profit and loss account for accounting periods 2010 and 2009 is as follows:

	Euros	
	2010	2009
Leases and royalties	4,391,872	5,089,956
Repairs and maintenance	314,132	254,770
Independent professional services	867,318	899,274
Transport	27,173	67,182
Insurance premiums	1,124,077	829,322
Bank services and other similar	200,774	968,075
Publicity, advertising and Public Relations	9,709	9,767
Supplies	234,818	160,628
Other services	5,427,664	5,855,704
Other taxes	643,784	718,631
	13,241,321	14,853,309

The fees relating to accounts auditing services rendered to Elsamex, S.A. by the chief auditor amounted to 112,235 Euros.

18. 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 31st December 2010 and 2009 in the annual accounts.

19. Operations with related parties

The detail of the balances and transactions made during the 2010 and 2009 accounting periods between the Company and the "Elsamex Group" companies is the following:

2010	Euros					
	Accounts receivable		Accounts receivable		Income	Expenditure
	For services rendered	Credits	For services rendered	Loans	Services provided (Note 17.a)	Services received (Note 17.b)
Iipl-Itnl Internacional Pte Ltd	-	-	(459)	-	-	(13.969)
ITNL Internacional Pte. Ltd	-	-	-	-	-	38.437
IL&FS Transportation Networks Ltd	-	-	1,890,612	-	-	1.890.612
Sucursal Honduras	-	1,050,898	-	-	-	-
Yala	-	136,681	-	-	-	-
Elsamex India	-	326,926	-	-	-	-
Abu Dabhi	-	13,683	-	-	-	-
Asia	-	1,011	-	-	-	-
Méjico	-	-	-	3,669	-	-
Área de Servicio de Coiros	-	2,511	-	-	-	-
Elsamex Internacional, S.L.	-	7,874,696	343	-	234,004	268,647
Inteval Gestao Integral Rodoviaria, S.A.	32,334	-	203	-	-	203
Elsamex Portugal	1,710	-	-	-	-	-
Atenea Seguridad y Medio Ambiente, S.A.	-	2,561,006	-	-	242,609	90,851
Grusamar Ingeniería y Consulting, S.L.	-	-	-	5,843,930	569,429	198,764
Sánchez Marcos Señalización e Imagen, S.A.	71	554,527	1,840	-	90	1,259
Señalización de Viales e Imagen, S.A.U.	-	2,786,544	3,213	-	170,884	907,869
CIESM-INTEVIA, S.A.	94	-	-	70,417	37,283	2,375
Proyectos de gestión, sistemas, cálculo y análisis, S.A.	-	394,022	832	-	465	147,545
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S.L	-	653,960	-	-	-	-
Centro de Investigación ,Elpidio Sánchez Marcos S.A.	1,656	4,937,608	-	-	126,839	5,376
Geotecnia 7, S.A.	-	73,797	-	-	-	-
Control 7, S.A.	-	695,186	-	-	5,770	-
CGI-8, S.A.	4,049	62,777	10,847	-	-	-
Labetec Ensayos Técnicos Canarias, S.A.	103	31,780	-	-	-	-
CICAN	-	19	-	-	-	-
Ramky Elsamex Hyderabad Ring Road ltm	330,000	-	-	-	380,514	-
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	3,867	50	-	-	6,889	-
TOTAL	373,883	22,157,691	1,907,431	5,918,016	1.768.503	3.668.642

2009	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services provided (Note 17.a)	Services received (Note 17.b)
ITNL Internacional Pte,Ltd	-	-	50,614	-	-	418,721
IL&FS Transportation Networks Ltd	-	-	-	-	11,000,000	5,481,932
Elsamex Internacional, S,L,	-	9,189,407	-	127,588	2,939,974	470,709
Inteval Gestao Integral Rodoviaria, S,A,	83,708	-	202	-	32,334	-
ESM Mantenimiento Integral de S,A, de CV	-	826	-	-	-	-
Atenea Seguridad y Medio Ambiente, S,A,	26,332	2,439,058	-	-	2,092,541	14,105
Inversiones Tyndrum, S,A,	-	118,818	-	-	-	-
Grusamar Ingeniería y Consulting, S,L,	21,881	-	-	4,493,319	1,537,993	149,898
Sánchez Marcos Señalización e Imagen, S,A,	123	482,987	641	-	166	-
Señalización de Viales e Imagen, S,A,U,	(255)	2,774,813	-	-	24,432	776,077
Instituto Técnico de la Vialidad y el Transporte, S,A,	-	343,534	-	-	190,469	35,100
Proyectos de gestión, sistemas, cálculo y análisis, S,A,	13,394	406,075	-	-	32,207	314,596
Proyectos y Promociones Inmobiliarias Sánchez Marcos, S,L	-	575,717	-	-	-	-
Centro de Investigación ,Elpidio Sánchez Marcos S,A,	5,154	3,549,632	737	-	369,157	14,975
Geotecnia 7, S,A,	174	34,600	-	-	308	-
Control 7, S,A,	1,872	981,533	-	-	316,657	666
CGI-8, S,A,	4,860	62,767	10,847	-	745	-
Labetec Ensayos Técnicos Canarias, S,A,	103	31,780	260	-	30	224
Sociedad Concesionaria Autovía A-4 Madrid, S,A,	43,081	183	220	-	4,914	-
TOTAL	200,427	20,991,730	63,521	4,620,907	18,541,927	7,677,003

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 the Company 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 dependant 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 31st December 2010 and 2009 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.

Detail of shares in companies with similar activities and carried out on their own or another’s behalf of similar activities on the part of the administrative body,

In compliance with the provisions of Article 127 ter,4 of the Corporations Act, introduced by Law 26,2003 of 17th July, by which is amended Law 24/1988 of 28 July, of the Securities Market, and the Revised Corporation Act, for the purpose of reinforcing corporate transparency, it is advised that at the close of accounting periods 2009 and 2008 the members of the Elsamex S,A, board have not held shares in the capital of companies with the same, analogous or complementary type of activity to that constituting the corporate objective of the companies that make up the Elsamex Group, Similarly, activities have not been carried out nor are being carried out on their own or another’s behalf with the same, analogous or complementary type of activity to those constituting the Company’s corporate objective.

During accounting periods 2010 and 2009 the members of the Company’s Board of Directors did not receive any remuneration in consideration of their responsibility.

The Company has not contracted any obligation in matters of pensions, warranties, guarantees, life assurance or of any other type in the favour of the members of the Company’s Board of Directors.

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

Data relating to senior management personnel:

Name	Responsibilities or duties that they hold or carry out in the company	Remuneration period 2010
Managers	Management	374,446

20. Subsequent facts

On 17 January 2011, the Company, in exchange for participations in the dependent company Área de Servicios de Coiros, S.L., provided an administrative concession for the construction and exploitation of Área de Servicio de Coirós, together with all buildings, civil engineering works and other components used to exploit the service station (see Note 5).

The concession is valued for the total appraisal value of the buildings, civil engineering works and other components used to exploit the service station, a food & drink establishment and shop, included in the concession, for a total of 4,849,866 euros.

Annex I

Information on the merger conducted during the financial year

On 6 July 2010, the General Shareholders' Meeting of Elsamex, S.A. and the Sole Shareholder of Inversiones Tyndrum, S.A.U., respectively, unanimously agreed that the former absorb the latter company through a merger.

The merger was carried out according to the provisions established in Article 49 and related articles of the Law 3/2009, of 3 April, about structural modifications of the limited liabilities companies, and Chapter VIII, Title VII, of the Consolidated Version of the Corporations Tax Act, approved by Royal Legislative Decree 4/2002, of 5 March. Thus, as a result of the merger, the company Inversiones Tyndrum, S.A. was extinguished, through its absorption by the company Elsamex, S.A., with a full assignment, as a universal succession, of the entire equity of the absorbed company, which was wound up without liquidation.

The absorbed company, Inversiones Tyndrum, S.A., is a company fully owned by Elsamex, S.A., which is why no share capital increase has been carried out in the absorbing company, nor was any share exchange carried out, pursuant to the provisions established in Article 250 of Royal Legislative Decree 1564/1989, Consolidated Version of the Spanish Corporations Act by merger procedure for wholly owned company foreseen in article 49 of the Law 3/2009, of 3 April, about structural modifications of the limited liabilities companies.

For the purposes of Article 31.7 Structural Modifications Act, the Absorbed Company's operations will be deemed as executed by the Absorbing Company, for accounting purposes, as of 1 January 2010. To this effect, given that both companies belonged to the same group prior to this date, this fulfils the provisions of the General Accounting Plan approved by Royal Decree 1514/2007, of 16 November, as interpreted by the ICAC in Consultation No. 1, published in the ICAC Official Gazette, No. 75, dated September 2008.

This merger by absorption has not changed the values of the assets acquired and incorporated into the accounting books of the absorbing company. Furthermore, it has disclosed a negative merger reserve of 17,185 euros.

The company Elsamex, S.A. has applied for the tax breaks foreseen in Articles 83 ff., Chapter VIII, Title VII, Consolidated Version of the Corporations Tax Act, approved by Royal Legislative Decree 4/2004, of 5 March, including the following information (as per Article 93 of the Act) in order to meet its formal obligations:

The company's merger balance sheet at 31 December 2009 is provided below:

ASSETS	Euros	LIABILITIES	Euros
NON-CURRENT ASSETS	187,521	NET EQUITY	168,751
Long-term investments in group companies and associates	186,539	OWN FUNDS -	168,751
Equity instruments	186,539	Capital	185,500
Assets from deferred tax	982	Declared capital	185,500
		Results of previous years	(9,337)
		Remainder	(9,337)
		Year results	(7,412)
CURRENT ASSETS	127,464		
Stock	4		
Advance payments to suppliers	4		
Commercial debtors and other accounts receivable	432	CURRENT LIABILITIES	146,234
Other credits with Public Administration	432	Short-term debt with group companies and associates	143,818
Short-term investments in group companies and associates	112,140	Commercial creditors and other accounts payable	2,410
Other financial assets	112,140	Suppliers	2,410
Cash and other equivalent liquid assets	14,887	Other debt with Public Administration	-
Treasury	14,887	Short-term adjustments and accruals	6
TOTAL ASSETS	314,985	TOTAL NET ASSETS AND LIABILITIES	314,985

Elsamex, S,A,

Management report Results for 2010 and prospects for 2011

During the 2010 financial year, ELSAMEX, S.A. has practically achieved the sales objectives set at the beginning of the year; investments works were completed, ongoing concessions were started up, and two new concessions were executed during the year. Likewise, it has continued to strengthen and restructure the company in order to fulfil the strategic plan for growth adopted.

Elsamex, S,A, has acted through 6 Branches with a total of 100 Production Centres and 12 Offices in Spain, which are developing the four lines of business:

*	Servicing and Maintenance	35 %
*	Renovation and Construction	35 %
*	Maintenance of Buildings and Installations	16 %
*	Maintenance of Service Stations	14 %

A staff of, on average, approximately 750 employees has been maintained, technical personnel accounting for 45% of the staff,

The sales figures for the year 2009 were the following:

*	Elsamex, S,A, only	61,4 Million Euros
*	With JVs	91,6 Million Euros

By sector, 68,4% of sales were in Highways, 12,5% in Buildings and other infrastructures, 14,1% in the Petrochemical sector and the remaining 5,0 % was spread between Sports Complexes, Hydraulic Works, Railways, Ports, Airports and the Environment,

In this year, sales for customers were 60% to the Central Administration bodies, 25% to Autonomous and Local Institutions and finally 15% to private businesses,

The work portfolio for the coming years amounts to 97,8 million Euros,

With regard to the results and during this year, a result has been obtained of 2,53 million Euros before tax and a result equivalent to 2,15 million Euros after tax,

The shareholder equity has been valued at 50,6 million Euros, the policy of capitalisation of the company continuing,

In the Field of the Servicing of Infrastructures, the prospects continue to be great, since the portfolio in this field is 66,8 million Euros, which represents 68% of the overall portfolio of the business,

Specifically and as regards Road comprehensive maintenance, Elsamex has a portfolio with 21 road maintenance contracts executed with the Ministry of Development, several Autonomous Communities, Regional Departments and City Councils, including concessionaires; during the present year, contracts with the Ministry of Development have been renewed in relation to La Coruña, Santander and Melilla. Moreover, 3 new contracts have been obtained, 2 with the Ministry of Development (Valladolid and Cuenca) and 1 with local bodies (City Council of Arona).

Of particular interest is the achievement of 6 Comprehensive Maintenance contracts in Portugal for the client Estradas Portuguesas, as a JV with our subsidiary Inteval and various local partners. Elsamex holds a 25% stake and the contracted price reflecting this 25% is 24 M€, to be executed over a three-year term.

Other contracts in this field continue to be bid for, both with the Ministry of Public Works and with other bodies, new awards being expected during 2011.

The maintenance services in the fields of Water, Ports and Environment have continued, maintenance works being carried out in green zones such as the Maintenance of the Gardens of Pontevedra City Council and Jardín de Santos en Penáguila. With respect to maintenance in the Water Department, we have continued with the Maintenance of three dams in Confederación Hidrográfica del Norte, and have also continued flow maintenance tasks with Confederación Hidrográfica del Segura.

In the Road and Building Refurbishment and Construction Department, of interest is the completion of initial construction works in the A-4 concession of the Ministry of Development, through a JV in which we held a 50% stake, and completion of the initial construction works of the Coiros Service Station Concession. The portfolio in this department consists of 8.2 M€, representing 8% of the company's global portfolio.

During the year 2011 we expect to take up activity in this area again, basically with construction work derived from the Concessions awarded during the present year, and possible awards that may arise in the international market.

In the field of Building and Installation Maintenance, the current portfolio has continued to be widened with new contracts, the essential maintenance of multiple public buildings currently standing out, such as the maintenance of various health centres in Madrid, multiple sports complexes in Murcia and in Madrid, Colleges in the Fuenlabradas municipality, the high velocity train (AVE) stations of Puertollano, Ciudad Real and Córdoba, as well as the low voltage electrical maintenance of Terminals T1, T2 and T3 and the Uninterrupted Power Supply and plumbing for Terminal T4, of Barajas Airport,

Similarly, our presence continues in the private sector, with clients such as the banking institutions of La Caixa, la Caja de Ahorros de Murcia (CAM), Cajamar and Caja Rioja, and BBK.

The portfolio for this field is 11,1 million Euros, representing 13% of the overall portfolio of the business,

In the field of Service Station Maintenance, we have more than 2,500 under contract between Spain, Colombia, the Dominican Republic and Ecuador, owned by Repsol, Cepsa, Exxon, Móvil, Disa, Agip and Galp. Furthermore, we are continuing our presence in the maintenance of shops in service stations for Repsol-YPF, maintaining these in Madrid, Andalusia, Catalonia and the Balearics.

The portfolio for this field is 11,7 million Euros, representing 13% of the overall portfolio of the business,

In the field of Concessions, Elsamex, S.A, has continued to carry out the Concession works for the Servicing and Operation of Highway A-4 from Km, 3,78 to Km 67,5 Stretch: Madrid-R4, This concession, the client for which is the Ministry of Public Works, is considering an initial investment of 67 million Euros and its duration is 19 years, The participation of Elsamex, S,A, in this project is 46,25 %,

Likewise, Elsamex, S.A. has completed the construction and has commenced exploitation of the Concession for the Construction and Exploitation of a Service Station in Coiros, located along the A-6, awarded by the Ministry of Development, with an initial investment of 4.9 M € and a 39-year term.

Furthermore and during 2010, Elsamex, S.A. was awarded two other concessions: a Concession for Private Use of the Public Domain, for the installation, maintenance and exploitation of photovoltaic technology electricity generation systems, on municipal roofs, belonging to the City Council of Alcantarilla, with nominal power of 1,127 MW, an initial investment of 4 M € and a 25-year term, and a Concession for the Construction and Exploitation of a Service Station in the City Council of Punta Umbría, with an initial investment of 1.8 M € and a 30-year term.

The former has allowed Elsamex to enter the renewable energy sector, one of the company's strategic objectives, and the latter enables continuity of the service stations concession business.

During the year 2011, the Construction and Exploitation of both Concessions will begin.

In summary, all the above has led us to believe that during 201 we will be able to improve on the results of this year, in spite of these times of economic crisis,

Up to the date of the formulation of this Management report, no significant later facts which could affect the Annual Accounts of tax year 2010 have happened and there has not been any movements of purchases and sales of own shares either,

Declaration of Submission of Annual Accounts and Management Report

In compliance with the rules stipulated in the Corporations Act, the Board of Directors of Elsamex, S.A, lodged the Annual Accounts and the Management Report relating to accounting period 2010, on April 13, 2011, which shall be submitted for the approval of the General Shareholders' Board,

R. Parthasarathy

 

Mr, Ravi Parthasarathy

Mr, Fernando Bardisa Jorda

Mr, Murli Dhan Khattar







Mr, Sachin Baldeghrasad Gupta

Mr, Arun Kumar Saha

Mr, Ramchand Karunakaran