

SEÑALIZACIÓN, VIALES E IMAGEN, S.A.

ANNUAL REPORT

2009

Num SV-5110

Date the 24th May 2010

PERFORMANCE :

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

ENTITY :

SEÑALIZACIÓN, VIALES E IMAGEN,
S.A. "SEVIMAGEN, S.A."

DOMICILE :

Poligono Industrial La Variante, 2
La Grajera, st
26140-Lardero (La Rioja)

ENTRUSTED BY :

The Management by delegation of the
Directors

ADDRESSED TO :

The Shareholders

DOCUMENTS AUDITED :

Abridged Annual Accounts for the fiscal
year 2009

PERFORMED BY THE AUDITING
FIRM :

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

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

AUDIT REPORT OF ABRIDGED ANNUAL ACCOUNTS

To the Shareholders of:

SEÑALIZACION, VIAJES E IMAGEN, S.A.U.
"SEVIMAGEN, S.A.U."

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

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

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

Elsamex, S.A. being shareholder of SEVIMAGEN, S.A.U. has informed of its intention to give financial support to this company in the extent and term which could be necessary.



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

Madrid, 24th May 2010


Bernardo Tahoces Acebo



Señalización Viales e Imagen S.A.U.

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

SEÑALIZACIÓN VIALES E IMAGEN S.A.U

BALANCE SHEET AT 31 DECEMBER 2009 AND 2008

(Euros)

	Report Notes	Period 2009	Period 2008	LIABILITIES	Report Notes	Period 2009	Period 2008
ACTIVO				LIABILITIES			
NON-CURRENT ASSETS				NET EQUITY	Note 10		
Intangible fixed assets	Note 5	4,324,824	4,452,515	STOCKHOLDERS' EQUITY		(1,034,048)	(735,302)
IT applications		14,353	9,703	Capital		688,025	688,025
Tangible fixed assets	Note 6	3,128,236	3,269,292	Registered capital		688,025	688,025
Land and buildings		2,597,227	2,642,990	Reserves		(279,092)	(231,022)
Technical installations and other tangible fixed assets		531,009	626,302	Legal and statutory		15,006	15,006
Long-term financial investments	Note 8.1	2,064	2,064	Other reserves		(294,098)	(246,028)
Other financial assets		2,064	2,064	Results from previous periods		(1,192,305)	(1,153,264)
Assets for deferred tax		1,180,171	1,171,455	Result of the period		(250,676)	(39,041)
CURRENT ASSETS				NON-CURRENT LIABILITIES	Note 7		
Stock		3,310,366	3,742,773	Long-term provisions		3,838,266	3,981,912
Primary material and other supplies		2,198,501	932,532	Creditors from financial leasing		1,238,266	1,381,912
Advances to suppliers		2,144,991	838,674	Other financial liabilities		1,203,880	1,347,526
Trade debts and other accounts receivable	Note 8.2	53,510	93,858	Long-term debts with Group companies and associates		34,386	34,386
Customers for sales and provisions of services		821,584	2,539,299			2,600,000	2,600,000
Customers, Group companies and associates		176,162	531,114				
Sundry debtors		154,954	1,495,368	CURRENT LIABILITIES			
Personnel		179,607	179,607	Short-term debts		4,830,971	4,948,678
Assets for current tax		19,242	3,862	Debits with credit institutions	Note 11	233,636	769,538
CURRENT ASSETS				Creditors from financial leasing	Note 7	99,811	357,991
Short-term investment in Group companies and associates	Note 16	61,000	246,550	Other financial liabilities		133,825	274,905
Other financial assets	Note 8.2	61,000	246,550	Short-term debts with Group companies and associates		-	136,742
Asset instruments		154,911	372	Trade creditors and other accounts payable	Note 16	3,309,550	3,151,870
Other financial assets		1,343	-	Suppliers	Note 11	1,287,786	1,027,270
Short-term periodifications		153,569	372	Suppliers, Group companies and associates		1,220,272	919,227
Cash and other equivalent liquid assets		25,274	24,019	Other debts with Public Administrations		1,143	18,089
Treasury		49,095	-			66,371	89,954
TOTAL ASSETS		7,635,190	8,195,288	TOTAL NET EQUITY AND LIABILITIES		7,635,190	8,195,288

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

SEÑALIZACION VIALES E IMAGEN S.A.U

PROFIT AND LOSS ACCOUNTS FOR ACCOUNTING PERIOD ENDED 31 DECEMBER 2009 AND 2008 (Euros)

	Report Notes	Period 2009	Period 2008
CONTINUING OPERATIONS			
Net amount of the annual turnover	Note 14a	996,757	3,362,662
Sales		869,491	2,945,620
Rendering of services	Note 14b	127,266	417,042
Provisions		66,961	(1,472,151)
Consumption of merchandise		(2,429)	-
Consumption of raw and other consumable materials		853,389	(1,187,022)
Works carried out by other companies		(783,999)	(285,128)
Other income from operations		52,141	8,447
Current additional income and other from management	Note 14c	52,141	8,447
Staff expenses		(803,384)	(880,225)
Salaries and others		(451,732)	(678,132)
Social payments	Note 14d	(151,652)	(202,093)
Other operating expenditure		(609,364)	(702,814)
External services		(499,290)	(695,710)
Taxes		(9,519)	(7,104)
Losses, impairments and variation in provisions from trade operations	Note 6	(545)	-
Amortization of fixed assets		(161,083)	(209,476)
Impairment and result of transfers of fixed assets		-	(13,199)
Impairments and losses		-	(13,199)
Results for transfers and other		15,237	14,426
RESULT FROM OPERATIONS		(132,726)	107,671
Financial income		8	463
From negotiable securities and other financial instruments		8	463
Financial expenditure		(48,871)	(82,863)
For debts with third parties		(48,871)	(82,863)
Impairment and result for transfers of financial instruments		(84,478)	(105,705)
Results for transfers and other		(84,478)	(105,705)
FINANCIAL RESULT		(133,342)	(188,105)
RESULT BEFORE TAXES		(266,068)	(80,434)
Tax on profits	Note 12.2	15,392	41,393
RESULT FOR THE PERIOD FROM CONTINUING OPERATIONS		(250,676)	(39,041)
INTERRUPTED OPERATIONS		-	-
Result of the year coming from interrupted operations		(250,676)	(39,041)
RESULT FOR THE PERIOD		(250,676)	(39,041)

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

SEÑALIZACION VIALES E IMAGEN S.A.U

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

A) STATEMENT OF ASSIGNED INCOME AND EXPENDITURE

(Euros)

	Report Notes	Tax Year 2009	Tax Year 2008
RESULT FOR THE PROFIT AND LOSS ACCOUNT (I)		(250,676)	(39,041)
Effect of taxation 2009		(48,070)	(17,285)
TOTAL INCOME AND EXPENDITURE ASSIGNED DIRECTLY TO NET WORTH (II)		(48,070)	(17,285)
TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)		-	-
TOTAL ASSIGNED INCOME AND EXPENDITURE (I+II+III)		(298,746)	(56,326)

Notes 1 to 17 of the attached Report form an integral part of the statement of changes in total net worth for the accounting period of 2009

SEÑALIZACION VIALES E IMAGEN S.A.U

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

B) STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Reserves	Results for previous periods	Result for the period	TOTAL
BALANCE AT THE CLOSE OF PERIOD 2007	688,025	15,006	(286,906)	(866,359)	(450,233)
Adjustments for criteria changes 2007 and prior		(228,743)			(228,743)
BALANCE ADJUSTED AT THE BEGINNING OF PERIOD 2008	688,025	(213,737)	(286,906)	(866,359)	(678,976)
Total income and expenditure allocated		(17,285)		(39,041)	(56,326)
Other operations			(866,359)	866,359	-
FINAL BALANCE FOR PERIOD 2008	688,025	(231,022)	(1,153,264)	(39,041)	(735,302)
Adjustments for errors 2008		(15,392)			(15,392)
BALANCE ADJUSTED AT THE BEGINNING OF PERIOD 2008	688,025	(246,414)	(1,153,264)	(39,041)	(750,694)
Total income and expenditure allocated	-	(32,678)	-	(250,676)	(283,354)
Other operations with shareholders or owners	-	-	(39,041)	39,041	-
FINAL BALANCE FOR PERIOD 2009	688,025	(231,022)	(1,153,264)	(39,041)	(1,034,048)

of the attached Report form an integral part of the statement of changes in total net worth for the accounting

Señalización Viales e Imagen S.A.U.

Abridged Report for the
period ending
31st December 2009

1. Incorporation and activity

Incorporation

Señalización Viales e Imagen S.A.U. (hereinafter, the Company) was incorporated by means of a public deed, executed on 18 March 1994 as "Luminosos Publineon, S.L.". On 1 October 2004, its transformation into a Spanish Corporation ("*Sociedad Anónima*") was approved. Subsequently, on 25 August 2006, it changed its company name to the one it currently holds, "Señalización Viales e Imagen S.A.". Finally, on 29 December 2008 it was converted into a Sole-Member Corporation ("*Sociedad Anónima Unipersonal*"). Its registered address is in calle La Grajera, 2 Lardero (La Rioja).

Corporate objective

The Company's objective is:

- a. The manufacturing, study, installation, maintenance and repair of all types of signs, notices and billboards, including items related to corporate imagery, advertising, electricity and lamps.
- b. The purchase, sale, exploitation, administration, holding, construction and lease of all types of real estate.

All those activities for which, in order to be exercised, the law imposes special requirements that are not met by the Company, are excluded. If the law were to require, in order to exercise any of the activities, certain professional qualifications, an authorisation or registration at special registers, these will be exercised by whoever holds said qualifications, or else they may not commence until the administrative requirements imposed are met.

The activities listed may also be executed by the Company, in whole or in part, indirectly, through a stake in other companies with an identical or similar object.

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

2. Presentation principles for the abridged annual accounts

2.1 True picture

The attached abridged annual accounts have been obtained from the Company's accounts registers and are presented in accordance with R.D. 1514/2007 by which the General Accountancy Plan is approved, so as to show the true picture of the assets, the financial situation, and the Company results during the corresponding period. These abridged annual accounts, which have been prepared by the Company Directors, are to be submitted for the approval of the General Meeting, and are expected to be approved without any amendment. In turn, the annual accounts for the accounting period 2008 were approved by the General Shareholders' Meeting held on 30 June 2009.

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

2.2 Non-obligatory accounting principles

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

2.3 Critical aspects of valuation and estimation of uncertainty

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

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

The Company has incurred losses which have led to a significant decrease in its equity and the existence of a negative working capital figure of a significant amount, factors which cast doubt on compliance with the accounting principle of an operating company and, as a result, the Company's ability to liquidate assets and liabilities in the amounts and in accordance with the classification which appear in the attached balance sheet, which was drafted under the assumption that said activity will continue. There are several factors which tend to reduce or eliminate the doubt cast on the Company's ability to continue as an operating business. These factors include the shareholders' financial support, as well as the possibility of reducing expenses without decreasing the Company's ability to operate, as can be concluded from both the budget for the financial year of 2010 and the business plan approved by Company's Directors. Said business plan is based on certain hypotheses and market trends which mainly include: a commercial market expansion plan which focuses on certain market niches; seeking out clients outside of the group; the management of works in all types of markets; and the plan foresees earning sufficient revenue to achieve a positive result in the financial year of 2010, as well as generating positive cash flows in the same financial year.

2.4 Comparison of information

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

2.5 Grouping of entries

Specific items from the balance sheet, 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.

2.6 Changes in accounting principles

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

2.7 Correction of errors

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

3. Application of results

The Company's Directors will propose to the General Shareholders' Board the application of the accounting period losses to the negative results of prior accounting periods.

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

As a general rule, the intangible fixed assets are initially valued at their acquisition price or production cost. They are later valued at their cost after subtracting the properly accrued amortisation and, where appropriate, any losses due to deterioration which they have undergone. Said assets are amortized on the basis of their useful life span.

a) IT applications:

The Company enters in this account the costs incurred in the acquisition and development of computer programmes. The maintenance costs for the IT applications 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
Land and Buildings	3
Other installations, equipment and movable assets	10-15
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

4.4.1 Financial assets

Classification-

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.

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 and investments held up to maturity 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.

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

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

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

4.4.2 Financial liabilities

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

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

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

4.4.3 Equity instruments

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

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

4.5 Stock

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 Corporate tax

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

The current tax is the amount the Company meets as a consequence of the fiscal payments of tax on profits relating to an accounting period. The deductions and other tax advantages in the tax quota, excluding 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 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.

4.7 Environment

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

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

4.8 Revenue and expenditure

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

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

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

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

4.10 Compensation for dismissal

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

4.11 Principles used in transactions between related parties

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 42 of the Commercial Code.
- b) Individuals who, directly or indirectly, have participation in the voting rights of the Company, or in its dominant entity, to enable them to exercise a significant influence over one or another. The close relatives of these physical persons are also included.
- c) The key staff of the Company or of its dominant entity, which means the individuals with authority and responsibility over the planning, management and control of the Company's activity, either directly or indirectly, amongst whom are included the administrators and managers. The close relatives of these individuals are also included.
- d) The companies over which any of the persons mentioned in b) and c) above can exercise a significant influence.
- e) The companies that share any board member or director with the Company, unless this person does not exercise a significant influence in the financial and operational policies of both.
- f) The persons who are regarded as close relatives of the Company administration's agent, whenever this person is a legal entity.
- g) The pension plans for the employees of the Company or of any other which is a party linked to this.

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

- a) The spouse or person with an analogous relationship;
- b) The ascendants, descendants and siblings and the respective spouses or persons with an analogous relationship;
- c) The ascendants, descendants and siblings of the spouse or persons with an analogous relationship;
- d) Persons for whom the spouse or person with an analogous relationship is responsible for or with an analogous relationship;

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

5. Intangible fixed assets

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

Accounting period 2009

2009	Euros		
	31-12-08	Additions	31-12-09
Cost:			
IT Applications	28,220	9,412	37,632
	28,220	9,412	37,632
Accrued amortization:			
IT Applications	(18,517)	(4,762)	(23,279)
	(18,517)	(4,762)	(23,279)
Net value	9,703	4,650	14,353

Accounting period 2008

2008	Euros		
	31-12-07	Additions	31-12-08
Cost:			
IT Applications	24,287	3,933	28,220
	24,287	3,933	28,220
Accrued amortization :			
IT Applications	(15,865)	(2,652)	(18,517)
	(15,865)	(2,652)	(18,517)
Net value	8,422	1,281	9,703

At the close of accounting period of 2009, the Company has no fully amortised intangible fixed asset items or intangible fixed asset items located abroad.

6. Tangible fixed assets

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

Accounting period 2009

	Euros		
	31-12-08	Additions	31-12-09
Cost:			
Land	422,801	-	422,801
Buildings	2,315,528	-	2,315,528
Machinery	1,234,143	-	1,234,143
Other installations, tools and furniture	468,584	4,203	472,787
Equipment for information processing	108,659	1,062	109,721
Transport items	54,320	-	54,320
	4,604,035	5,265	4,609,300
Accrued amortization :			
Land	-	-	-
Buildings	(95,339)	(45,763)	(141,102)
Machinery	(766,026)	(74,599)	(840,625)
Other installations, tools and furniture	(310,398)	(25,916)	(336,314)
Equipment for information processing	(108,659)	(44)	(108,703)
Transport items	(54,320)	-	(54,320)
	(1,334,742)	(146,322)	(1,481,064)
Net value	3,269,293	(141,057)	3,128,236

Accounting period 2008

	Euros				31-12-08
	31-12-07	Additions	Adjustments and transfers	Outgoings	
Cost:					
Land	422,801	-	-	-	422,801
Buildings	2,288,144	27,385	-	-	2,315,528
Machinery	1,225,243	8,900	-	-	1,234,143
Other installations, tools and furniture	468,584	-	-	-	468,584
Equipment for information processing	108,659	-	-	-	108,659
Transport items	204,213	-	-	(149,893)	54,320
	4,717,644	36,285	-	(149,893)	4,604,035
Accrued amortization:					
Land	-	-	-	-	-
Buildings	(49,576)	(45,763)	-	-	(95,339)
Machinery	(625,321)	(132,706)	(7,999)	-	(766,026)
Other installations, tools and furniture	(283,917)	(26,481)	-	-	(310,398)
Equipment for information processing	(108,659)	-	-	-	(108,659)
Transport items	(95,541)	(1,874)	-	43,094	(54,320)
	(1,163,014)	(206,824)	(7,999)	43,094	(1,334,742)
Net value	3,554,630	(170,539)	(7,999)	(106,799)	3,269,293

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

At the closing of tax year 2009, the Company had elements of tangible fixed assets completely amortized which were still in use to the value of 22,389 euros.

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

7. Leasing

Financial leasing

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

Accounting period 2009

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	2,344,356	-	2,344,356
Total	2,344,356	-	2,344,356

Accounting period 2008

	Assets valued at their reasonable value	Assets valued by the current value of the minimum payments	Total
Tangible fixed assets	3,047,918	-	3,047,918
Total	3,047,918	-	3,047,918

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

Financial leasing Minimum quotas	2009		2008	
	Nominal value	Current value	Nominal value	Current value
Less than one year	183,631	133,825	377,858	274,805
Between one and five years	457,398	363,272	668,774	421,942
More than five years	921,597	840,608	1,264,211	925,584
Total	1,562,626	1,337,705	2,310,843	1,622,331

There are no contingent quotas.

8. Financial assets (long and short-term)

8.1 Long-term financial assets

The balance of the account in the "Long-term financial investments" section at the close of the 2009 accounting period groups the bonds given in consequence of the operating lease contracts signed with third parties.

8.2 Short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the 2009 and 2008 accounting periods:

	Euros	
	2009	2008
Credits and entries receivable	744,534	2,456,873
Financial assets held for negotiation	1,342	-
Total	745,876	2,456,873

a) Credits and items receivable

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

	Euros	
	2009	2008
Customers for sales and provisions of services:		
Customers	176,162	531,114
Delinquent customers	1,725,172	1,724,627
Impairment of value of credits for commercial operations	(1,725,172)	(1,724,627)
	176,162	531,114
Customers, Group businesses current accounts (Note 16):	215,954	1,741,918
Sundry debtors:	179,607	179,607
Personnel:	19,242	3,862
Other financial assets	153,569	372
Total	744,534	2,456,873

During the period the Company entered as losses through impairment the amount of 545 euros.

9. Information about the nature of and level of risk of financial instruments

The Management of the financial risks of the Company is centralized in Financial Management, which has established the necessary mechanisms to control exposure to variations in the interest rates, as well as to the credit and liquidity risks. The main financial risks that impact on the Company are mentioned below:

a) Credit risk:

In general, the Company holds its treasury and equivalent liquid assets in financial bodies with a high credit level.

b) Liquidity risk:

In order to guarantee the liquidity and to be able to fulfil all the payment commitments deriving from its activity, the Company relies on the Treasury to show its balance, as well as on short-term financial investments which are detailed in Note 8.

c) Market risks:

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

10. Stockholders' equity

10.1 Share capital

At the end of the accounting period of 2009, the Company's share capital amounted to 688,025 euros, represented by 11,448 nominative shares of 60.10 euros of nominal value each, totally subscribed and paid by Elsamex S.A.

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

10.2 Legal reserve

In accordance with the Revised Corporations Act, a figure equal to 10% of the period's profit must be allocated to the legal reserve until this reaches, at least, 20% of the share capital. The legal reserve may be used to increase the capital in the part of its balance that exceeds 10% of the capital already increased. Except for the above mentioned purpose, and while it does not exceed 20% of the share capital, this reserve may only be assigned to the compensation of losses and provided that there are no other sufficient reserves available for this purpose.

11. Financial liabilities

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

Debits and items payable

The breakdown of this item on the abridged balance sheet on 31 December 2009 and 2008 is as follows:

	Euros	
	2009	2008
NON-CURRENT LIABILITIES:		
Other financial liabilities	1,203,880	1,347,526
Financial leasing creditors (Note 7)	34,386	34,386
Debts with other Group companies and associated long-term debt	2,600,000	2,600,000
Total non-current liabilities	3,838,266	3,981,912
CURRENT LIABILITIES:		
Short-term debts:		
Debts with credit institutions	99,811	357,991
Financial leasing creditors (Note 7)	133,825	274,805
Other financial liabilities	-	136,742
	233,636	769,538
Debts with group companies and partners (Note 19)	3,309,550	3,151,870
Trade creditors and other accounts payable:		
Suppliers	1,220,272	919,227
Suppliers, Group companies (Note 15)	1,143	18,089
	1,221,415	937,316
Total current liabilities	4,764,601	4,858,724

11.1 Debts with Group companies and associates

The Company has, within this item, a participation loan dated 29 December 2008 in the amount of 2,600,000 euros granted by its parent company Elsamex, S.A. to mature on 1 December 2018 and accruing a fixed rate of interest of Euribor + 1.75% each 31 March, with variable interest of an annual nature that shall be adjusted on the basis of the annual before-tax profits, based on a scale.

11.2 Debts with credit institutions

The Company has a credit policy with a financial institution with a limit of 100,000 euros at a fixed interest rate of 5.25%.

12. Public Administrations and fiscal situation

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

	Euros			
	2009		2008	
	Debtors' Balances	Creditors' Balances	Debtors' Balances	Creditors' Balances
Public Treasury, debtor for VAT	283,785	-	287,956	-
Public Treasury, debtor for Corporate Tax	9	-	-	-
Public Treasury, VAT withstood	-	-	-	432
Public Treasury, agreement	7,826	-	-	-
Public Treasury, creditor for IRPF	-	7,093	-	19,690
Social Security system entities, creditors	-	59,278	-	69,832
Short-term balances with Public Administrations	291,620	66,371	287,956	89,954

Accounting reconciliation and taxable base result

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

Accounting period 2009

	Euros	
	Base	Quota
Accounting result before tax (Profit)	(250,676)	-
Permanent differences:		
Origin in ex. prior due to application of new GAP	(57,618)	-
Other	(51,307)	(15,392)
Fiscal taxable base	(359,601)	(15,392)

Accounting period 2008

	Euros	
	Base	Quota
Accounting result before tax (Loss)	(80,434)	(24,130)
Other corrections to the result of the PYG account	75	22
Permanent differences:		
Origin in ex. prior due to application of new GAP	(57,618)	(17,285)
Fiscal taxable base	(137,977)	(41,393)

The temporary difference originating in prior accounting periods arise because the Company chose during the accounting period of 2008 to include in equal proportions in the tax base of the Corporate Tax, for the first three tax periods, the accounting adjustments carried out against assets due to the first application of the new General Accounting Plan (GAP).

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

	Euros	
	Balance at 31-12-2009	Balance at 31-12-2008
Temporary differences (Expected taxes):		
Origin in ex. prior due to application of new GAP	32,678	75,269
Tax credits due to negative tax bases	1,147,493	1,096,186
Total assets due to deferred taxes	1,180,171	1,171,455

At the end of the accounting period of 2009, the maturity of the negative tax bases recorded on the attached balanced sheet was as follows:

	Amount	Due date
Year 2004	501,460	Year 2019
Year 2005	1,446,810	Year 2020
Year 2006	450,164	Year 2021
Year 2007	1,237,259	Year 2022
Year 2008	189,284	Year 2023
Year 2009	359,601	Year 2024
	4,184,578	

For reasons of prudence, the Company has not capitalized the fiscal credit produced during the accounting period of 2009.

In accordance with the provisions of the prevailing legislation, taxes may not be considered to be finally settled until the returns presented have been inspected by the fiscal authorities or the four year time limit has elapsed. At the end of the accounting period of 2009, the Company had no inspections under way. The Directors consider that it has satisfactorily settled the above mentioned tax obligations, because of which, in the event of fiscal inspection and presupposing the appearance of discrepancies in the usual prevailing interpretation by the fiscal treatment delivered to the operations, future resultant liabilities, should they materialise, would not significantly affect these abridged annual accounts.

13. Contingent liabilities

At 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 468,638 euros. The amount granted under this heading during 2008 amounted to 335,617 euros.

14. 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 2009 and 2008 is as follows:

Split	Euros	
	2009	2008
Sales to third parties	339,756	1,232,895
Sales to group companies	529,735	1,712,725
Provision of services to third parties	92,204	95,297
Provision of services to group businesses (Note 15)	355,062	1,745
Reversion of invoices provision from the preceding financial period	(320,000)	320,000
	996,757	3,362,662

The entirety of the provision of services was carried out on national territory.

b) Provisions

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

	Euros	
	2009	2008
Consumption of merchandise	2,429	-
Purchase of other provisions	(853,389)	753,021
Purchase of other provision from group companies (Note 16)	-	434,002
Works carried out by other businesses	758,276	224,688
Works carried out group business (Note 16)	25,723	60,440
	(66,961)	1,472,151

Almost the full amount of the purchases made from suppliers took place within the 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 2009 and 2008 is as follows:

	Euros	
	2009	2008
Wages, salaries and equivalents	451,732	678,132
Social security payable by the Company	151,652	202,093
Total	603,384	880,225

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

Categories	2009	2008
Senior management	2	2
Technical personnel and middle management	16	26
Administration personnel	4	6
Total	22	34

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

Categories	2009		2008	
	Men	Women	Men	Women
Senior management	1	1	1	1
Technical personnel and middle management	15	1	23	3
Administration personnel	-	4	1	5
Total	16	6	25	9

d) Other operating expenses

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

	Euros	
	2009	2008
Leases and royalties	295,618	358,796
Repairs and maintenance	11,175	12,730
Independent professional services	27,160	53,697
Transport	39,640	125,013
Insurance premiums	16,413	17,401
Bank services and other similar	18,528	24,744
Supplies	26,696	40,618
Other services	64,060	62,710
Other taxes	9,519	7,104
	508,809	702,813

The fees for services for the auditing of the Company's annual accounts of the accounting period of 2009 came to 18,000 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 2009 and 2008 in the annual accounts.

16. Operations with related parties

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

2009	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services provided	Services received
Instituto Técnico de la Vialidad y del transporte. S.A.	-	-	-	61,000	-	-
Proyectos de gestión sistema, cálculo y análisis, S.A.	-	-	-	6,077	-	2,390
Centro de Investigación .Elpidio Sánchez Marcos S.A.	-	-	-	88,500	-	-
Sánchez Marcos Señalización e Imagen, S.A.	-	-	-	116,585	-	-
Atenea, Seguridad y Medio Ambiente, S.A.	-	-	-	75	-	-
Control 7, S.A.	-	61,000	-	-	-	-
Elsamex, S.A.	154,954	-	1,143	2,774,813	884,797	23,333
Grusamar Ingeniería y Consulting, S.L	-	-	-	262,500	-	-
TOTAL	154,954	61,000	1,143	3,309,550	884,797	25,723

2008	Euros					
	Accounts receivable		Accounts payable		Income	Expenditure
	For provision of services	Credits	For provision of services	Loans	Services provided	Services received
Instituto Técnico de la Vialidad y del transporte. S.A.	-	-	-	8,000	-	-
Proyectos de gestión sistema, cálculo y análisis, S.A.	-	13,572	16,876	-	-	1,536
Centro de Investigación .Elpidio Sánchez Marcos S.A.	-	-	-	42,000	-	-
Sánchez Marcos Señalización e Imagen, S.A.	-	37,053	70	-	-	-
Atenea, Seguridad y Medio Ambiente, S.A.	-	64,925	-	75	-	-
Control 7, S.A.	-	131,000	-	-	-	-
Elsamex, S.A.	1,306,100	-	1,143	3,067,870	1,714,470	494,442
Grusamar Ingeniería y Consulting S.L	-	-	-	34,000	-	-
Others	189,268	-	-	-	-	-
TOTAL	1,495,368	246,550	18,089	3,151,870	1,714,470	495,978

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 2009 and 2008 are liquid, past due date and demandable.

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

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 Señalización, Viales e Imagen, S.A.U 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 companies with the same, an analogous or a complementary type of activity as that which constitutes the Company's object. 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 2009 and 2008 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 2009
Managers	Management	66.131

17. Subsequent facts

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

Declaration of Submission of Annual Accounts and Management Report

In compliance with the rules stipulated in the Corporations Act, the Board of Directors of Señalización, Viales e Imagen, S.A.U. lodged the Annual Accounts and the Management Report relating to accounting period 2009, on xx xxxx 2010, which shall be submitted for the approval of the General Shareholders' Board.

Mr. Fernando Bardisa Jordá

Mr. José Luis Gonzalez

Mr. José María Méndez-Vigo
