CONTROL 7 S.A.U.

FINANCIAL STATEMENTS

2013

No. C7 - 0214	Date: 28 March 2014
ACTIVITY:	Audit Report of 2013 Abridged Financial Statements
COMPANY:	CONTROL 7, SAU
ADDRESS:	Polígono Industrial Malpica C/E 59-61 Nave 9 50057 - Zaragoza
COMMISSIONED BY:	The General Meeting
ADDRESSED TO:	The Shareholder
AUDITED DOCUMENTS:	Abridged Financial Statements of year 2013
CARRIED OUT BY AUDITOR:	L.I. Tahoces Escrivá de Romaní No. 22.330 of R.O.A.C Member of the Spanish Institute of Chartered Accountants, which is member of the F.E.E., I.F.A.C. and I.A.S.B.

LAURA I. TAHOCES ESCRIVÁ DE ROMANÍ
Chartered Accountant
No. 22.330 of ROAC
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28009-Madrid

AUDIT REPORT ON ABRIDGED FINANCIAL STATEMENTS

To the shareholder of CONTROL 7, S.A.U

We have audited the Abridged Financial Statements of CONTROL 7 S.A.U. which include the Abridged Balance Sheet as of 31st December 2013, the Abridged Profit and Loss Account, the Abridged Statement of Changes in the Equity and the Abridged Notes of the fiscal year then ended. The Directors of the Company are responsible for preparing the Financial Statements according to the Regulatory Frame of Financial Information applicable to the Company (as indicated in Note 2 of the attached Report) and in particular with the accounting principles therein contained. My responsibility is to express an opinion on said Abridged Financial Statements as a whole, based on the work performed. Except for the facts mentioned in the following paragraph, the work has been conducted in accordance with the rules which regulate the auditing activity in force in Spain, which require the examination by selected tests of the evidence to justify the Financial Statements and the evaluation of whether its presentation, the accounting principles used and the estimates made comply with the Regulatory Frame of Financial Information as applicable.

As indicated in Note 8 of the Report, the Company owns 50% of shares in a company amounting to 90,350 Euro. We could not verify that value, which consequently affects the scope, as they could not provide us with the official Financial Statements of the Company.

IN MY OPINION, except for the effects of those adjustments which could have been considered necessary if we could have verified the above-mentioned, the enclosed Abridged Financial Statements of period 2013 express in all significant aspects a fair view of the Shareholders Equity and financial position of CONTROL 7, S.A.U as of 31st December 2013 as well as the result of the operations and cash flows corresponding to the annual period ended on that date, in accordance with the Regulatory Frame of Financial Information applicable and in particular with the accounting principles therein contained.

Without affecting my auditing opinion, I would like to draw the attention to the information contained in Note 2.4 of the Abridged Notes attached, which describes the reasons causing or dispelling doubts on the principle of going concern.

Madrid, 28th March 2014

Laura I. Tahoces Escrivá de Romaní
Chartered Accountant
ROAC No. 22.330

CONTROL 7, S.A.U.

ABRIDGED BALANCE SHEET AS AT DECEMBER, 31ST 2013

(Euros)

ASSETS	Notes	Year 2013	Year 2012	EQUITY & LIABILITIES	Notes	Year 2013	Year 2012
NON-CURRENT ASSETS		**1.892.690**	**2.269.635**	**EQUITY**	**Note 11**	**1.088.503**	**1.429.830**
Intangible fixed assets	**Note 5**	**677.479**	**135.625**	***OWN FUNDS-***		**1.088.503**	**1.429.830**
Research and Development		677.479	135.273	**Capital**		**550.516**	**550.516**
Computer software		-	352	Subscribed capital		550.516	550.516
Property, plant and equipment	**Note 6**	**788.542**	**1.667.365**	**Reserves**		**879.314**	**528.321**
Land & buildings		343.337	347.564	Legal and statutory		88.331	53.232
Technical installations and other items		51.397	94.899	Other reserves		790.983	475.090
Under construction and advances		393.808	1.224.902	**Profit/(loss) for the year**		**(341.327)**	**350.992**
Non-current investments in group companies and associates		**96.600**	**96.600**				
Equity instruments	**Note 8.1**	90.350	90.350				
Loans to companies		6.250	6.250				
Non-current investments		**1.300**	**17.300**				
Other financial assets		1.300	17.300	**NON-CURRENT LIABILITY**		**160.143**	**207.723**
Deferred tax asset	**Note 14**	**328.770**	**352.746**	**Non-current payables**	**Note 12**	**130.840**	**178.420**
				Other financial liabilities		130.840	178.420
CURRENT ASSETS		**2.857.884**	**2.639.009**	**Deferred tax liability**	**Note 14**	**29.303**	**29.303**
Inventories		**14.603**	**5.710**				
Advances to suppliers		14.603	5.710				
Trade and other receivables	**Note 9**	**834.609**	**764.134**				
Trade receivables		677.111	662.631				
Trade receivables from group companies and associates	**Note 18**	150.952	32.259				
Personnel		6.403	6.687	**CURRENT LIABILITIES**		**3.501.928**	**3.271.091**
Other receivables		-	62.399	**Current payables**	**Note 12**	**55.592**	**95.721**
Current tax assets	**Note 14**	144	157	Debt with financial institutions		-	63.563
Current investments in group companies and associates	**Note 18**	**1.940.154**	**1.800.042**	Other financial liabilities		55.592	32.158
Other financial assets		1.940.154	1.800.042	**Group companies and associates, current**	**Note 18**	**3.263.010**	**2.783.462**
Current investments		**51.845**	**54.100**	**Trade and other payables**	**Note 12**	**183.326**	**391.908**
Other financial assets		51.845	54.100	Suppliers		94.832	307.131
Prepaid expenses		**4.406**	**9.207**	Personnel(salaries payable)		433	349
Cash and cash equivalents		**12.266**	**5.817**	Public entities, other	**Note 14**	73.426	70.063
Treasury		12.266	5.817	Advances from customers		14.634	14.365
TOTAL ASSETS		**4.750.574**	**4.908.644**	**TOTAL EQUITY AND LIABILITIES**		**4.750.574**	**4.908.644**

The Notes 1 to 20 described in the attached Report form an integral part of the balance sheet at 31st December 2013

CONTROL 7, S.A.U.

ABRIDGED INCOME STATEMENT FOR THE PERIOD ENDED DECEMBER 31ST, 2013

(Euros)

	Notes	Year 2013	Year 2012
CONTINUED OPERATIONS			
Turnover	**Note 16**	**1.756.001**	**1.820.391**
Provision of services		1.756.001	1.820.391
Works performed by the company for its assets		**286.423**	**587.232**
Supplies	**Note 16**	**(189.796)**	**(264.008)**
Consumption of raw materials and other consumables		(63.873)	(73.739)
Works carried out by other companies		(125.922)	(190.268)
Personnel expenses	**Note 16**	**(1.241.059)**	**(1.439.259)**
Wages, salaries and similar		(958.168)	(1.113.057)
Social charges		(282.891)	(326.202)
Other exploitation expenses	**Note 16**	**(383.060)**	**(322.877)**
Outside services		(377.051)	(313.681)
Taxes		(5.580)	(8.976)
Losses, impairment and variation of provision for trade operations		(429)	(221)
Amortization of fixed assets	**Note 5 y 6**	**(265.190)**	**(139.237)**
Impairment and gains/(losses) on the disposal of fixed assets		**(369.791)**	-
Profit/(loss) for assets sold		(369.791)	-
Other income/(losses)		**43.780**	**204**
RESULTS FROM OPERATING ACTIVITIES		**(362.691)**	**242.445**
Financial income		**94.448**	**122.417**
- From third parties		94.393	122.417
- From group companies and partners		55	-
Financial expenses		**(149.783)**	**(183.712)**
For debts with third parties		(148.533)	(177.897)
For debt with group companies and partners		(1.250)	(5.815)
NET FINANCIAL GAINS/(LOSSES)		**(55.335)**	**(61.295)**
PROFIT BEFORE TAX		**(418.026)**	**181.150**
Income Tax	**Note 14**	76.699	169.842
PROFIT AFTER TAXES		**(341.327)**	**350.992**
PROFIT FOR THE YEAR		**(341.327)**	**350.992**

Notes 1 to 20 of the attached Notes to the Financial Statements form an integral part of the income statement for 2013

CONTROL 7, S.A.U.

ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST, 2013

A) ABRIDGED STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD ENDED DECEMBER 31ST, 2013

(Euros)

	Notes	Year 2013	Year 2012
RESULT OF THE LOSS AND PROFIT ACCOUNT (I)		**(341.327)**	**350.992**
TOTAL INCOMES AND EXPENSES DIRECTLY CHARGED ON NET EQUITY (II)		-	-
TOTAL TRANSFERS TO LOSS AND PROFIT ACCOUNT (III)		-	-
TOTAL RECOGNIZED INCOMES AND EXPENSES (I+II+III)		**(341.327)**	**350.992**

The Notes 1 to 20 described in the attached Report form an integral part of the statement of recognized incomes and expenses corresponding to year 2013

CONTROL 7, S.A.U.

ABRIDGED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED DECEMBER 31ST, 2013

B) ABRIDGED STATEMENT OF CHANGES IN TOTAL NET WORTH

(Euros)

	Capital	Reserves	Profit of the year	TOTAL
BALANCE AT YEAR END 2011	**550.516**	**29.943**	**498.378**	**1.078.838**
Total recognized incomes and expenses	-	-	350.992	350.992
Application of profit 2011	-	498.378	(498.378)	-
BALANCE AT YEAR END 2012	**550.516**	**528.321**	**350.993**	**1.429.830**
Total recognized incomes and expenses	-	-	(341.327)	(341.327)
Application of profit 2012	-	350.992	(350.992)	-
BALANCE AT YEAR END 2013	**550.516**	**879.313**	**(341.326)**	**1.088.503**

The Notes 1 to 20 described in the attached Report form an integral part of the statement of changes in net equity corresponding to year 2013

Control 7, S.A.U.
Notes for the
year ending
31st December 2013

1. Incorporation and activity

Incorporation

Control 7, S.A.U (hereinafter the Company) was incorporated as public limited company on 19th July 1990; its corporate name has not been modified since the incorporation.

The corporate address of the Company is in Zaragoza; its facilities are located in industrial area Malpica C/E 59-61 Nave 9 – 50057, where the Company carries out the main activity.

Corporate Purpose

During period 2012, and as a consequence of the merger by acquisition, the corporate purpose was changed to the following:

a. Research, development and consulting works in the areas of engineering, construction, environment, food, quality of life, industry in general and related products.

b. Works related to quality system including: project, manufacturing, installation, maintenance, inspection and tests in the areas described in section a).

c. Purchase of building plots and lands for urban development and zoning, real estate construction and their use, lease and sale in blocks or in apartments.

d. Transportation industry directly carried out with the social purposes described in the sections above, on their own and on third party's behalf, on their own or third party's vehicles and even transport vehicles in general.

e. Consulting services and drafting of technical studies and reports concerning public works, building, zoning and planning, industry, mining, agriculture and environment.

f. Analysis, testing and technical control of projects, materials, works and facilities, as well as construction quality control.

g. Drafting of studies, reports and other technical works concerning cartography, geotechnology, ecology, hydrology and environment.

h. Works management for any type of facilities, buildings, infrastructure and any type of properties in general.

The activities included in the corporate purpose may be totally or partially developed by the Company indirectly through the holding of shares or stakes in other companies engaging in identical or analogous activities.

All activities for which special requirements are required by Law and not fulfilled by the Company shall be excluded. If required by Law, any activity subject to the holding of some sort of professional title shall be carried out by a person holding said required title.

The Company is part of Elsamex Group, whose parent company is Elsamex, S.A., with corporate address in calle San Severo, 18, Madrid; this is the company that prepares the consolidated financial statements. The consolidated financial statements of Elsamex Group for period 2013 have been prepared by the Directors in the meeting of the Board of Directors held on 28th March 2014. The consolidated financial statements for period 2012 were approved at the General Shareholders' Meeting of Elsamex, S.A., held on 5th June 2013, and they were deposited in the Companies Registry of Madrid. In turn, Elsamex Group is controlled by an international group whose controlling company is “Infrastructure Leasing & Financial Services Limited (IL&FS)”, with business address in Bombay [Mumbai] (India) Bandra – Kurla Complex.

2. Presentation principles for the financial statements

2.1 Financial Information Framework applicable to the Company

These financial statements have been carried out by the Directors in accordance with the financial information framework applicable to the Company, established in:

a) Code of Commerce and other additional mercantile legislation.

b) General Accounting Plan, approved by Royal Decree 1514/2007, and sector adaptations

c) Mandatory regulations approved by the Institute of Accounting and Accounts Auditing in the development of the General Accounting Plan and complementary rules.

d) Other applicable Spanish accounting regulations.

2.2 True and fair view

The accompanying financial statements, which were prepared from the Company’s accounting records, are presented in accordance with the Spanish General Accounting Plan approved by Royal Decree 1514/2007, which was modified by Royal Decree 1159/2010 and, accordingly, present fairly the Company’s equity, financial position, results and cash flows for the related year. These financial statements, which have been prepared by the Company Directors, will be submitted for the approval of the Sole Shareholder, and are expected to be approved without any amendment. The financial statements for period 2012 were approved in the General Shareholders' Meeting held on 5th June 2013.

2.3 Non-obligatory accounting principles applied

Non-obligatory accounting principles have not been applied. Also, the Directors of the Company prepared these financial statements by taking into account all the obligatory accounting principles and standards with a significant effect thereon. There is not any obligatory accounting principle that has not been applied.

2.4 Critical aspects of measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the Company’s directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. Basically these estimations refer to:

- The useful life of the intangible and tangible assets (see Notes 4.1 and 4.2)

- The evaluation of possible losses by impairment of certain assets (see Notes 4.1, 4.2, 4.4 and 4.5).

- The calculation of supplies (see Note 4.10).

- The calculation of executed works pending invoicing and works certified in advance.

Although these estimates were made on the basis of the best information available at 2013 year-end, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively.

The Company has incurred losses which meant a reduction in shareholders' equity, and there is a negative working capital. These reasons question the capacity of the Company to settle its assets and liabilities for the amounts and according to the classification found on the attached abridged balance sheet, which was prepared assuming that such activity will continue. There are several reasons which contribute to reduce or eliminate any doubts about the capacity of the Company to continue operating as company. These reasons are the financial support of the sole shareholder, as well as the possibility of reducing expenses without decreasing the operating capacity of the Company, as it can be inferred from the budget for year 2014 and the business plan approved by the Company's Directors. Said Business Plan is based on certain ideas and trends of the market, namely: a commercial market expansion plan focused on specific market niches; clients search outside the Group; it includes obtaining enough revenues to reach a positive result in 2014, as well as generating positive cash flows in the same period.

2.5 Comparative information

In accordance with corporate legislation, each entry of the balance sheet, profit and loss account, statement of changes in net equity and statement of cash flows contains the amounts for the previous period along with those for period 2013 for comparative purposes. The notes to the financial statements also include this type of information for the previous period, unless otherwise stated by an accounting standard.

2.6 Grouping of entries

Certain items in the balance sheet, profit and loss statement and statement of changes in net equity are grouped together to facilitate their understanding; however, whenever the amounts involved are significant, the information is broken down in the related notes to the financial statements. There are not any equity items entered in two or more entries.

2.7 Changes in accounting principles

During the accounting period 2013 no changes in accounting principles have arisen with regards to the principles applied in the accounting period 2012.

2.8 Correction of errors

In the preparation of the attached financial statements no significant error has been detected that might involve the recalculation of the amounts included in the financial statements of the accounting period 2012.

3. Distribution of profits

The proposal for the application of the results of the period prepared by the Company’s Directors, to be submitted for the approval of the General Shareholders’ Meeting, is the following:

	Euros
Distribution basis:	
Profit and loss (Losses)	(341,327)
	(341,327)
Distribution:	
To negative results from previous periods	(341,327)
	(341,327)

4. Accounting standards and measurement bases

The principal accounting standards and measurement bases used by the Company in the preparation of their financial statements, in accordance with those set out by the General Accounting Plan, were the following:

4.1 Intangible 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.

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

a) Research and development expenditure:

With respect to the research and development expenditure, these are capitalized when they fulfil the following conditions:

- They are specifically itemised by project and the related costs can be clearly identified.

- There are sound reasons to foresee the technical success and economic and commercial profitability of the related projects.

The assets thus generated are amortized linearly over their years of 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 recognized directly in the profit and loss account for the period.

b) Industrial property:

Under this account the amounts paid for the acquisition of title to or the right to use the related items, or for the expenses incurred in registration of the rights developed by the Company are recognised.

c) Computer software:

The Company enters in this account the costs incurred in the acquisition and development of computer programs. The maintenance cost for the IT applications is entered in the profit and loss account for the period in which they are incurred. Computer software is amortized by applying the linear method over a term between 3 and 5 years.

4.2 Property, plant and equipment.

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.

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

The Company amortizes property, plant and equipment following the linear method, applying annual amortization percentages calculated depending on the estimated years of useful life of the respective assets, in accordance with the following detail:

	Percentage
Construction	2-7
Machinery	15
Other installations, tools and furniture	10-15
Computer equipment	25
Transport items	15

The expenses for conservation and maintenance of property, plant and equipment elements 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 to expanding the useful life of said assets are registered as a higher cost.

4.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. The rest of leases are classified as operating leases.

When the Company is the lessee – Finance lease

In finance leases in which the Company acts as the lessee, the cost of the leased assets is presented in the balance sheet, based on the nature of the leased asset, and, simultaneously, a liability is recognised for the same amount. This amount will be the lower of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, including the price of the purchase option, when it is reasonably certain that it will be exercised. The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to 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. Contingent rent is recognised as an expense for the period in which it is incurred.

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of property, plant and equipment that are owned.

When the Company is the lessee – Operating lease

Expenditure arising from operating lease agreements is charged on the profit and loss statement in the year in which they accrue.

Any collection or payment that might be made when arranging an operating lease will be treated as a prepaid lease collection or payment which will be allocated to profit or loss over the lease term in accordance with the time pattern in which the benefits of the leased asset are provided or received.

4.4 Financial Instruments

4.4.1 Financial assets

Classification –

Financial assets of the Company are classified in 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) Held-to-maturity investments: debt securities, with fixed maturity and determinable payments, quoted in an active market, on which the Company states their will and capacity to keep them until maturity.

Initial recognition-

The financial assets are entered initially at the fair 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 measurement –

Loans, items receivable and investments maintained until maturity are valued by their amortized cost.

At least at the close of each period the Company tests financial assets not measured at fair value through profit or loss for impairment. Objective evidence of impairment is considered to exist when the recoverable amount of the financial asset is lower than its carrying amount. When it occurs, this impairment is entered in the profit and loss account.

The Company derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

However, the Company does not derecognise financial assets, and recognises a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained.

4.4.2 Financial liabilities

Financial liabilities include accounts payable by the Company that have arisen from the purchase of goods or services in the normal course of the business and those which, not having commercial substance cannot be classed as derivative financial instruments.

Accounts payable are initially recognised at the fair value of the consideration received, adjusted by the directly attributable transaction costs. These liabilities are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.4.3 Equity instruments

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

Capital instruments issued by the Company are entered in the net equity for the amount received, net of issuing costs.

4.5 Stock

This section recognises prepaid advances to suppliers for pending services.

4.6 Corporate tax

Tax expense (tax on profits) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

The current tax expense is the amount payable by the Company as a result of tax on profits settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, as well as tax loss carryforwards from prior years effectively offset in the current year, reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, as well as the negative tax bases pending compensation and the credits for tax credit not fiscally applied. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of other assets and liabilities in a transaction that is not a business combination and affects neither accounting profit nor taxable profit, and except for those associated with investments in subsidiaries, associates and joint ventures in which the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets, on the other hand, are only recognised to the extent that it is considered probable that the Company will have sufficient taxable profits in the future against which it will be possible to recover them.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised directly in 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 as long as its recovery is likely with future tax profits.

By decision of the General Shareholder's Meeting on December 26th 2011, it was chosen to tax in the Corporate Tax through the tax consolidation regime in accordance with Chapter VII of Title VII of the Corporate Tax Act since October 1st 2007; the parent Company Elsamex S.A. is responsible for filing and paying the Corporate Tax of the tax group. For this reason, at the end of the financial year the payable or receivable balances for the Corporate Tax are included classified in deposit accounts with companies of the group at short term.

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 pollution.

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

4.8 Revenue and expenditure

Revenue and expenses are recognised on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Revenue is measured at the fair value of the consideration received, net of discounts and taxes, incorporated interests or similar items.

In order to adjust revenues in the period in which they are accrued, the Company adopts the principle of provisioning those projects in progress at the close of the period, in accordance with their level of advancement, notwithstanding the date of issue of the invoice.

The estimations used in calculating the level of advancement include the effect that the margin of certain liquidations under process might have, and that the Company estimates at the moment as reasonably achievable.

The account "Clients by works or services pending certification or invoice", included in the heading "Clients by sales and provision of services" of the asset of the balance sheet, represents the difference between the amount of the contract work executed, including the adjustment to registered margin by applying the level of advancement, and that certified until the date of the balance sheet.

If the amount of the production at origin of a work is below the amount of the certifications issued, the difference is contained in heading "Advances Clients" of liabilities in the balance sheet.

4.9 Joint ventures (Joint business)

The Company's financial statements include the effect of the proportional integration of the Joint Ventures in which it participates.

The temporary joint ventures (UTE's) have been incorporated under each heading of the balance sheet, the profit and loss account and the statement of cash flows, through the method of proportional consolidation, according to the percentage of participation of the Company.

The main figures that the Joint Ventures contribute to the balance sheet and to the profit and loss account for the accounting periods ending 31 December 2013 and 2012 are presented in Note 8.2.

4.10 Provisions and contingencies

In preparing the financial statements, the Company Directors differentiate between:

a) Provisions: credit balances covering present obligations arising from past events, whose cancellation will probably cause an outflow of resources, although they are uncertain in their amount and/or timing of cancellation.

b) Contingent liabilities: possible obligations arising as a consequence of past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events, not wholly within the Company's control and which are not reasonably calculable.

The financial statements include all the provisions regarding which it is considered that the probability of having to meet the obligation is very high. Contingent liabilities are not included in the financial statements, but the information about them can be found in the report notes, provided they are not considered as very unlikely.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences; adjustments made to provisions are recognised as a financial cost on an accrual basis.

The compensation to be received from a third party on settlement of the obligation is recognised as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalised as a result of which the Company is not liable. In this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognised.

4.11 Termination Benefits

Under current legislation, the Company is required to pay termination benefits to employees terminated under certain conditions. Therefore, termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken. The accompanying financial statements do not include any provision in this connection, since no situations of this nature are expected to arise.

4.12 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, related parties are:

a) Companies which are considered to be a company of the group, associate or multi-group, in accordance with article 42 of the Commercial Code.

b) Natural persons who, directly or indirectly, hold 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. Close relatives of these natural persons are also included.

c) The key staff of the Company or of its dominant entity, understood as the natural persons with authority and responsibility over the planning, management and control of the Company's activities, either directly or indirectly, including the administrators and executive managers. Close relatives of these natural persons are also included.

d) Companies over which any of the persons mentioned in b) and c) above can exercise a significant influence.

e) Companies that share any director or manager with the Company; except in case this person does not have any significant influence in the financial and management policies of the Company.

f) Persons who are considered as close relatives of the Company administration's agent, if this person is a legal person.

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. These include:

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 persons with an analogous relationship;

The Company carries out all its operations with entities linked to market values. In addition, transfer prices are adequately supported so that the Company Directors consider that there are not any 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 transfer prices applied in the transactions between linked entities.

5. Intangible assets

The movements occurring under this heading of the balance sheet during periods 2013 and 2012, as well as the most significant information affecting this section are as follows:

Financial Year 2013:

	Euros			
	31-12-2012	Additions	Transfers	31-12-13
Cost:				
Research	279,875	-	747,726	1,027,601
Computer software	7,142	-	-	7,142
	287,017	-	747,726	1,034,743
Accumulated Amortization:				
Research	(144,602)	(205,520)	-	(350,122)
Computer software	(6,790)	(352)	-	(7,142)
	(151,392)	(205,872)	-	(357,264)
Net value	**135,625**	**(205,872)**	**747,726**	**677,479**

Financial Year 2012:

	Euros		
	31-12-2011	Additions	31-12-2012
Cost:			
Research	279,875	-	279,875
Computer software	7,142	-	7,142
	287,017	-	287,017
Accumulated Amortization:			
Research	(88,627)	(55,975)	(144,602)
Computer software	(6,188)	(603)	(6,790)
	(94,815)	(56,578)	(151,392)
Net value	**192,202**	**(56,578)**	**135,625**

Transfers registered in the heading "Research" correspond to the capitalization in May 2013 of the project "Development of new fibre-reinforced bituminous mixes", amounting to 747,726 Euros, which was still in progress at the close of year 2012 and classified in the heading "Plant, property and equipment in progress and advances" of the balance sheet (See Note 6).

At the close of accounting period 2013 and 2012, the Company had intangible assets that were completely amortized and which continued in use for a value of 7,142 Euros and 4,731 Euros respectively.

During 2013, one of the ongoing projects of the Company, "New fibre-reinforced bituminous mixes", is carried out in partnership with another company of Group Elsamex.

6. Property, plant and equipment

The movements occurring under this heading of the balance sheet during periods 2013 and 2012, as well as the most significant information affecting this section are as follows:

Financial Year 2013

	Euros				
Euros	31-12-2012	Additions	Transfers	Write-offs	31-12-13
Cost:					
Lands	61,578	-	-	-	61,578
Buildings	380,474	-	-	-	380,474
Technical Installations-Machinery	466,483	7,032	-	-	473,515
Other installations - Furniture	257,076	2,058	-	-	259,134
Equipment for information processing	42,814	2,500	-	-	45,314
Transport items	59,117	-	-	-	59,117
Fixed assets in progress and advances	1,224,902	286,423	(747,726)	(369,791)	393,808
	2,492,444	298,013	(747,726)	(369,791)	1,672,940
Accumulated Amortization:					
Construction	(94,489)	(4,226)	-	-	(98,715)
Technical Installations-Machinery	(421,439)	(31,745)	-	-	(453,184)
Other installations - Furniture	(210,493)	(19,610)	-	-	(230,103)
Equipment for information processing	(41,516)	(1,762)	-	-	(43,278)
Transport items	(57,142)	(1,976)	-	-	(59,118)
	(825,079)	(59,319)	-	-	(884,398)
Net value	**1,667,365**	**238,694**	**(747,726)**	**(369,791)**	**788,542**

Financial Year 2012

Euros	Euros		
	31-12-11	Additions	31-12-12
Cost:			
Lands	61,578	-	61,578
Construction	380,474	-	380,474
Technical Installations-Machinery	457,311	9,172	466,483
Other installations - Furniture	257,076	-	257,076
Equipment for information processing	42,535	279	42,814
Transport items	59,117		59,117
Plant, property and equipment in progress	637,670	587,232	1,224,902
	1,895,761	596,683	2,492,444
Accumulated Amortization:			
Construction	(90,262)	(4,226)	(94,489)
Technical Installations-Machinery	(370,343)	(51,096)	(421,439)
Other installations - Furniture	(189,658)	(20,835)	(210,493)
Equipment for information processing	(40,941)	(575)	(41,516)
Transport items	(51,215)	(5,927)	(57,142)
	(742,419)	(82,659)	(825,079)
Net value	**1,153,342**	**514,024**	**1,667,365**

The Company takes out insurance policies to cover the possible risks to which its property, plant and equipment elements are subject. The Company Administrators consider that the coverage of these risks on 31 December 2013 and 2012 is the appropriate.

At the close of periods 2013 and 2012 the Company had elements of property, plant and equipment completely amortized which were still in use for a value of 578,895 Euros and 307,720 Euros respectively.

In 2013, Plant, property and equipment in progress amounted to 393,808 Euros, corresponding to the project "Ashes from sewage treatment plants sludge in road pavements". The execution of this project is 2 years (Jan-2012 - Dec-2013). This projects aims to use waste from sewage treatment plants sludge and to study its addition to the asphalt mix; it will be capitalized in 2014.

7. Leasing

Operating leases

At the close of accounting periods 2013 and 2012 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:

	Nominal value	
	2013	2012
Less than one year	45,029	45,608
Total	**45,029**	**45,608**

In their capacity of lessor, the most significant operating leasing contracts that the Company has at the close of period 2013 are the following:

- Lease of a warehouse in Tarazona. The lease contract started on 1st March 2010, with a duration until 28th February 2011. Since then, it has been renewed annually, up to a maximum of 10 annuities. With regard to the contingent rent, the contract is referenced to annual increases as a function of the CPI.

- Nevertheless, most of the accrued expenditure under this heading corresponds to the rental of vehicles and machinery for the contracts.

8. Group, multi-group and associated companies

8.1 Equity instruments

Financial Year 2013

				Euros			
					Equity		
Investee	Address	Activity	% Partici pation	Amount	Capital Company	Reserves	Profit/ (Loss)
Geotecnia y Control de Qualitat	C/ Begurdá nª 15, bloque B, nave 11, Polígono Industrial Can Bernadés- Subirá, 08130 Santa Perpetua de Mogola, Barcelona	Laboratory	50%	90,350	200,000	(8,023)	(13,503)
				90,350			

Financial Year 2012

				Euros			
					Equity		
Investee	Address	Activity	% Partici pation	Amount	Capital Company	Reserves	Profit/ (Loss)
Geotecnia y Control de Qualitat	C/ Begurdá nª 15, bloque B, nave 11, Polígono Industrial Can Bernadés- Subirá, 08130 Santa Perpetua de Mogola, Barcelona	Laboratory	50%	90,350	200,000	(20,148)	(15,279)
				90,350			

8.2 Joint ventures

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

Name of Temporary Union of Company:	Percentage participation	Euros Sales
UTE Cap 1	50%	5,921
UTE Ceip 1	50%	11,937
UTE Control 7-Geoplanning	50%	-
		17,858

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 2013 and 2012 are:

Concepts	Euros	
	2013	2012
Total Assets	**12,610**	**12,990**
Non-current assets	(2,500)	-
Current assets	15,110	12,990
Net amount turnover	**17,138**	**14,174**
Services rendered	17,858	15,784
Consolidation eliminations	(720)	(1,610)

9. Short-term financial assets

The breakdown of the Company's financial assets is the following at the close of the accounting period 2013:

Credits and entries receivable

The detail of the balance sheet at 31st December 2013 and 2012 is as follows:

	Euros	
	2013	2012
Customers by sales and provision of services:		
Customers	677,111	662,631
Delinquent Customers	193,892	193,892
Provision for bad debts	(193,892)	(193,892)
	677,111	662,631
Customers, Group businesses current accounts (Note 18):	2,091,106	1,832,301
Sundry debtors	-	62,399
Personnel:	6,403	6,687
Short-term financial investments	51,845	54,100
Total	**2,826,465**	**2,618,118**

10. Information on the nature 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 shown in its balance, as well as on short-term financial investments which are detailed in Note 9.

c) Market risk:

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 has a policy of investing in financial assets which are almost not exposed to interest rate risks; financial assets are chosen for the solidity of their financial worth and the issuing institutions.

11. Own funds

11.1 Share capital

The Company's share capital is represented by 9,160 registered shares of 60.10 Euros nominal value each, fully subscribed and paid in. All shares have the same political and economic rights.

The shareholder of the Company as of 31st December is as follows:

	% Participation
CIESM-Intevía, S.A.U	100%
Total	**100%**

The shares are not quoted on the Stock Exchange.

11.2 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. Such reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for that purpose.

11.3 Voluntary reserves

These are unrestricted reserves.

Any distribution of profits is not allowed unless the amount of the reserves available is at least the same as the amount of the research and development expenses entered in the assets of the Balance sheet.

12. Financial liabilities

The Company's financial liabilities are detailed as follows at closure of periods 2013 and 2012:

Debit and items payable

A description of this section of the current balance sheet at 31st December 2013 and 2012 is provided below:

	Euros	
	2013	**2012**
Long-term financial liabilities:		
Other financial liabilities	154,630	178,420
Total non-current financial liabilities	**154,630**	**178,420**
Short-term financial liabilities:		
Short-term debts:		
Debts with credit institutions	-	63,563
Other financial liabilities	31,802	32,158
	31,802	95,721
Debts with group companies (Note 16):	3,263,010	2,783,462
Trade creditors and other accounts payable:		
Suppliers	94,832	307,131
Personnel	433	349
Advances Clients	14,634	14,365
	109,899	321,845
Total current financial liabilities	**3,404,711**	**3,201,028**

13. Payments to suppliers

Below, the information required by the Additional third disposition of Law 15/2010 of 5 July is detailed.

	Payments made and pending payment at the close date of the Balance Sheet			
	2013		2012	
	Euros	%	Euros	%
Within the maximum legal term	226,530	50	211,812	63
Rest	230,892	50	125,009	37
Total payments of the year	**457,422**	**100**	**336,821**	**100**
PMPE (days) of payments	63	-	50	-
Postponements that at closing date exceed the maximum legal term	36,219	-	109,815	-

Data contained in the chart above on payments to suppliers refer to those which, by nature, are commercial creditors by debts with suppliers of goods and services, so they include data related to the item "Suppliers" of the current liabilities of the balance sheet.

The excess pondered average term (PMPE) of payments has been calculated as the quotient formed in the numerator by adding the products of each payment to suppliers made in the period with a deferment above the legal term of payment and the number of days of deferment which exceeds the term, and in the denominator the total amount of payments made in the period with a deferment above the legal term of payment.

14. Public Administrations and fiscal situation

The composition of this section of the attached balance sheet at 31st December 2013 and 2012 is as follows:

	Euros			
	2013		2012	
	Balances Debtors	Balances Creditors	Balances Debtors	Balances Creditors
Deferred tax assets	328,770	-	352,746	-
Deferred tax liabilities	-	29,303	-	29,303
Long-term balances with Public Administrations	**328,770**	**29,303**	**352,746**	**29,303**
Public Treasury, debtor for VAT, IGIC, IPSI	144	-	157	-
Public Treasury, creditor Joint Ventures	-	50	-	-
Public Treasury, withholdings Income Tax (IRPF)	-	43,503	-	40,187
Social Security institutions payable	-	29,873	-	29,876
Short-term balances with Public Administrations	**144**	**73,426**	**157**	**70,063**

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the four-year statute-of-limitations period has expired. At close of period 2013 the Company has not any ongoing inspection. The Directors consider that the above-mentioned tax obligations have been adequately settled. Therefore, in the event of a fiscal inspection and considering there were any disagreements in the usual prevailing interpretation because of the fiscal treatment granted to operations, future resulting liabilities, if any, would not significantly affect these abridged financial statements.

Value Added Taxes

By decision of the Sole Shareholder's Meeting on 26th December 2011, it was chosen to tax in the Value Added Tax through the tax consolidation regime in accordance with Chapter IX of Title IX of the Value Added Tax Act since 1st January 2008; the parent Company, Elsamex S.A., is responsible for filing and paying the Value Added Tax of the tax group. For this reason, at the end of the period the payable or receivable balances for the Value Added Tax are included classified in current accounts with group companies.

Tax on Profits

By decision of the Sole Shareholder on 26th December 2011, it was chosen to tax in the Corporate Tax through the tax consolidation regime in accordance with Chapter VII of Title VII of the Corporate Tax Act since 1st October 2007; the parent Company, Elsamex, S.A., is responsible for filing and paying the Corporate Tax of the tax group. For this reason, at the end of the financial year the payable or receivable balances for the Corporate Tax are included classified in current accounts with group companies.

Deferred tax assets

The movement in the account for Assets for deferred tax on profits during period 2013 is as follows:

	Euros			
	Balance at 31-12-2012	Increase	Decrease	Balance at 31-12-2013
Assets for deferred tax on Profits	352,746	23,867	(47,843)	328,770

Increases produced this year are due to deferred assets generated as a consequence of the limit on amortization applied as expense of the period.

Decrease during this year is caused by the update on tax credit for R+D+i expenses.

In accordance with current legislation, fiscal losses of a period may be offset, for tax purposes, against the profits of tax periods that end in the immediate 18 following 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.

Deferred tax liabilities

There have not been any movements in the balance of the entry "Liabilities for deferred tax on Profits" during period 2013.

Financial Year 2013

	Euros		
	Balance at 31-12-2012	Additions	Balance at 31-12-13
Fiscal treatment for leasing contracts	29,303	-	29,303
	29,303	**-**	**29,303**

Financial Year 2012

	Euros		
	Balance at 31-12-2011	Additions	Balance at 31-12-2012
Fiscal treatment for leasing contracts	26,154	3,149	29,303
	26,154	**3,149**	**29,303**

Temporary differences originating in the year 2008 arise as a result of the different consideration, for accounting and tax purposes, of the expenditure recorded by the Company during the period of technical amortization of the properties and rights of use from financial leases, by application of Royal Decree 4/2004 of 5 March, of Corporate Tax.

15. Contingent Liabilities

At 31st December 2013 and 2012, the Company has been granted several guarantees demanded in order to contract with Public Entities for an amount of 51,161 and 30,745 Euros, respectively.

16. Revenue and expenditure

a) Net amount of the turnover

The distribution of net turnover for periods 2013 and 2012, by business categories. The geographical market is the Spanish territory. The distribution is as follows:

	Euros	
Division	2013	2012
Services to third parties	1,756,001	1,820,391
	1,756,001	**1,820,391**

b) Purchases

The breakdown of this section of the profit and loss account for the accounting period ending on 31th December 2013 and 2012 is as follows:

	Euros	
	2013	2012
Purchase of other materials	63,873	73,739
Works carried out by other companies	125,922	190,269
	189,795	**264,008**

The detail, by origin, of the purchases made by the Company in 2013 and 2012 is as follows:

	2013		2012	
	Nationals	Intra-Community	Nationals	Intra-Community
Purchases	59,209	4,664	70,319	3,420

c) Personnel expenditure

The breakdown of the "Personnel expenditure" entry in the profit and loss account at 31st December 2013 and 2012 is as follows:

	Euros	
	2013	2012
Wages, salaries and similar expenses	958,168	1,113,057
Employer social security costs	282,891	326,202
Total	**1,241,059**	**1,439,259**

The average number of persons employed during accounting periods 2013 and 2012, broken down into categories, is as follows:

Categories	2013	2012
Executive Managers	0	1
Technical personnel and middle management	36	25
Administration personnel	2	2
Unqualified personnel	5	12
Total	**43**	**40**

In accordance with the requirements of Art. 260, 8th of the Corporate Law, distribution by gender is shown for the end of the period for the Company's personnel, broken down by category for the accounting periods 2013 and 2012:

	2013		2012	
Categories	Men	Women	Men	Women
Senior Management	-	-	1	-
Technical personnel and middle management	15	21	10	15
Administration personnel	1	1	1	1
Unqualified personnel	4	1	7	5
Total	**20**	**23**	**19**	**21**

d) Other operating expenses

The detail for this section of the attached profit and loss account for accounting periods 2013 and 2012 is as follows:

	Euros	
	2013	2012
Leases and royalties	45,029	44,878
Repairs and maintenance	16,995	17,227
Independent professional services	42,775	18,948
Insurance premiums	13,474	10,329
Bank services and other similar	4,448	6,452
Supplies	16,857	14,629
Other services	237,473	201,217
Other taxes	5,580	8,976
Losses, impairment and change in allowances	429	221
	383,060	**322,877**

Fees for auditing services rendered in period 2012 paid this year amounted to 12,000 Euro. The fees for auditing services in period 2013 will be paid in period 2014 and recorded in the Notes of that year.

During periods 2013 and 2012, the fees for account auditing services and other services provided by the auditor of the Company until March 2013, Mr. Bernardo Tahoces, have been as follows:

Description	**2013**	**2012**
Auditing Services	6,000	12,000
Total professional services	**6,000**	**6,000**

During 2013, the fees for account auditing services and other services provided by the auditor of the Company since March 2013, Ms. Laura Tahoces, have been as follows:

Description	**2013**
Auditing Services	6,196
Total professional services	**6,196**

17. Environmental aspects

In view of the main business activities carried out by the Company, it does not have any significant responsibilities, expenses, assets or provisions or contingencies of an environmental nature in relation to the equity, financial situation and results. For this reason, the specific details are not included in these notes, and also there is not a greenhouse gas emission allowance assigned or acquired.

The Company's Directors consider that there are not any 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 2013 and 2012 in the financial statements.

18. Operations with related parties

The detail of the balances and transactions made during accounting periods 2013 and 2012 between the Company and Elsamex Group companies is as follows:

	Euros						
	Accounts receivable		Accounts payable	Income	Expenditure	Interests Group	
2013	For services rendered	Credits	Loans	Services provided	Services received	Expenditure	Income
CIESM-Intevia, S.A.U.	-	1,026,331	-	59,463	50,616	-	48,641
CGI-8, S.A.	2,791	-	-	1,527	-	-	-
Señalización, Viales e Imagen, S.A.	-	334,712	-	-	-	-	16,864
Elsamex S.A.	-	-	2,856,519	-	140,422	128,052	-
Elsamex Internacional, S.A.	-	352,943	-	-	-	-	17,492
Grusamar Ingeniería y Consulting, S.L.	113,257	226,168	-	93,600	-	-	11,396
Geotecnia y control de Qualitat S.L.	34,904	-	-	14,385	-	-	-
Atenea Seguridad y Medio Ambiente, S.A.	-	-	406,491	-	-	20,481	-
TOTAL	**150,952**	**1,940,154**	**3,263,010**	**168,975**	**191,038**	**148,533**	**94,393**

2012	Euros						
	Accounts receivable		Accounts payable	Income	Expenditure	Interests Group	
	For services rendered	Credits	Loans	Services provided	Services received	Expenditure	Income
CIESM-Intevia, S.A.U.	-	943,971	-	25,133	41,193	-	69,339
CGI-8, S.A.	1,025	-	-	2,160	-	-	-
Señalización, Viales e Imagen, S.A.	-	317,847	-	-	-	-	24,446
Elsamex S.A.	-	-	2,397,452	124,137	300,733	152,548	-
Elsamex Internacional, S.A.	-	323,451	-	-	-	-	17,297
Grusamar Ingeniería y Consulting, S.L.	-	214,773	-	62,561	-	-	11,335
Geotecnia y control de Qualitat S.L.	30,805	-	-	12,298	-	-	-
Centro de Investigación de Carreteras de Andalucía	429	-	-	223	-	-	-
Atenea Seguridad y Medio Ambiente, S.A.	-	-	386,010	-	-	25,349	-
TOTAL	**32,259**	**1,800,042**	**2,783,462**	**226,512**	**341,926**	**177,897**	**122,417**

The Company has included in its accounts throughout period 2013 the amount of 166,500 EUR and in 2012 the amount of 138,159 EUR for structure expenses allocated by the parent company.

18.2 Remuneration to the Board of Directors and Senior Management

During periods 2013 and 2012, no amount has been incurred for allowances or remunerations of any kind in favour of the Company's Directors. Also, there is not any kind of loan advance, life insurance, pension plan or benefit for any other concept.

There is no senior management in the Company. The managers of the Group, Elsamex, carry out the management of this Company. Elsamex, S.A. invoiced to the Company in period 2013 a total amount of 105,721 Euro for direction and administration services (85,486 Euro in period 2012).

18.3 Detail of shares in companies with similar activities and performance of the Administrative Body of similar activities on their own or another's behalf

Pursuant to Article 229.2 and 3 of the Spanish Corporate Law, in order to reinforce corporate transparency, it is informed that at the close of accounting periods 2013 and 2012 the members of the Board of Directors of Control 7, S.A.U. have not held shares in companies with the same, analogous or complementary type of activity of the corporate purpose of the company. Similarly, no activities have been carried out or are being carried out, on their own or another's behalf, with the same, analogous or complementary type of activity of the Company's corporate purpose, except for those activities which the company may carry out in other Group companies.

19. Segment information

The Company considers that the best segmental information which represents the different business areas is the following:

	Geotechnical Studies	Works Quality Control	Technical Advisory	Testing
Sales	241,346	34,380	779,606	700,669
EBITDA	11,642	-14,346	-31,446	-63,351
Depreciation	-47,049	-4,834	-100,646	-112,663
EBIT	-35,407	-19,180	-132,092	-176,014

20. Subsequent Events

After the close of the period, and until the date of preparation of these financial statements, no significant subsequent events have occurred that should be mentioned.

Control 7, S.A.U.

Management Report for the financial year ending on 31-12-13

During year 2013 Control 7 has increased the number of customers, reaching a sales amount of 1,732,048 Euros.

Control 7 carries out its activities in four production centres with two fixed-installation laboratories/offices, located in Zaragoza and Tarazona (Zaragoza) and two audit centres for process quality control in C/ San Juan de la Peña (Zaragoza) and in El Burgo de Ebro (Zaragoza), developing three business areas:

Geotechnology, Testing and Control Laboratory in civil engineering and construction	40%
Laboratory and Inspection Body approved by ENAC in environment	20%
Quality Control Audit for Production Processes in the paper industry	40%

As for civil works and construction, activities have continued in quality control of large infrastructures, such as Autovía del Nordeste for the concessionaire (ARAVIA), Autopista Vasco Aragonesa (AVASA) and Autopistas de Navarra S.A., as well as newly-constructed roads and highways in several sections of highway A-21 run by the Ministry of Public Works, in addition to other roads of the Government of Aragón and Zaragoza Provincial Council; the Company has participated both in collaboration with national and local construction companies and in technical assistance to the management of civil works and construction. Also, the technical assistance and work control services have been renewed with the conservation area of the State Road Demarcation in Aragón of the Ministry of Public Works. In the construction area, it is worth remarking the contract with Ferrovial Agroman S.A. for the control of the Graduate School Building of the Universidad Europea de Madrid. Plots T1B+T1C, Paraje "El Juncal" in Alcobendas (Madrid).

The work of the quality control business area depends on the activity of the sector in civil works and construction; despite the significant decrease during 2013, new services have been contracted in order to compensate for those works which have ended. This way, the general decreasing trend of the sector has been compensated.

Testing laboratories for construction have been maintained both in the central offices in Zaragoza and in the delegation of Tarazona. The scope of the laboratories has been expanded with new trials and tests.

The Company has maintained its status as Collaborating Company of the Water Institute of Aragon for wastewater, with registration number REC/12, and with private companies requiring these services, increasing the number of customers in this area thanks to the commercial activity carried out.

During the first half of 2013, services for the public contract with the Water Institute of Aragón were continued, for control of the water purification plants. Lot A Area: Huesca. At the end of said contract, in July 2013, the Company was awarded again the tender for said area, with a duration from 1st August 2013 to 31st July 2015, and extension to 31st July 2017, if the normal procedure is followed. This has caused a significant increase in the volume of work in the area of environmental laboratory, as well as the consolidation in relations with the Water Institute of Aragón.

The Company has also maintained the status as Collaborating Company with the Hydraulic Administration in the area of wastewater. In addition, the classification has been extended to provide services as Inspection Entity in environment issues. Thanks to this, the Company has been awarded contracts with the River Authorities, in particular several contracts and tenders awarded by the Ebro River Authorities, in cooperation with the Area of Water Quality and its laboratory, as well as contracts for the installation of piezometers for the control networks of the Ebro River Authorities in the Ebro Basin.

Contracts with public companies like SIRASA (agriculture) and SEIASA del Nordeste (agriculture) have been awarded, as well as several contracts in environment regarding the control of wastewater. In the area of geotechnology, several geotechnical studies, legal expert reports for Municipalities and private individuals, soundings and environmental studies for landfills, new EDAR projects, landfills, dams, roads and especially construction have been carried out. The geotechnical area has suffered many ups and downs in its activity throughout the year, mainly due to the deceleration of the construction sector, to which it is directly linked. For this reason, the Company has worked in new fields of activity, such as soundings and environmental works for oil companies and collaborators for studies of tracking and remediation of soils and water resources.

During 2013, the auditing service contract for paper quality was renewed with company SAICA, for the laboratory of production of machines MP-6-7 in the factory of San Juan de la Peña in Zaragoza and of machines MP-8-9-10, in the factory of El Burgo de Ebro (Zaragoza), with two laboratory managers and 14 analysts. Service conditions are similar to previous years, and the service is expected to continue in the future.

The Company has been awarded new contracts with SAICA PAPER for external quality audits both in Zaragoza and in the new factories in Manchester (UK) and Venizel (France).

The Company has maintained the totality of laboratory accreditations; the objective is to expand the scope of the ENAC accreditation in Waters pursuant to the UNE-EN-ISO 17025. For this purpose, the audit of ENAC was successfully passed at the end of 2013.

Likewise, the audit of ENAC has been successfully passed in order to renew the certification of Inspection Entity pursuant to ISO-EN-UNE 17020 on water and wastewater environment. An intense commercial work has been developed in this area in order to obtain new customers and contracts.

There has been a great achievement in the new accreditation of the ENAC as testing laboratory according to UNE-EN 17025 in the area of Solid Recovered Fuel, pending resolution at the beginning of next year. In this case, Control 7 would be the first Spanish company to obtain said accreditation in the scopes requested.

The Company has maintained the renewal of the Environmental Management System pursuant to UNE-EN-ISO 14001, successfully passing the external annual audit.

During the year the Company has carried out R+D+i projects in areas related to the activities of our company.

The activity of the new laboratory for Quality Control Testing, Geotecnia i Control de Qualitat S.A , located in Santa Perpetua de Mogoda (Barcelona), has continued. The regional scope of activities of this laboratory is in Catalonia.

The Company is still Vice-President of the Association of Authorized Laboratories of Aragón (ALARA) and President of the Association of Collaborating Companies of the Hydraulic Administration of Aragón (ASENCA), developing contacts with several autonomic and local Administrations at a level of Counsellors of the DGA, General and Technical Managers. The aforementioned suggests that in 2014 the results of the present year will be considerably improved, despite the existing economic crisis.

At the date of preparation of this Management Report, there have not been any significant subsequent facts which may affect the Financial Statements for year 2,013; during this year there have not been any purchase or sale of shares of the Company.

Procedure for Preparation of Financial Statements

In compliance with the provisions established in the Corporations Act, the Board of Directors of Control 7, S.A.U. prepared on 28th March 2014 the financial statements for accounting period 2013, which shall be submitted for the approval of the General Shareholders' Meeting.

Mr. Aurelio Ruiz Rubio	Mr. Fernando Bardisa Jordá	Mr. Harish Chandra Mathur
Mr. Mallikarjun Baswanappa Bajulge	Mr.Suresh Chand Mittal	