

CORSÁN-CORVIAM CONSTRUCCIÓN, S.A.

Audit report, Annual Accounts
and Directors' Report at 31 December 2010



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

AUDIT REPORT ON THE ANNUAL ACCOUNTS

To the shareholders of Corsán-Corviam Construcción, S.A.:

1. We have audited the annual accounts of Corsán-Corviam Construcción, S.A. consisting of the balance sheet at 31 December 2010, the income statement, the statement of changes in equity, the cash flow statement and related notes for the year then ended. The Company's Directors are responsible for the preparation of these annual accounts in accordance with the financial reporting framework applicable to the entity (as identified in Note 3 a) to the accompanying annual accounts), and in particular, with the accounting principles and criteria included therein. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on the work performed in accordance with legislation governing the audit practice in Spain, which requires the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of whether their overall presentation, the accounting principles and criteria applied and the estimates made are in accordance with the applicable financial reporting framework.
2. In our opinion, the accompanying annual accounts for 2010 present fairly, in all material respects, the financial position of Corsán-Corviam Construcción, S.A. at 31 December 2010 and the results of its operations and cash flows for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.
3. The accompanying Directors' Report for 2010 contains the explanations which the directors consider appropriate regarding the company's situation, the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the Directors' Report is in agreement with that of the annual accounts for 2010. Our work as auditors is limited to checking the Directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the company's accounting records.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by
Fernando Chamosa
Partner

7 April 2011

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CORSÁN CORVIAM CONSTRUCCIÓN, S.A.

Annual Accounts at 31 December 2010
and Directors' Report for 2010

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CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
BALANCE SHEET AT 31 DECEMBER 2010 AND 2009
(Expressed in Thousand euro)

ASSETS	Note	2010	2009
NON-CURRENT ASSETS		124.128	103.468
Intangible assets	5	1.583	1.877
Property, plant and equipment	6	28.868	38.525
Long-term investments in group, multigroup and associated companies	8	31.180	20.529
Equity instruments		31.180	20.529
Long-term financial investments		54.639	40.585
Equity instruments		4	4
Long term accounts receivable	9 y 10	54.635	40.581
Deferred tax assets	18	7.858	1.952
CURRENT ASSETS		1.303.063	1.153.012
Inventories	11	125.399	80.203
Trade debtors and other receivables		726.218	566.788
Receivables for sales and services rendered	10	640.633	493.652
Receivables, group companies and associates	10 y 27	10.588	6.824
Sundry receivables	10	35.493	33.726
Loans to employees	10	358	253
Other receivables from Public Administrations	10	37.683	30.876
Guarantees and Deposits	9 y 10	1.463	1.457
Short-term investments in group, multigroup and associated companies	10 y 27	313.582	366.443
Loans to companies		313.582	366.443
Short-term accruals		4.426	1.352
Cash and cash equivalent	12	133.438	138.226
TOTAL ASSETS		1.427.191	1.256.480

Note 1 to 29 of the Notes form an integral part of these annual accounts.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
BALANCE SHEET AT 31 DECEMBER 2010 AND 2009
(Expressed in Thousand euro)

EQUITY AND LIABILITIES	Note	2010	2009
EQUITY		96.521	103.093
Equity		96.043	102.532
Share capital	13	17.937	17.937
Share Premium	13	65.867	65.867
Reserves	14	3.609	(3.084)
Profit/(loss) for the year	15	32.652	31.951
Interim dividend	15	(24.021)	(10.139)
Adjustments due to changes in value		477	561
NON-CURRENT LIABILITIES		77.996	53.296
Long-term provisions	17	26.476	12.267
Other provisions		26.476	12.267
Long-term payables	16	44.540	34.095
Borrowings		44.540	34.095
Deferred tax liabilities	18	6.980	6.934
CURRENT LIABILITIES		1.252.674	1.100.091
Short-term provisions	17	30.012	28.003
Short-term payables	16	99.077	29.089
Borrowings		99.077	29.089
Short-term loans in group, multigroup and associated companies	16 y 27	26.379	3.881
Trade and other payables		1.097.206	1.039.118
Suppliers	16	788.167	790.072
Trade payables, group companies and associated companies	16 y 27	1.324	4.926
Sundry payable	16	153.374	136.498
Loans to employees	16	6.382	7.424
Other payables to Public Administration	16	62.680	39.651
Advanced payments from customers	16	85.279	60.547
TOTAL LIABILITIES AND EQUITY		1.427.191	1.256.480

Note 1 to 29 of the Notes form an integral part of these annual accounts.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
INCOME STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
 (Expressed in Thousand euro)

CONTINUING OPERATIONS	Note	2010	2009
Revenue		1.055.523	1.131.575
Sales	19	1.055.523	1.131.575
Changes in inventories of finished products and work in progress		(1.162)	3.573
Work performed by the company for its assets		(118)	2.151
Raw materials and consumables		(685.614)	(754.038)
Consumption of goods purchased for resale	19	(162.124)	(216.773)
Consumption of raw materials and other consumable materials	19	27.699	(1.213)
Subcontracted work		(551.189)	(536.052)
Other operating revenue		59.159	18.396
Accessory and other income		59.159	18.396
Personnel costs	19	(121.535)	(121.795)
Wages, salaries and similar remuneration		(97.435)	(97.503)
Staff welfare expenses		(24.100)	(24.292)
Other operating costs		(234.029)	(220.050)
External services		(204.146)	(192.020)
Taxes		(19.878)	(24.401)
Losses, impairment and changes in provisions for commercial transactions		(9.458)	(2.988)
Other expenses		(547)	(641)
Fixed asset depreciation	5 y 6	(10.563)	(8.989)
Impairment and profit/losses on disposal of fixed asset	19	107	(20)
Profit/losses on fixed asset disposals and others		107	(20)
OPERATING RESULTS		61.768	50.803
Financial income	21	18.928	11.625
Financial expenses	21	(17.082)	(11.636)
Net exchange rate differences	21	(2.243)	862
Impairment and losses on disposal of financial instruments	21	(18.527)	(6.729)
FINANCIAL INCOME/EXPENSE		(18.924)	(5.878)
PROFIT BEFORE INCOME TAX		42.844	44.925
Corporate income tax	20	(10.192)	(12.974)
PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		32.652	31.951
PROFIT/(LOSS) FOR THE YEAR		32.652	31.951

Note 1 to 29 of the Notes form an integral part of these annual accounts.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
**STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED
 31 DECEMBER 2010 AND 2009**
 (Expressed in Thousand euro)

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES

	<u>Note</u>	<u>2010</u>	<u>2009</u>
Profit/ loss for the year	15	32.652	31.951
Income and expense attributed directly to equity		(84)	(369)
Adjustments due to foreign currency translation differences		<u>(84)</u>	<u>(369)</u>
		<u>32.568</u>	<u>31.582</u>
TOTAL RECOGNIZED INCOME AND EXPENSE		<u>32.568</u>	<u>31.582</u>

Note 1 to 29 of the Notes form an integral part of these annual accounts.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
 (Expressed in Thousand euro)

B) TOTAL STATEMENT OF CHANGES IN EQUITY

2010	Authorized capital (Note 13)	Share premium (Note 13)	Reserves (Note 14)	Profit/ loss of prior years (Note 15)	Profit/ loss of 2010r (Note 15)	Interim dividend (Note 15)	Adjustments due to changes in value	Total
Balance Sheet at 31.12.09	17.937	65.867	(3.084)	-	31.951	(10.139)	561	103.093
Adjusted Balance Sheet at 2010	17.937	65.867	(3.084)	-	31.951	(10.139)	561	103.093
Total recognized income and expenses	-	-	-	-	32.652	-	(84)	32.568
Operations with partners or shareholders	-	-	-	(25.258)	-	(13.882)	-	(39.140)
- Distribution of 2009 dividends (Note 14)	-	-	-	(25.258)	-	10.139	-	(15.119)
- Interim dividend distribution (Note 14)	-	-	-	-	-	(24.021)	-	(24.021)
Other variations on equity	-	-	6.693	25.258	(31.951)	-	-	-
-Reclassification of the prior year profit/ lossr	-	-	-	31.951	(31.951)	-	-	-
-Distribution of reserves	-	-	6.693	(6.693)	-	-	-	-
Balance Sheet at 31.12.10	17.937	65.867	3.609	-	32.652	(24.021)	477	96.521

Note 1 to 29 of the Notes form an integral part of these annual accounts.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
 (Expressed in Thousand euro)

2009	Authorized capital (Note 13)	Share premium (Note 13)	Reserves (Note 14)	Profit/ loss of prior years (Note 15)	Profit/ loss of 2010r (Note 15)	Interim dividend (Note 15)	Adjustments due to changes in value	Total
Balance Sheet at 31.12.08	17.937	65.867	3.916	-	25.186	(10.139)	930	103.697
Adjusted Balance Sheet at 2010	17.937	65.867	3.916	-	25.186	(10.139)	930	103.697
Total recognized income and expenses	-	-	-	-	31.951	-	(369)	31.582
Operations with partners or shareholders	-	-	(6.771)	(25.186)	-	-	-	(31.957)
- Distribution of 2009 dividends (Note 14)	-	-	-	(25.186)	-	10.139	-	(15.047)
- Interim dividend distribution (Note 14)	-	-	-	-	-	(10.139)	-	(10.139)
- Spin-off (Note 2)	-	-	(6.771)	-	-	-	-	(6.771)
Other variations on equity	-	-	(229)	25.186	(25.186)	-	-	(229)
-Reclassification of the prior year profit/ loss	-	-	-	25.186	(25.186)	-	-	-
- Distribution of reserves	-	-	(229)	-	-	-	-	-
Balance Sheet at 31.12.2009	17.937	65.867	(3.084)	-	31.951	(10.139)	561	103.093

Note 1 to 29 of the Notes form an integral part of these annual accounts.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2010 AND 2009
 (Expressed in Thousand euro)

	<u>Note</u>	<u>2010</u>	<u>2009</u>
Cash flows from operating activities			
Earnings before interest taxes	20	42.844	44.925
Adjustments:			
- Fixed assets depreciation		10.563	8.989
- Provision changes		9.458	2.988
- Profit/ loss on write-offs and disposals of fixed assets	19	(107)	20
- Financial income	21	(18.928)	(11.625)
- Financial expense	21	17.082	11.636
- Net exchange rate differences	21	2.243	(862)
- Changes in fair value of financial instruments	21	18.527	6.729
Changes in working capital:			
- Inventories		(31.156)	(12.555)
- Debtors and other receivables		(135.465)	77.822
- Other current assets		(3.074)	(199.408)
- Creditors and other payables		48.391	139.977
- Other current liabilities		2.009	-
- Other non-current assets and liabilities		155	4.078
Other cash flows from operating activities			
- Payment of interest	21	(14.799)	(11.636)
- Collection of dividends	21	-	862
- Collection of interests	21	11.183	11.625
- Other payments (collections)	21	-	(5)
Cash flows from operating activities		<u>(41.074)</u>	<u>73.560</u>
Cash flows from investing activities			
Outflows on investments:			
- Group companies and associates	8	(11.736)	(46.370)
- Intangible assets	5	(334)	(327)
- Property, plant and equipment	6 y 19	(1.153)	(9.769)
- Other financial assets		-	(18.198)
Inflows from disinvestments:			
- Group companies and associates	8	13.721	-
- Intangible assets	5	131	-
- Property, plant and equipment	6	851	1.165
Cash flows from investing activities		<u>1.480</u>	<u>(73.499)</u>
Cash flows from financing activities			
Collections and payments on equity instruments		-	-
Collections and payments financial liabilities instruments			
Issue:			
- Borrowings		57.533	57.720
- Borrowings with the Group and associated companies		10.327	3.881
Refund and Amortization:			
- Borrowings		(29.089)	(10.901)
- Borrowings with the Group and associated companies		(3.881)	(1.825)
Dividends' payable and remuneration of other equity instruments	14 y 15	<u>(84)</u>	<u>(369)</u>
Cash flow of financial activities		<u>34.806</u>	<u>48.506</u>
Effect of exchange rate fluctuations		-	-
Net increase/decrease in cash and cash equivalents		<u>(4.788)</u>	<u>48.567</u>
Cash and cash equivalents at beginning of the year	12	138.226	89.659
Cash or cash equivalents at the end of the year	12	<u>133.438</u>	<u>138.226</u>

Note 1 to 29 of the Notes form an integral part of these annual accounts.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.**NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010**

(Expressed in Thousand euro)

1. General information

Corsán Corviam Construcción, S.A. (hereinafter, the Company) was incorporated as Construcción y Gestión de Servicios, S.A.U. in Madrid on 14 July 1989 before the Notary Mr. Antonio Crespo Monerri which number protocol is 2.498 and holds tax identification number A-79222709. On 16 October 2002 the Company changed to its current name. Company's headquarters are registered at Caballero Andante 8 Street, 28021 Madrid, Spain.

Corsán Corviam Construcción, S.A. operates in Spain and abroad. The Company's social object is described on its bylaws and its main activities consist of contracting, management and execution, both directly and indirectly, of all classes of civil works and construction for public and private as well as the manufacturing of equipment and materials to use in construction, promotion, management and execution of all classes of real estate business, the ownership of all types of concessions, the rendering of sanitary services to public entities, information, maintenance and repair, cleaning and hygiene services. The above-mentioned activities may be carried out in Spain as well as abroad.

The Company is integrated in Grupo Isolux Corsán, whose parent company is Grupo Isolux Corsán, S.A. Company's registered office is at Caballero Andante 8 Street, 28021 Madrid, Spain. The parent company is the one drawing up consolidated financial statements. The Group's Consolidated Annual Accounts have been drawn up by the Board of Directors at 28 March 2011 and they are expected to be approved and deposited in the Madrid Mercantile Registry without material changes.

2. Spin-off of parking concession activity

At 29 June 2009 the Shareholders' General Meeting approved the parcial spin-off of Corsán Corviam Construcción, S.A. and Isolux Corsán Inmobiliaria, S.A. in favor of Hixam Gestión de Aparcamientos II, S.L.U., by which the split companies transferred those assets and liabilities that conform parking concession industry to Hixam Gestión de Aparcamientos II, S.L.U.. This company acquired all the rights and obligations associated to the segregated elements.

In compliance with act 96 of Rewrite Text of Income Tax Law, approved by Royal Legislative Decree 4/2004 of 5 March, it is stated to shelter the partial spin-off of Corsán Corviam Construcción, S.A. and Isolux Corsán Inmobiliaria, S.A. in favor of Hixam Gestión de Aparcamientos II, S.L.U. under the special tax regime provided by Chapter VIII of Title VII of Rewrite Text of Income Tax Law.

The spin-off took place through the segregation of the following assets and liabilities:

The Company transferred partial assets and liabilities and legal relations of its balance sheet that conformed the activity of parking concessions:

1. Parking Concession

All the assets and liabilities and legal relations related to Arca Real Parking Concession.

All the assets and liabilities and legal relations concerning Portugalete Parking Concession.

2. Shares:

- 1.528.729 one-euro nominal value shares in Aparcamientos IC Ruiz de Alda, S.A. which represent 20% of its share capital.

- 18 shares with a 100 euro nominal value in Aparcamientos Los Bandos Salamanca, S.L., representing 33% of its share capital.

- 463.774 one-euro nominal value shares in Aparcamientos Isolux Corsán Madrid, S.L. which represent 20% of its share capital.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.

NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

3. Joint Venture shareholding:

- 30% shareholding in Aparcamiento de los Bandos Joint Venture.

For accounting purposes, all the operations concerning the assets and liabilities transferred by the split company are considered as realized from 1 January 2009.

The following balances sheets show those assets and liabilities integrating the segregated activity that have been transferred to Hixam Gestión de Aparcamientos II, S.L.U.:

	2008 Annual Accounts	2009 Spin-off Balance Sheet
TOTAL ASSETS	1.063.376	10.327
TOTAL EQUITY AND LIABILITIES	(1.063.376)	(3.556)
NAT VALUE OF THE SPIN OFF ASSETS AND LIABILITIES	-	6.771

3. Basis of presentation and Financial Risk Management

a) True and fair view and accounting policies

The annual accounts have been prepared on the basis of the Company's accounting records and are presented in accordance with prevailing commercial legislation and the provisions of the Chart of Accounts approved by Royal Decree 1514/2007 and its subsequent Royal Decree 1159/2010 modifications, (hereinafter the 2007 Spanish GAAP), so as to present a true and fair view of the Company's equity, financial situation, income statement and accurately cash flow in the cash flow statement.

The annual accounts include the effect of proportional consolidation of joint ventures in which the Company participated in 2010, based on the percentage shareholding held. Relevant amounts are indicated in the corresponding notes of these annual accounts when significant. Information on percentage shareholding, turnover and results is detailed in Note 24.

These annual accounts have been drawn up by the Company's Board of Directors on 28 March 2011. They will be submitted for the approval of General Shareholders' meeting and the Company expects to have the annual accounts approved without any change.

b) Critical aspects of the measurement and estimation of uncertainty.

The preparation of the financial statements requires the use by the Company of certain estimates and judgements in relation to the future that are constantly assessed and are based on historical experience and other factors, including expectations of future events considered as reasonable under the circumstances.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Revenue recognition

Revenue recognition criteria applied by the Company regarding construction activities is based on the percentage method according to the extent of completion. This method is established by the adaptation of the 2007 Spanish GAAP for construction companies, the so-called "labor valued relationship" which is the valuation of the units of work performed at the rates set by the contract. In the mentioned areas the Company's past history confirms that its estimates are adequate and reasonable.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.**NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010**

(Expressed in Thousand euro)

Useful life of property, plant and equipment and intangible assets

Company management determines the estimated useful lives and related depreciation/amortization charges for its plant, machinery and equipment and its intangible assets. This estimate is based on the period over which the assets will generate financial benefits. At each closing the Company reviews the useful lives of assets and if the estimates differ from those made previously the effect of the change is recorded on a prospective basis as from the year in which the change is made.

Income tax and deferred tax assets

The income tax calculation requires interpretations of the fiscal regulation applied to the Company.

Several factors exist, tied mainly and not exclusively to changes in fiscal laws and interpretations of the current Spanish fiscal laws. These factors require been estimated by the Company management.

When the income tax at the end of the year results different from the originally recognized amounts, the differences will have effect on the income tax and the provisions for deferred taxes in the year in which such a determination is realized. In this sense, there are no relevant issues subject to estimates that could have a significant impact on the Company's position.

The Company management values the recoverability of the deferred tax assets, based on the future fiscal estimations, analyzing if they are sufficient over the years in which the deferred taxes are deductible. Deferred tax assets are entered in the books when it is possible to recover them on the future. The registration and the recoverability of deferred tax assets are valued when they are generated and subsequently in each year ended balance sheet, according to the expected result's development in the business plan of the Company. The Company considers that the deferred tax assets would be recoverable; however the estimations can change over the future due to future changes in the fiscal legislation, or due to the effect of transactions in the fiscal balance.

Even though the estimations were calculated at the end of the year by the Company management with the best available information, applying its best estimations and knowledge of the market, it can be possible that future temporary events must make the Company to modify them on the previous years.

Receivables and financial assets

The Company makes estimations relating to financial assets and trade receivables impairment.

Fair value of non-stock financial instruments

The Company determines fair value of the financial instruments (assets and liabilities) that are not negotiated on an active market with estimations based on selecting methods and hypotheses related mainly to market existing conditions on the date of each balance sheet.

Provisions

Provisions are recognized when it is probable that a present obligation, resulting from past events, will require the application of resources and when the amount of the obligation may be reliably estimated. To comply with the requirements of accounting rules significant estimates are necessary. Company's management makes estimates of the probability of contingencies occurrence and the amount of liabilities to be settled in the future, by assessing all the information and relevant facts.

Inventories

The inventories which refer to buildings in construction and other buildings are valued in base of its direct execution costs and other type of costs related to the project. If the net realizable value cost is lower, the Company will realize its impairment loss. The Company estimates the net realizable value cost using the forecasted sale price of the market, minus the variable costs that can be applicable to the sale. Generally it is considered through the independent taxation of an expert.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.**NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010**

(Expressed in Thousand euro)

Warranty claims

The Company generally offers 24 or 36 month warranties on its works and services. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. As in the case of revenue recognition, the Company's past history demonstrates that its estimates in this area are adequate.

c) Information's comparability

The annual accounts have been prepared in accordance with the structure set by the rewrite text of Spanish Companies' Act (Real Decreto 1564/1989 of 22 December) and 2007 Spanish GAAP (R.A. 1514/1989 of 16 November).

According to the transitory regulation of the Royal Decree 1159/2010, and taking into account that its changes do not affect the Company, its implementation does neither affect the comparability nor the uniformity of the current accounts.

At the same time, changes in the shareholders' equity statement, corresponding to the year 2009 has been modified according to the consultation number 6 of the BOICAC 80, issued by the ICAC; assuming that these changes in the movement's presentation did not make any difference in the final balance.

d) Going concern

These annual accounts have been prepared on a going concern basis, which foresees that the Company will realize its assets and fulfill its commitments during the normal course of its business.

e) Consolidated Annual Accounts

Although the Company is the parent of a group of companies as defined by Royal Decree 1159/2010 (17 September), and therefore it is subject to the obligation of preparing consolidated annual accounts, the Board of Directors has chosen to apply the provisions of Article 9 of the rules governing the preparation of annual accounts and will file the consolidated annual accounts for "Grupo Isolux Corsán, S.A.", its parent company.

f) Groupings of items

For clarity, the items presented in the balance sheet, income statement, statement of changes in equity and cash flow statement are grouped together and, where necessary, a breakdown is included in the relevant notes to the accounts.

g) Non-mandatory accounting principles

The Company does not apply any accounting principles other than those required by current legislation.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.**NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010**

(Expressed in Thousand euro)

h) Financial risk

The Company manages its main financial risks through the Treasury Department of the Group to which it pertains, which identifies, evaluates and hedges against financial risks in accordance with the policies approved by the Board of Directors. The overall risk management program focuses on uncertainty in financial markets and seeks to minimize the potential adverse impact on its financial profitability. The Board provides policies for overall risk management and written policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, use of derivatives and non-derivatives and excess liquidity investment.

Foreign exchange risk:

The Company operates internationally, mainly across its branches in Mexico and Algeria; therefore, it is exposed to foreign exchange risk from currency exposures, particularly, in relation to the Mexican Pesos and the Algerian Dinar. Currency risk derives from future transactions, recognized assets and liabilities and net investments in foreign operations.

At the year end, the Mexican branch "Corsán Corviam Construcción, S.A." contracts are mostly billing in Mexican Pesos, consequently, the Mexican branch is exposed to exchange risk. Furthermore, the Company does not use any derivative financial instruments to hedge these risk exposures.

The Company supports Societies with functional currency different from Euro investments. At 31 December 2010 these investments amount to 29.981 thousand euro and mainly correspond to the shareholding in Isolux de México S.A. de C.V. (14.017 thousand euro), Soma-Isolux NH One Tollway Private Limited (8.660 thousand euro) and Isolux Projecto e Instalações LTDA (7.180 thousand euro), which functional currencies are Mexican Peso, Indian Rupee and Brazilian real, respectively.

On 31 December 2009 the total investments amount to 15.206 thousand euro and mainly corresponded to the shareholding in Isolux Corsán Construcción S.A. of C.V. (5.611 thousand euro) and Soma-Isolux NH One Tollway Private Limited (8.660 thousand euro), which functional currencies are Mexican Peso and Indian Rupee, respectively.

At the year ended, the company does not have any financial derivative instrument to mitigate the exchange rate risk.

Price risk

The Company does not have any significant risk associated neither to shares' prices nor to raw material ones, since it does not hold significant investments and inventories' value changes are generally reflected through sales prices. According to Board policies, price risk is reduced and mitigated by speeding up or slowing down the allocations and by selecting the currency and country of origin, as well as by assuring a fixed production and acquisition price for certain raw materials.

Credit risk

Credit risk management is performed considering the following financial assets association:

Credit risk management is realized by the Company Group considering the following group of financial assets:

- Balances for different Concepts including both in Cash and cash equivalents and other financial assets related to short-term bank deposits (Note 12).
- Loans and receivables (Note 10).

Operations with financial entities categorized as both cash and cash equivalents and short-term bank deposits are signed up with high rating financial entities. In case of investments in bonds and Government bills they are also referred to high credit rating administrations.

Regarding "Trade debtors and receivables balances" from private sector, a significant portion of them refers to companies with high credit rating for which there is no default history. A follow-up is made periodically over the whole receivables position, as well as an individual analysis of the most significant exposures.

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Exposure to interest rate changes:

Interest rate risk is mainly related to long-term bank loans, most of which are related to real estate stocks received as payment that the Company estimates will be done in the short-term.

Variable interest rate bank loans make the Company to be exposed to cash flow interest rate risk. Much of bank loans are issued at variable rates and take Euribor as the main reference.

At the year end, exposure to variable interest rate risk is as follows:

	Thousand Euro	
	Euribor referenced	
	2010	2009
Bank loans	143.617	63.184
Cash and cash equivalents accruing interests	(111.856)	(111.157)
Net position	31.761	(47.973)
Proportion hedge by financial derivatives	0%	0%

The Company analyzes its exposure to interest rate risk dynamically. A simulation of several scenarios is made, taking into account the refinancing, renewal of current positions, alternative financing and the existence of investments accruing variable interest (in this sense, very short-term allocations bearing interest are considered as exposed to variable interest rate). Based on these scenarios, the Company calculates the effect on the outcome of a particular variation in interest rate. According to the simulations, the impact over after-tax outcome of a 100 basis points increase/decrease of reference interest rate (Euribor) will mean a 57 thousand euro increase/decrease over the gross outcome (2009: 336 thousand euro), mainly as a consequence of a lower/greater interest cost on variable interest loans; equity would have changed in the same way.

Exposure to liquidity risk

There is a cash pooling arrangement at the group level and the Company makes contributions or receives liquidity from the group in accordance with the circumstances and needs at hand.

Liquidity management at the level of the group to which the Company pertains is based on:

1. - Detailed management of working capital, seeking timely compliance with payment commitments by customers.
2. - Monetization of financial assets, to the extent that it is viable to do so under reasonable market conditions using factoring programs and the discounting of future debt claims.
3. - Launch of an integrated cache system with the objective of optimizing daily liquidity positions existing at the various companies.

At 31 December 2010 the Company records financial net receivables with the Group which amounts to 287 thousand euro (2009: 364 thousand euro, approximately). See Note 27.

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4. Accounting policies

4.1 Intangible assets

a) Concessions

Concessions treatment will be described in Note 4.17.

b) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring them to use the specific software. These costs are amortized over the assets' estimated useful lives, up to a maximum of 4 years.

The costs relating to the maintenance of computer programs are recognized as an expense when incurred. Costs directly related to the production of identifiable and unique computer programs controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

4.2 Property, plant and equipment

Property, plant and equipment is registered at acquisition price or production cost less accumulated depreciation and accumulated impairment losses recognized.

Own work capitalized is calculated by adding to the acquisition price of consumable materials used the direct or indirect costs attributable to the assets.

Costs incurred to extend, modernise or improve property, plant and equipment are only recorded as an increase in the value of the asset when the capacity, productivity or useful life of the asset is extended and it is possible to ascertain or estimate the carrying amount of the assets that have been replaced in inventories.

The cost of major repairs is capitalized and depreciated over the estimated useful life of the asset, while recurring maintenance costs are charged to the income statement in the year in which they are incurred.

Depreciation of property, plant and equipment, with the exception of land, which is not depreciated, is calculated systematically using the straight-line method over the assets' estimated useful lives based on the actual decline in value brought about by operation, use and possession. The rates applied by the Company are as follows:

	Rates
Buildings	1%-3%
Machinery and tooling	5%-20%
Furnishings	10%-17%
Other fixed assets	10%-33%

The residual values and useful lives of assets are reviewed and adjusted, if necessary, at each balance sheet date.

When an asset's carrying amount exceeds its estimated recoverable amount, the carrying amount is written down immediately to the recoverable amount.

Gains and losses on the disposal of property, plant and equipment are calculated by comparing the sale revenue with the carrying amount and are recognised in the income statement.

Additions and disposals related to property, plant and equipment are recorded as writing off the cost element and its accumulated depreciation.

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4.3 Interest costs

Interest costs directly attributable to the acquisition or construction of fixed assets that require more than one year before they may be brought into use are included in the cost of the assets until they are ready for use.

4.4 Financial assets

a) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in "Loans to companies" and "Trade and other receivables" in the balance sheet.

Financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortized cost. Accrued interest is recognized at the effective interest rate, which is the discount rate that brings the instrument's carrying amount into line with all estimated cash flows to maturity. Trade receivables falling due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

At the year end, at least, the necessary value adjustments are made to account for impairment when there is objective evidence that all receivables will not be collected.

The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate prevailing at the date of initial recognition. Value adjustments, and reversals, where applicable, are recognized in the income statement.

Financial Investments are written off when the rights to receive investments cash flows have expired or have been transferred and the Group has transferred all risks and advantages related to its ownership.

b) Investments held-to-maturity: Held-to-maturity financial assets are debt securities with fixed or determinable payments and fixed maturity, that are traded on an active market and that Company management has the positive intention and ability to hold to maturity. If the Company disposes of a significant amount of the held-to-maturity assets, the entire category would be reclassified as available-for-sale. These financial assets are included under non-current assets, except for those that mature within 12 months as from the balance sheet date, in which case they are classified as current assets.

The measurement criteria applied to these investments are the same as for loans and receivables.

c) Financial assets held for trading and other financial assets through profit or loss: All those assets held for trading, purchased for sale in the short term or that form part of an instrument portfolio, identified and managed jointly to obtain short-term gains, are considered financial assets at fair value through profit or loss together with the financial assets designated by the Company upon initial recognition for inclusion in this category for the purposes of a fairer presentation. Derivatives are also classified as held for trading provided that they do not relate to a financial guarantee contract and have not been designated as a hedge.

These financial assets are measured at both initial recognition and subsequent measurement at fair value and any changes in that value are reflected in the income statement. Transaction costs directly attributable to the acquisition are recognized in the income statement for the year.

Derivatives are also classified as held for trading provided that they do not relate to a financial guarantee contract and have not been designated as a hedge.

d) Investments in the equity of group, multigroup and associated companies: They are stated at cost less, where appropriate, accumulated value adjustments for impairment. Nonetheless, when there is an investment prior to its classification as a group company, jointly-controlled entity or associate, its carrying value prior to that classification is regarded as the investment cost. Previous value adjustments accounted for directly in equity are held under this heading until they are written off.

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If there is objective evidence that the carrying value is not recoverable, the relevant value adjustments are reflected for the difference between the carrying value and recoverable amount, understood as the higher of fair value less costs to sell and the present value of cash flows from the investment. Unless better evidence is available of the recoverable amount, when estimating the impairment of these investments, the investee's equity is taken into account, adjusted for any latent capital gains existing at the measurement date. The value adjustment and, if appropriate, its reversal, are reflected in the income statement for the year in which they arise.

e) Available-for-sale financial assets: This category includes debt securities and equity instruments that are not classified in any of the above categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

They are measured at fair value and any changes are recorded in equity until the asset is disposed of or is impaired, at which time accumulated gains and losses are taken to the income statement provided that such fair value can be determined. Otherwise, they are reflected at cost less impairment.

In the case of available-for-sale financial assets, value adjustments are made if there is objective evidence of impairment as a result of a reduction or delay in estimated future cash flows in the case of debt instruments acquired or owing to the non-recoverability of the asset's carrying value in the case of investments in equity instruments. The value adjustment is the difference between cost or amortized cost less, if appropriate, any value adjustment previously recognized in the income statement and fair value at the time of measurement. For equity instruments measured at cost because fair value cannot be determined, the value adjustment is determined in the same way as investments in the equity of group companies, jointly-controlled entities and associates.

If there is objective evidence of impairment, the Company records the cumulative loss from equity and recognizes it in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

The fair values of listed investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, references to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of observable market data and relying as little as possible on the Company's subjective considerations.

Financial assets are written off when all the risks and rewards attaching to ownership of the asset are substantially transferred. In the specific case of the accounts receivable, it is generally understood that this fact occurred if the insolvency and default risks have been transferred.

4.5 Inventories

a) Raw materials and finished products: are stated at the lower between their acquisition or production cost or their net realizable value. When the net realizable value of inventories is below cost, the necessary value adjustments are made and an expense is recorded in the income statement. If the circumstances that caused the value adjustment cease to exist, the adjustment is reversed and income is recognized in the income statement.

b) Start-up expenses, projects and installations: are stated at their acquisition or production cost. Their attribution to the cost of work takes place based on the extensive completion.

c) Buildings under construction and other buildings. These items are measured based on the direct execution costs, including finance costs generated during the construction of the various developments, as well as the structural costs that may be attributed to these projects. They are classified as short cycle or long cycle based on whether or not the period remaining for completion exceeds 12 months.

Financial expenses related to buildings are activated following the characteristics described in Note 4.3.

Land linked to future developments is stated at acquisition cost.

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Assets received in foreclosure are stated at the lower of the receivable relating to the asset received or the market price.

Obsolete, defective and slow-moving products are stated at estimated realizable value.

4.6 Equity

Share capital consists of ordinary shares.

The costs of issuing new shares or options are recognised directly in equity as a reduction in reserves.

In the event that the Company's acquires treasury shares, the price paid, including any directly attributable incremental cost, is deducted from equity until the treasury shares are redeemed, reissued or sold. When treasury shares are subsequently sold or reissued, any amount received is taken to equity net of directly attributable incremental costs.

4.7 Financial liabilitiesCreditors and payables

This includes trade and non-trade payables. These borrowings are classed as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months as from the balance sheet date.

Payables are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method. The effective interest rate is the discount rate that brings the instrument's carrying amount into line with the expected future flow of payments to the maturity date of the liability.

Nevertheless, trade payables falling due in less than one year without a contractual interest rate are carried at their face value at both initial recognition and subsequent measurement, provided that the effect of not discounting flows is not significant.

In the event of the renegotiation of existing debts, the financial liability is not deemed to change significantly when the lender of the new loan is the same as the initial lender and the present value of cash flows, including net fees, is not more than 10% higher or lower than the present value of cash flows payable on the original liability, calculated using the same method.

4.8 Current and deferred taxes

Income tax expense (income) is that amount of income tax that accrues during the period. It includes both current and deferred tax expense (income).

Both current and deferred tax expense (income) is recognized in the income statement. However, the tax effect of items recorded directly in equity is recognized in equity.

Current tax assets and liabilities are carried at the amounts that are expected to be payable to or recoverable from the tax authorities, in accordance with prevailing legislation or regulations that have been approved and are pending publication at the year end.

Deferred income tax is calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, if the deferred tax arises from the initial recognition of a liability or an asset on a transaction other than a business combination that at the time of the transaction has no effect on reported or taxable results, they are not recognized. The deferred tax is determined applying tax regulations and rates approved or about to be approved at the balance sheet date and which are expected to be applied when the corresponding deferred tax asset is realized or deferred tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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Deferred taxes on temporary differences arising on investments in subsidiaries, associates and joint ventures are recognized, except where the Company is able to control the reversal date of the temporary differences and such differences are unlikely to reverse in a foreseeable future.

4.9 Employee benefitsTermination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes these benefits when it has demonstrably undertaken to terminate current employees' employment in accordance with a formal detailed plan that cannot be withdrawn, or to provide severance indemnities as a result of an offer made to encourage voluntary redundancy. Benefits that will not be paid within 12 months of the balance sheet date are discounted to their present value.

4.10 Provisions and contingent liabilities

Provisions for legal claims are recognized when the Company has a present legal or constructive obligation as a result of past events, an outflow of funds will probably be necessary to settle the obligation, and the amount may be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are carried at the present value of forecast payments that are expected to be required to settle the obligation, using a rate before taxes that reflects the current market assessment of the time value of money and the specific risks of the obligation. Adjustments made to update the provision are recognised in finance costs as they accrue.

Provisions maturing in one year or less the financial effect of which is immaterial are not discounted.

Where a part of the outflow necessary to settle the obligation is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset, provided collection is virtually assured.

A contingent liability is a potential obligation arising from past events, the materialization of which is dependent on the occurrence or non-occurrence of one or more future events beyond the Company's control. These contingent liabilities are not recorded in the accounts but are described, if appropriate, in notes presenting the financial statements (Note 22).

4.11 Business combinations**a) Jointly-controlled operations and assets**

The Company recognizes the proportional part attributable to it of jointly-controlled assets and jointly-incurred liabilities on the basis of the percentage interest held and the assets used in the joint operation that are under control and the liabilities incurred as a result of the joint venture.

Similarly, the Company recognizes in the income statement the part that pertains to it of the revenues generated and expenses incurred by the joint venture. The expenses incurred in relation to the interest held in the joint venture are also reflected.

Unrealized gains/ losses on reciprocal transactions and the reciprocal amounts of assets, liabilities, revenues, expenses and cash flows are removed in proportion to the interest held.

b) Jointly-controlled companies

Interests in a jointly controlled company are recorded in the manner provided for investments in group companies, jointly-controlled entities and associates (Note 4.4).

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4.12 Revenue recognition

Revenue comprises the fair value of the consideration receivable and represents amounts receivable for goods delivered and services rendered in the ordinary course of the Company's activities, net of returns, rebates, discounts and value added tax (VAT).

The Company recognizes revenue when the amount may be reliably estimated, it is likely that the future economic benefits will flow to the Company and the specific conditions are fulfilled for each activity, as described below. A reliable calculation of the amount of revenue is not deemed possible until all sale-related contingencies have been resolved. The Company's estimates are based on historical results, taking into account customer type, transaction type and specific terms.

Rendering of services: Construction Activity

The Company follows the policy of recognizing profits obtained on construction contracts, within the general completion percentage policy established by the adaptation of the 2007 Spanish GAAP to Construction Companies (the so-called "labor valued relationship"), which consists of placing a value on the units of construction executed using the prices established in the relevant contract.

This method may be applied due to the fact that all of the contracts include a list of all construction units that must be executed for completion, the measurement of each of these construction units as well as their price.

On a monthly basis, all completed construction units at each project are measured and stated based on the contract price. The total value of the work carried out is recognized as income from the time the project starts, and is also called executed work at source or production at source. The difference in the value obtained from the monthly appraisal mentioned above is production for the month, which is recorded in the accounts as income for that period.

The costs incurred on the execution of work are attributed to projects on an accrual basis and expenses include those actually incurred on the execution of the completed construction units, as well as any that may be incurred in the future and charged to already complete construction units.

A budget is prepared for each construction contract and for each construction unit, which is analyzed and revised periodically. This constitutes a fundamental element of management that allows each construction unit to be monitored in detail and to identify where variances arise between the actual and budgeted figures.

Unexpected events can arise during work executions which are not envisaged in the main contract, and which entail additional work. Changes to the initial contract require technical approval from the customer, and subsequently economic approval to enable certificates to be issued and the additional work to be charged. The Company's policy is to not recognize income from such additional work until their approval by the customer is reasonable assured. The costs incurred in such work are recognized when they arise, regardless the degree of approval by customers of the work performed.

For works which are expected to result in losses, when updated budgets are prepared, the necessary provisions are recorded in order to cover all these losses.

In the event that the original cost of the work executed is higher than the figure certified at the balance sheet date, the difference is recognized under "Finished work pending certification" under "Trade receivables for sales and services rendered" on the balance sheet. If the original cost of a project is lower than the certified amount, the difference is recorded as "Invoicing on account" under "Trade creditors" on the consolidated balance sheet.

The estimated cost of removal activities are covered by a provision that is apportioned over the execution term and taken to expenses proportionate to the relationship between estimated costs and production. Expenses that arise as from the completion of the construction work until the definitive payment is made are charged against this provision and the remaining balance is recorded under the heading "Short-term provisions" in the balance sheet.

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Late-payment interest arises due to delays in collection from public bodies for construction certificates obtained. In accordance with the prudence principle, the Company records this late-payment interest as financial income at the time it is collected.

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to the recoverable amount and discounts the estimated future cash flows at the original effective interest rate of the instrument and continues to carry the discount as a decrease in interest income. Interest income on loans that have become impaired is recognized using the effective interest rate method.

Dividend income

Dividend income is recognised as income in the income statement at the time the entitlement to receive the dividends is established. Nonetheless, if the dividends paid derive from profits generated prior to the date of acquisition, they are recognized as a decrease in the carrying value of the investment and not as income.

4.13 Leases

When the Company is the lesser - Operating Leases

The leases in which the lesser preserves an important part of the risks and benefits derived from the ownership are qualified as operating leases. Lease revenues are recognised on a straight-line basis over the lease period.

4.14 Foreign currency transactions**a) Functional and presentation currency**

The financial statements are presented in thousand euro, which is the Company's functional and presentation currency.

b) Transactions and balances

Transactions in foreign currency are translated to the functional currency using the exchange rates effective at the transaction dates, at the year-end they are measured at the exchange rate in force at that moment. Foreign currency gains and losses resulting from the settlement of transactions and translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Changes in the fair value of monetary instruments denominated in foreign currency and classified as available for sale are separated into translation differences resulting from changes in the instrument's amortized cost and other changes in the instrument's carrying amount. The translation differences are recognized in results for the year and other changes in the carrying amount are recognized in equity.

Translation differences in respect of non-monetary items such as equity instruments at fair value through profit or loss are presented as part of the fair value gain or loss. Translation differences with respect to non-monetary items such as equity instruments classed as available-for-sale financial assets are included in equity in the revaluation reserve.

4.15 Related-party transactions

Generally, related-party transactions held are recorded since the first moment at fair value. If the price agreed differs from its fair value, the difference is recorded in accordance to the economic operation. The subsequent assessment is recorded in accordance with accounting legislation.

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Notwithstanding the above, in merger operations, spin-offs or non-monetary contributions to a business, the assets of the acquired business are valued by the amount which corresponds, once the operation is held, in the annual consolidated financial statements of the group or subgroup.

When the parent of the group or subgroup and its subsidiary is not involved, the annual accounts to be considered for such purposes will be those of the group or largest subgroup in which the assets and liabilities are included and whose parent is Spanish. In such cases, the differences that may arise between the net value of acquiree's assets and liabilities, adjusted for the balance of groupings of grants, donations and bequests received and value adjustments and any amount of capital and share premium, if appropriate, issued by the acquiring company are reflected in reserves.

4.16. Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits at credit institutions, other short-term highly liquid investments with an original maturity of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

4.17. Administrative concessions

Concession activities require substantial investment, consisting of:

- The construction or rehabilitation of public infrastructure owned by the granting public entity and/or
- Making a payment to the granting public entity for the right to operate the pre-existing infrastructure over the concession period.

The Company will recognize a financial asset to the extent that it holds an unconditional contractual right to receive cash or other financial asset deriving from the granting public entity for the construction services and the granting public entity has little or no capacity to avoid payment, normally because the agreement is imposed by Law. The concession holder has an unconditional right to receive cash or the granting public entity contractually guarantees payment to the concession holder of (a) specific or certain amounts or (b) any deficit, consisting of the difference between the amounts received for the users of the public service and the specific or certain amounts, even if payment is subject to the condition that the concession holder ensure that the infrastructure complies with certain specific quality and efficiency requirements.

The carrying value of financial assets represents the estimated recoverable value of the receivable (taking financial effects into account at the balance sheet date) for construction and operating services rendered.

The Company will recognize an intangible asset to the extent that it receives the right (license) to collect amounts from the users of the public service. The right to collect amounts from users of the public service is not an unconditional right to receive cash because the amount is subject to the condition that the public or the user makes use of the service.

The construction services rendered to the granting public entity under this type of contract is initially recognized at cost, which is equal to the fair value of the amount to be collected by the operator under the heading intangible assets during the period over which the asset concerned is built. The intangible asset will be amortized over the period over which it is expected to be available for use by the operator using a systematic amortization system.

4.18 Environment

The expenses and other expenses relative to the activities derived from the accomplishment of the environmental legislation are recorded as expenses of the year in which they take place, except if they correspond to the cost of purchase of elements that belong to equity in order to be used of lasting form, in which case they are recorded properly within the correspondent Non-current assets account, being amortized by the same criteria indicated in the previous paragraph 4.2.

Potential contingencies or cost for these concepts, in case of applying, it would be an object of provision in the liabilities of the balance sheet.

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At the present time the Company has no liabilities, expenses, assets provisions or contingencies relating to the environment that could be considered significant compared with its equity, financial situation and the results of its operations. For this reason no specific breakdowns are provided in these Notes to the annual accounts regarding environmental information.

5. Intangible assets

Set out below is an analysis of "Intangible assets" showing movements:

		Thousand euro		
		Concessions	Computer software	Total
Cost				
31 December 2009		1.744	895	2.639
Additions		-	334	334
Disposals		-	(596)	(596)
31 December 2010		1.744	633	2.377
Accumulated Depreciation				
31 December 2009		(83)	(679)	(762)
Amortization		(478)	(126)	(604)
Disposals		-	572	572
31 December 2010		(561)	(233)	(794)
Net Carrying value		1.183	400	1.583

		Thousand euro		
		Concessions	Computer software	Total
Cost				
31 December 2008		7.975	616	8.591
Spin-off disposals (Nota 2)		(6.277)	-	(6.277)
Additions		2	325	327
Disposals		-	(46)	(46)
Transfers		44	-	44
31 December 2009		1.744	895	2.639
Accumulated Depreciation				
31 December 2008		(167)	(583)	(750)
Spin-off disposals (Nota 2)		165	-	165
Amortization		(37)	(142)	(179)
Disposals		-	46	46
Other movements		(44)	-	(44)
31 December 2009		(83)	(679)	(762)
Net Carrying value		1.661	195	1.877

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During the year 2009 there was an spin-off in favor of Hixam Gestión de Aparcamientos II, S.L.U. comprising parking concession activity.

a) Losses due to impairment of intangible assets

In 2010 no value adjustments for significant impairment have been recognized or reversed with respect to any individual item recorded under intangible assets.

b) Concessions

The most significant items included under these headings are as follows:

						Thousand euro	
2010	Description and use	Expiration date	Amortization period	Amortization for the year	Amortization Disposal	Cost	Accumulated amortization
	UTE Conc Edar Laxe						Carrying value
	Corsan 80%	10/2027	20 años	(418)	-	722	(501)
	Concesión Edar Camariñas	06/2029	20 años	(60)	-	1.022	(60)
TOTAL				(478)	-	1.744	(561)
							1.183

						Thousand euro	
2009	Description and use	Expiration date	Amortization period	Amortization for the year	Amortization Disposal	Cost	Accumulated amortization
	UTE Conc Edar Laxe						Carrying value
	Corsan 80%	10/2027	20 years	(37)	(43)	722	(83)
	Concesión Edar Camariñas	06/2029	20 years	-	-	1.022	-
TOTAL				(37)	(43)	1.744	(83)
							1.661

c) Fully amortized intangible assets

At 31 December 2010 there is computer software with an original cost of 77 thousand euro (2009: 425 thousand euro) that is fully amortized and still in use.

d) Insurance

The Company has taken out a number of insurance policies to cover risks relating to intangible assets. The coverage under these policies is considered sufficient.

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(Expressed in Thousand euro)

6. Property, plant and equipment

The breakdown and movements in the items included under property, plant and equipment are as follows:

	Thousand euro						
	Land	Buildings	Plant, machinery and tools	Furnishings	Other assets	Construction in progress and advances	Total
2010							
Cost							
31 December 2009	8.572	391	56.019	1.680	6.303	-	72.965
Additions	-	-	625	19	509	-	1.153
Disposals	-	-	(5.837)	(650)	(2.267)	-	(8.754)
Transfers	-	-	(100)	-	100	-	-
31 December 2010	8.572	391	50.707	1.049	4.645	-	65.364
Accumulated Depreciation							
31 December 2009	-	(187)	(27.094)	(1.449)	(5.710)	-	(34.440)
Depreciation	-	(6)	(9.523)	(111)	(319)	-	(9.959)
Disposals	-	-	5.083	650	2.170	-	7.903
Other movements	-	-	9	16	(25)	-	-
31 December 2010	-	(193)	(31.525)	(894)	(3.884)	-	(36.496)
Net carrying value	8.572	198	19.182	155	761	-	28.868

	Thousand euro						
	Land	Buildings	Plant, machinery and tools	Furnishings	Other assets	Construction in progress and advances	Total
2009							
Cost							
31 December 2008	7.776	391	44.741	1.685	6.246	6.953	67.792
Spin-off disposals (Note 2)	-	-	-	-	(24)	-	(24)
Additions	-	-	6.764	72	670	2.239	9.745
Disposals	-	-	(3.849)	(110)	(589)	-	(4.548)
Transfers	796	-	8.363	33	-	(9.192)	-
31 December 2009	8.572	391	56.019	1.680	6.303	-	72.965
Accumulated Depreciation							
31 December 2008	-	(182)	(21.876)	(1.396)	(5.563)	-	(29.017)
Depreciation	-	(5)	(7.933)	(140)	(732)	-	(8.810)
Disposals	-	-	2.715	87	585	-	3.387
Other movements	-	-	-	-	-	-	-
31 December 2009	-	(187)	(27.094)	(1.449)	(5.710)	-	(34.440)
Net carrying value	8.572	204	28.925	231	593	-	38.525

Disposals of the year correspond to the sale of machinery of the joint venture "Linea 5 Tramo Horta-Vall d'Hebron", by an amount of 1.406 thousand euro and for the plant's sales by an amount of 654 thousand euro. Adding these amounts plus the total depreciated assets and other amounts, have an effect on the profit of the year of 107 thousand euro (2009: 20 thousand euro losses).

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
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a) Impairment losses

In 2010 and 2009 no value adjustments for significant impairment have been recognized or reversed with respect to any individual item recorded under property, plant or equipment.

b) Assets acquired from group and associated companies

Property, plant and equipment acquired to group and associated companies during 2010 and 2009 are as follows:

	Thousand euro		
	2010		
	Cost	Accumulated Depreciation	Carrying value
Other property, plant and equipment	154	-	154
	154	-	154

	Thousand euro		
	2009		
	Cost	Accumulated Depreciation	Carrying value
Land	796	-	796
Plant	3.238	(118)	3.120
Other property, plant and equipment	245	(25)	220
	4.279	(143)	4.136

c) Fully-depreciated assets

At 31 December 2010 there are plant, machinery and tools with an original cost of 8.086 thousand euro (2009: 7.146 thousand euro) that are fully depreciated and still in use. The cost of fully depreciated vehicles at 31 December 2010 that are still in use amounts to 92 thousand euro (2009: 92 thousand euro), the furnishing and computers amounts to 550 thousand euro (2009: 0 thousand euro) and other property, plant and equipment amounts to 1.163 thousand euro (2009: 0 thousand euro).

d) Assets under operating leases

The Company leases machinery, auxiliary resources, vehicles and branches from third-parties for the purpose of operating the construction business in a normal fashion. The income statement includes operating lease expenses relating to the rental of property, plant and equipment totaling 54.839 thousand euro (2009: 84.338 thousand euro).

e) Assets linked to guarantees and ownership restrictions

On 31 December 2010 there is no significant property, plant and equipment subject to ownership restrictions or that have been pledged to secure liabilities, except from the mortgages that involve the land acquired in El Vendrell at a cost of 7.271 thousand euro (2009: 7.271 thousand euro) which is covered by mortgages totaling 1.477 thousand euro (2008: 1.682 thousand euro).

f) Insurance

The Company has taken out a number of insurance policies to cover risks relating to property, plant and equipment. The insurance coverage is considered sufficient.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

g) Assets located abroad

At 31 December 2010 the Company recorded property, plant and equipment located abroad with a value of 182 thousand euro (2009: 75 thousand euro), net of depreciation.

h) Property, plant and equipment not used in operations

At 31 December 2010 the Company records property, plant and equipment not used in operations with a carrying value of 7.271 thousand euro (2009: 7.271 thousand euro).

7. Financial instruments' analysis
7.1 Analysis by category

The carrying value of each of the categories of financial instruments established under the accounting and measurement rules for "financial Instruments", except for equity investments in group, multigroup and associated companies (Note 8), is as follows:

2010

	Thousand euro		
	Long-term financial assets		
	Equity Instruments	Derivative loans and Others	Total
Loans and receivables (Note 9 y 10)	-	54.635	54.635
Assets held for trading	4	-	4
- Measured at fair value	4	-	4
	4	54.635	54.639

	Thousand euro		
	Short-term financial assets		
	Equity Instruments	Derivative loans and Others	Total
Trade debtors and other receivables (Note 9 y 10)	-	726.218	726.218
Loans to Group companies (Note 27)	-	313.582	313.582
Total loans and receivables	-	1.039.800	1.039.800

	Thousand euro		
	Long-term financial liabilities		
	Bank loans and overdrafts	Derivatives and others	Total
Borrowings and payables and bank loans (Note 16)	44.540	-	44.540
Total payables	44.540	-	44.540

	Thousand euro		
	Short-term financial assets		
	Bank loans and overdrafts	Derivatives and others	Total
Borrowings and payables and bank loans (Note 16)	99.077	1.097.206	1.196.283
Loans from Group and associated companies (Note 27)	-	26.379	26.379
Total payables	99.077	1.123.585	1.222.662

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2009

	Thousand euro		
	Long-term financial assets		
	Equity Instruments	Derivative loans and Others	Total
Loans and receivables (Note 9 y 10)	-	40.581	40.581
Assets held for trading	4	-	4
- Measured at fair value	4	-	4
	4	40.581	40.585

	Thousand euro		
	Short-term financial assets		
	Equity Instruments	Derivative loans and Others	Total
Trade debtors and other receivables (Note 9 y 10)	-	566.788	566.788
Loans to Group companies (Note 27)	-	366.443	366.443
Total loans and receivables	-	933.231	933.231

	Thousand euro		
	Long-term financial liabilities		
	Bank loans and overdrafts	Derivatives and others	Total
Borrowings and payables and bank loans (Note 16)	34.095	-	34.095
Total payables	34.095	-	34.095

	Thousand euro		
	Short-term financial liabilities		
	Bank loans and overdrafts	Derivatives and others	Total
Borrowings and payables and bank loans (Note 16)	29.089	1.039.118	1.068.207
Loans from Group and associated companies (Note 27)	-	3.881	3.881
Total payables	29.089	1.042.999	1.072.088

7.2 Analysis by maturity date

The amounts of financial instruments with a maturity date that is certain or can be determined classified by year of maturity are as follows:

	Thousand euro						
	Financial assets						
	2011	2012	2013	2014	2015	Subsequent years	Total
Investments in Group and associated companies:							
- Loans to companies	313.582	-	-	-	-	-	313.582
Other financial investments:							
- Long term receivables	-	5.322	5.374	6.885	490	36.564	54.635
- Sundry and other receivables	726.218	-	-	-	-	-	726.218
- Available-for-sale financial assets	-	-	-	-	-	4	4
Total Financial Assets	1.039.800	5.322	5.374	6.885	490	36.568	1.094.439

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2010	Thousand euro						
	Financial liabilities						
	2011	2012	2013	2014	2015	Subsequent years	Total
- Loans with group, multigroup and associated companies	26.379	-	-	-	-	-	26.379
- Bank loans	99.077	3.539	875	1.382	1.445	37.299	143.617
- Sundry receivables and other payables	1.097.206	-	-	-	-	-	1.097.206
Total Financial liabilities	1.222.662	3.539	875	1.382	1.445	37.299	1.267.202

In accordance with Law 15/2010 (5 July), a maximum of 60 days is established as the period to pay the outstanding debt with suppliers and creditors. For this purpose, a temporary payment schedule finishing on 1 January 2013 is defined. In compliance with second additional provision of the mentioned Law, since entry in force date to 31 December 2011, the payment period will be of 120 days.

To comply with the requirements stated in Law 15/2010 (5 July), the Company has adjusted its payment deadlines.

At 31 December 2010, the outstanding payments to suppliers not meeting the stated deadlines amounts to 73.995 thousand euro, 69.949 thousand euro of which correspond to creditor items which management is performed through confirming operations.

In accordance with Law 15/2010 that amends the Law on measures against delinquency, the Company is analysing its standard contracts with suppliers in whose cases where the new Law is applicable and taking into account that it generally manages payment using a confirmed payment system through financial institutions under contracts entered into with them. At 31 December 2010 and taking into account the total balance payable to suppliers in Spain at that date, there is no significant amount in that balance involving an accumulated deferral of more than the legal payment period.

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8. Shareholdings in Group, multigroup and associated companies
a) Financial investment movements

The breakdown of movements in the year affecting shareholdings in group, multigroup and associated companies is as follows:

2010	Thousand euro				
	Opening balance	Additions	Disposals	Pending outlay	Closing balance
Shareholdings in Group, multigroup and associated companies	29.999	27.042	(5.611)	(1.950)	49.480
Investment Provisions	(9.470)	(8.921)	91	-	(18.300)
Total	20.529	18.121	(5.520)	(1.950)	31.180

Additions during 2010 are mainly related to the capital increase in "Isolux Projectos e Instalações LTDA." by an amount of 8.797 thousand euro, in "SARL. Isolux Corsan Algerie" by an amount of 5.303 thousand euro and in "Isolux de México, S.A de CV" by an amount of 4.529 thousand euro.

During 2010 there has been a merger between Isolux Corsán Construcción S.A. de C.V., the acquired company, and Isolux de México S.A. de C.V., the acquiring company, which created an addition and a disposal of 5.661 thousand euro.

During the year, an investment provision due to the shareholdings in SARL. Isolux Corsan Algerie by 5.393 thousand euro and Isolux Projectos e Instalações LTDA by 1.581 thousand euro has been allocated to the income statement, as a result of the incurred loss.

In addition, net impairment losses totaling 9.697 thousand euro (2009: 3.817 thousand euro) have been recognized during the year as provisions for investments in dependent companies (Note 17).

2009	Thousand euro				
	Opening balance	Additions	Disposals	Spin-off disposals (Note 2)	Closing balance
Shareholdings in Group, multigroup and associated companies	13.373	18.623	(2)	(1.995)	29.999
Investment Provisions	(6.570)	(3.763)	863	-	(9.470)
Total	6.803	14.860	861	(1.995)	20.529

Additions in Group, multigroup and associated companies during 2009 mainly corresponded to the capital increase in "Soma-Isolux NH One Tollway Private Limited" by an amount of 8.583 thousand euro, in "Isolux de Mexico, S.A. de CV" by 9.313 thousand euro, in "Isolux Corsán India Engineering & Const Private Ltd" by 257 thousand euro, and in "Isolux Proyectos e Instalaciones Ltda" by 392 thousand euro.

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Disposals mainly corresponded to the partial spin-off in favor of Hixam Gestión de Aparcamientos II, S.L.U, by which shareholdings in "Aparcamiento IC Ruiz de Alda", "Aparcamiento IC Madrid" and "Aparcamiento Los Bandos de Salamanca, S.A." was transferred (see Note 2).

b) Group shareholdings

2010

Company Name	Address	Group/ Associates/ Multigrup	Legal Form	Activity	Shareholding		Voting rights	
					Direct %	Indirect %	Direct %	Indirect %
EXTREMENA DE INFRAESTRUCTURAS	Madrid	Group	S.A.	Construction	99,98%	0,00%	99,98%	0,00%
CONSTRUCCIONES PINA DO VALE	Lisbon	Group	S.A.	Construction	100,00%	0,00%	100,00%	0,00%
ISOLUX CORSAN ARGENTINA (1)	Buenos Aires	Group	S.A.	Construction	50,00%	0,00%	50,00%	0,00%
CARRETERAS CENTRALES DE ARGENTINA (2)	Argentina	Multigroup	S.A.	Construction	49,00%	0,00%	49,00%	0,00%
CORVISA (1)	Madrid	Group	S.L.	Engineering	0,13%	0,00%	0,13%	0,00%
EL SITIO DE LA HERRERÍA (1)	Madrid	Group	S.L.	Real State	0,66%	0,00%	0,66%	0,00%
GRUPO ISOLUX CORSAN CONCESIONES (1)	Madrid	Group	S.A.	Concessions	0,02%	0,00%	0,02%	0,00%
ISOLUX CORSAN INMOBILIARIA(1)	Madrid	Group	S.A.	Real State	0,01%	0,00%	0,01%	0,00%
ISOLUX INGENIERÍA (1)	Madrid	Group	S.A.	Engineering	0,002%	0,00%	0,002%	0,00%
ISOLUX CORSAN DO BRASIL (1)	Sao Paulo	Group	S.A.	Engineering	50,00%	0,00%	50,00%	0,00%
ISOLUX CORSAN POLONIA SP ZOO (1)	Warsaw	Group	SPE	Engineering	0,02%	0,00%	0,02%	0,00%
ISOLUX CORSAN INDIA ENGINEERING & CONST. PRIVATE (1)	India	Group	LTDA.	Construction	49,00%	0,00%	49,00%	0,00%
ISOLUX PROJETOS E INSTALAÇÕES (1)	Brazil	Group	LTDA.	Engineering	50,00%	0,00%	50,00%	0,00%
ISOLUX DE MEXICO(1)	México	Group	S.A. de C.V.	Construction	50,00%	0,00%	50,00%	0,00%
SARL ISOLUX CORSAN ARGELIE (1)	Argelia	Group	SARL.	Construction	50,00%	0,00%	50,00%	0,00%
SOMA-ISOLUX NH ONE TOLLWAY PRIVATE LIMITED(1)	Haryana (India)	Group	S.L.	Construction	10,00%	0,00%	10,00%	0,00%
ISOLUX CORSAN CYPRUS LIMITED (1)	Cyprus	Group	S.L.	Construction	50,00%	0,00%	50,00%	0,00%
IC PANAMA (1)	Panamá	Group	S.A.	Construction	50,00%	0,00%	0,00%	0,00%
CONSTRUCTORA AUTOPISTA PEROTE XALAPA	México	Multigroup	S.A.de C.V.	Construction	0,00%	25,00%	0,00%	25,00%
INDRA ISOLUX DE MEXICO	México	Multigroup	S.A. de C.V.	Engineering	0,00%	25,00%	0,00%	25,00%
CONSTRUCCIONES E INSTALACIONES DEL NORESTE (1)	México	Group	S.A.de C.V.	Engineering	0,00%	49,00%	0,00%	49,00%
I.C.I. & SOMA – ENTERPRISES LIMITED	India	Multigroup	LTD.	Engineering	0,00%	24,50%	0,00%	24,50%
ICI-SOMA (1)	India	Multigroup	JV	Construction	0,00%	24,50%	0,00%	24,50%

(1) It is considered as Group Company since it is controlled, direct or indirectly by the parent company, Grupo Isolux Corsán, S.A.

(2) Even though the shareholding is below 50%, it is considered as a Multigroup company due to the fact that decisions are unanimously made.

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None of the Group, multigroup or associated companies in which the Company holds an interest is listed on a stock market.

2009

Company Name	Address	Group/ Associates/ Multigrup	Legal Form	Activity	Shareholding		Voting rights	
					Direct %	Indirect %	Direct %	Indirect %
EXTREMENA DE INFRAESTRUCTURAS	Madrid	Group	S.A.	Construction	99,98%	0,00%	99,98%	0,00%
CONSTRUCCIONES PINA DO VALE	Lisbon	Group	S.A.	Construction	100,00%	0,00%	100,00%	0,00%
ISOLUX CORSAN ARGENTINA (1)	Buenos Aires	Group	S.A.	Construction	50,00%	0,00%	50,00%	0,00%
ISOLUX CORSAN CONSTRUCCIÓN	Mexico D.F.	Group	S.A. de C.V.	Construction	100,00%	0,00%	100,00%	0,00%
CORVISA (1)	Madrid	Group	S.L.	Engineering	0,13%	0,00%	0,13%	0,00%
EL SITIO DE LA HERRERÍA (1)	Madrid	Group	S.L.	Real State	0,66%	0,00%	0,66%	0,00%
GRUPO ISOLUX CORSAN CONCESIONES (1)	Madrid	Group	S.A.	Concessions	0,02%	0,00%	0,02%	0,00%
ISOLUX CORSAN INMOBILIARIA (1)	Madrid	Group	S.A.	Real State	0,01%	0,00%	0,01%	0,00%
ISOLUX INGENIERÍA (1)	Madrid	Group	S.A.	Engineering	0,002%	0,00%	0,002%	0,00%
ISOLUX CORSAN DO BRASIL (1)	Sao Paulo	Group	S.A.	Engineering	50,00%	0,00%	50,00%	0,00%
ISOLUX CORSAN POLONIA SP ZOO (1)	Warsaw	Group	SPE	Engineering	0,02%	0,00%	0,02%	0,00%
ISOLUX CORSAN INDIA ENGINEERING & CONST. PRIVATE (1)	India	Group	LTDA.	Construction	50,00%	0,00%	50,00%	0,00%
ISOLUX PROYECTOS E INSTALAÇÕES (1)	Brazil	Group	LTDA.	Engineering	50,00%	0,00%	50,00%	0,00%
ISOLUX DE MEXICO (1)	México	Group	S.A. de C.V.	Construction	41,28%	0,00%	41,28%	0,00%
SARL ISOLUX CORSAN ARGELIE (1)	Argelia	Group	S.L.	Construction	50,00%	0,00%	50,00%	0,00%
SOMA-ISOLUX NH ONE TOLLWAY PRIVATE LIMITED (1)	Haryana (India)	Group	S.L.	Concessions	10,00%	0,00%	10,00%	0,00%
ISOLUX CORSAN CYPRUS LIMITED(1)	Cyprus	Group	S.L.	Concessions	50,00%	0,00%	50,00%	0,00%

(1) It is considered as Group Company since it is controlled, direct or indirectly by the parent company, Grupo Isolux Corsán, S.A.

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Share capital, reserves, results for the year and other information of interest, as set out in the group companies' individual annual accounts, are as follows:

Company	Equity					Thousand euro
	Share Capital	Reserves	Other balances	Profit/(loss) for the year	Carrying value per parent company books	Dividends received (Note 21)
2010:						
EXTREMEÑA DE INFRAESTRUCTURAS S.A.	60	141	-	(2)	-	-
CONSTRUCCIONES PINA DO VALE S.A.	2.000	(792)	83	(129)	1.162	-
CORVISA S.L.	3.200	645	-	28	4	1
EL SITIO DE LA HERRERÍA S.L.	1.213	(312)	-	(109)	5	-
ISOLUX CORSAN INMOBILIARIA S.A.	15.003	106.773	-	(5.017)	2	-
ISOLUX INGENIERÍA S.A.	15.000	462.721	(35.615)	35.785	12	10
ISOLUX DE MEXICO S.A. C.V.	28.884	(2.828)	(545)	104	14.017	-
ISOLUX CORSAN DO BRASIL S.A.	11.735	(11.927)	(813)	(20.213)	124	-
ISOLUX PROYECTO E INSTALACIONES LTDA	17.494	(279)	1.222	(9.242)	7.180	7.734
ISOLUX CORSAN POLONIA SP ZOO	3.984	(3.332)	(214)	(328)	-	-
ISOLUX CORSAN CYPRUS PRIVATED LIMITED	23	-	-	5	12	-
CARRETERAS CENTRALES DE ARGENTINA, S.A.	642	-	(269)	(1.662)	-	-
ISOLUX CORSAN ARGENTINA S.A.	943	824	(57)	(2.612)	-	-
ISOLUX CORSAN ARGELIE EURL	10.786	(5.687)	234	(7.984)	-	-
ISOLUX CORSAN INDIA ENGINEERING & CONST. PRIVATE. LTD.	1.602	(1.272)	(407)	(51)	-	-
SOMA-ISOLUX NH ONE TOLLWAY PRIVATE LIMITED	9.024	94.081	9.808	29.321	8.660	-
GRUPO ISOLUX CORSAN CONCESIONES S.L.	153.199	517.791	-	(28.266)	2	-
IC PANAMA, S.A.	-	-	-	-	-	-
					31.180	7.745

In addition, the Company has registered a risk and expense provision for potential losses greater than subsidiaries equity, by an amount of 13.514 thousand euro (2009: 3.817 thousand euro) (Note 17).

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Company	Equity					Thousand euro
	Share Capital	Reserves	Other balances	Profit/(loss) for the year	Carrying value per parent company books	Dividends received (Note 21)
2009:						
EXTREMEÑA DE INFRAESTRUCTURAS S.A.	60	143	-	(2)	197	3
CONSTRUCCIONES PINA DO VALE S.A.	2.000	(639)	-	(70)	1.289	-
CORVISA S.L.	3.200	588	-	569	4	-
EL SITIO DE LA HERRERÍA S.L.	1.213	34	-	(346)	6	-
ISOLUX CORSAN INMOBILIARIA S.A.	15.003	111.399	-	(4.626)	2	-
ISOLUX INGENIERÍA S.A.	15.000	454.072	(57)	74.639	12	3
ISOLUX DE MEXICO S.A. C.V.	18.745	6.061	(2.929)	(10.453)	3.883	-
ISOLUX CORSAN DO BRASIL S.A.	11.487	(2.930)	94	(8.997)	-	-
ISOLUX PROYECTO E INSTALACIONES LTDA	753	5	239	1.856	392	-
ISOLUX CORSAN POLONIA SP ZOO	3.984	(3.885)	(227)	553	-	-
ISOLUX CORSAN CONSTRUCCIÓN SA. DE CV.	5.611	(614)	(21)	2.180	5.611	-
ISOLUX CORSAN ARGENTINA S.A.	943	(386)	(106)	1.210	471	-
ISOLUX CORSAN ARGELIE EURL	181	(452)	102	(5.234)	-	-
ISOLUX CORSAN INDIA ENGINEERING & CONST. PRIVATE. LTD.	515	(325)	(312)	(947)	-	-
SOMA-ISOLUX NH ONE TOLLWAY PRIVATE LIMITED	9.024	77.658	(1.603)	16.423	8.660	-
GRUPO ISOLUX CORSAN CONCESIONES S.L.	153.199	517.797	-	(6)	2	-
					20.529	6

The amount of value adjustments for significant impairment in 2010 are mainly related to Isolux Corsan Algerie, S.A shareholding, by 5.393 thousand euro (2009: 3.731 thousand euro in Isolux Corsán Do Brasil) and the reversion in Isolux Corsán Construcción, S.A. de CV by 693 thousand euro (2008: 546 thousand euro).

9. Guarantees and Deposits

The distribution of Guarantees and Deposits of receivable accounts is as follows:

	Thousand euro	
	2010	2009
Long-term receivables:		
- Long-term guarantees and deposits	922	963
	922	963
Short-term receivables:		
- Short-term guarantees and deposits	1.463	1.457
	1.463	1.457
Total	2.385	2.420

Long-term guarantees carrying value comes closer its fair value, due to the effect of the discount is not significant.

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10. Loans and receivables

The fair values of loans and receivables are as follows:

	Thousand euro	
	2010	2009
Guarantees and Deposits (Note 9)	922	963
Long-term trade receivable	53.713	39.618
Long-term receivable	54.635	40.581
Account receivable, Sales of goods and services	640.633	493.652
- Receivable, works in progress	293.521	237.281
- Receivable, Sales and services	349.922	257.277
- Provision for bad debts	(2.810)	(906)
Trade receivables, Group, multigroup and associated companies (Note 27)	10.588	6.824
Sundry receivables	35.493	33.726
Personnel and employee	358	253
Other receivables from Public Entities	37.683	30.876
Loans to Group, multigroup and associated companies (Note 27)	313.582	366.443
Guarantees y Deposits (Note 9)	1.463	1.457
Short-Term Accounts Receivable	1.039.800	933.231

Long-term trade receivables relate to the debt claim held by Corsán Corviam-Construcción, S.A. against GESTIO D' INFRAESTRUCTURES,S.A.U. for the assignment of the loans relating to the Mossos de Escuadra facilities, which mature in 2032; and to various clients, mainly city councils, for rendered services with an agreed collection calendar which is not expected to be accomplished in the short-term.

At 31 December 2010 126.699 thousand euro (2009: 177.673 thousand euro) concerning loans relating to German method contracts and other invoices assigned to third-parties before falling due have been deducted. These assets have been removed from the balance sheet.

The carrying value for trade receivables is composed by different currencies. The breakdown is as follows:

	Thousand euro	
	2010	2009
Euro	725.353	566.788
Argelian dinar	865	-
	726.218	566.788

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Movements in the impairment provision for trade receivables are as follows:

	Thousand euro	
	2010	2009
Opening balance	906	798
Provision for impairment of trade receivables	2.310	123
Receivables written off	-	-
Reversal of unused amounts	(406)	(15)
Closing balance	2.810	906

The recognition and reversal of impairment adjustments relating to trade receivables have been included under "Losses, impairment and change in trade provisions" in the income statement.

The other accounts included under "Receivables" are not impaired.

The maximum exposure to credit risk at the reporting date is the fair value of each of the categories of the aforementioned receivables. The Company does not maintain any guarantee as insurance.

11. Inventories

The distribution of inventories is shown in the following chart:

	Thousand euro	
	2010	2009
Non-Real State inventories		
Raw materials and other supplies	34.856	24.837
Finished products	17	-
Project planning expenses	52.883	32.671
Pre-payments to suppliers	6.068	4.159
	93.824	61.667
Real State inventories		
Real State promotions	31.575	18.536
	31.575	18.536
Inventories	125.399	80.203

Inventory increase during 2010 is due to the real state promotions and sites received as payment by an amount of 14.040 thousand euro (2009: 18.536 thousand euro). This year the company has also started projects in Argelia which pre-project costs are high.

a) Capitalized finance costs

During 2010 and 2009 no finance costs were capitalized in inventories with a production cycle of more than one year.

b) Insurance

The Company has taken out a number of insurance policies to cover risks relating to inventories. The coverage under these policies is considered sufficient.

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c) Assets linked to guarantees and ownership restrictions

At 31 December 2010 the Company has inventories pledged to secure liabilities at a cost of 31.575 thousand euro (2009: 18.536 thousand euro) which correspond to the assets received as payment subject to mortgages totaling 23.233 thousand euro (2009: 16.392 thousand euro) (see Note 16).

12. Cash and cash equivalents

	Thousand euro	
	2010	2009
Cash	111.253	116.188
Cash equivalents	22.185	22.038
	133.438	138.226

This heading includes cash (cash and on demand bank accounts) and cash equivalents (i.e. highly liquid short-term investments which are easily convertible into specific cash amounts within three months and whose value is not subject to a significant risk of change).

The effective interest rate on short-term deposits, which in 2010 mainly relate to bank deposits, ranged between 1% and 3%. The effective interest rate of short-term deposits which in 2009 mainly related to bank deposits ranged between 1% and 3%.

13. Capital and share premium

a) Share capital

	Thousand euro	
	2010	2009
Share capital	17.937	17.937
	17.937	17.937

Authorized capital is represented by 155.980 ordinary shares (2009: 155.980 shares) fully paid bearer shares with a par value of 115 euro each (2009: 115 euro).

There are no restrictions on the free transfer of the shares.

At 31 December 2010 and 2009 companies with a shareholding are as follows:

Company	Number of shares	Shareholding %
Grupo Isolux Corsan, S.A.	155.930	99,97%
Isolux Ingeniería, S.A.	50	0,03%
	155.980	100,00%

b) Share premium

This reserve is freely available for distribution. It is for a total amount of 65.867 thousand euro (2009: 65.867 thousand euro).

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14. Reserves and prior-year results

a) Reserves

	Thousand euro	
	2010	2009
Legal and statutory:		
- Legal reserve	3.609	3.609
Other reserves:		
- Voluntary reserves	-	(6.568)
- Reserve for transition to the 2007 Spanish GAAP	-	(125)
	3.609	(3.084)

Legal reserve

Appropriations to the legal reserve are made in compliance with Article 274 of the Capital Companies Act, which stipulates that 10% of the profits for each year must be transferred to this reserve until it represents at least 20% of share capital.

The legal reserve is not available for distribution. Should it be used to offset losses in the event of no other reserves being available and it must be replenished out of future profits. By the end of 2009 and 2010, this reserve was fully constituted.

Voluntary reserve and reserve for transition to 2007 Spanish GAAP

Voluntary reserves are freely available for distribution.

Dividends paid by way of the distribution of 2008 profits.

- 2010: According to the minutes of the General Shareholders' Meeting held on 28 June 2010, the Company posted profits of 31.956 thousand euro of which 10.139 thousand euro was distributed as an interim dividend in accordance with the resolution adopted by the Board of Directors dated 28 December 2009. An amount of 15.119 thousand euro was distributed in 2010 and 6.693 thousand euro were distributed to reserves.
- 2009: According to the minutes of the General Shareholders' Meeting held on 29 June 2009, the Company posted profits of 25.186 thousand euro of which 10.139 thousand euro was distributed as an interim dividend in accordance with the resolution adopted by the Board of Directors dated 22 December 2008. An amount of 15.407 thousand euro was distributed in 2009.

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15. Profit/(loss) for the year
a) Proposal for the distribution of profits

The proposal to be presented to the General Shareholders' Meeting regarding the distribution of profits and reserves for 2010, as well as the one approved in 2009, is as follows:

	Thousand euro	
	2010	2009
Available for distribution		
Profit/(loss) for the year	32.652	31.951
	32.652	31.951
Distribution		
Interim dividend	24.021	10.139
Dividends	8.631	15.119
Voluntary reserves	-	6.693
	32.652	31.951

b) Interim dividend

In accordance with a resolution adopted by the Board of Directors on 28 December 2010, the Company distributed an interim dividend of 154 euro per share (2009: 65 euro per share), totaling 24.021 thousand euro (2009: 10.139 thousand euro).

These amounts did not exceed the profits obtained since the end of the previous period, after deducting the estimated corporate income tax payable on those profits, as laid down in Article 277 of the Spanish Companies Act RDL 1/2010 on the 2 of July of 2010.

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The provisional statement of 2010 and 2009 prepared in accordance with applicable law, showed that there are sufficient cash resources available to pay the above-mentioned dividend, as follows:

b.1) Interim dividend approved by the Board of Directors at 28 December 2010 – Provisional statement:

<u>ASSETS</u>		<u>LIABILITIES AND EQUITY</u>	
Non-current assets	89.869	Equity	119.135
Property, plant and equipment	29.099	Share capital	17.988
Intangible Assets	1.519	Share Premium	65.867
Investments in group, multigroup and associated companies	17.004	Legal reserve	3.609
Deferred tax assets	1.790	Conversion differences	152
Other non-current assets	4	Profit/(loss) for the year	31.519
Accounts receivables	40.453	Non-current liabilities	61.809
Current assets	1.215.059	Borrowings	43.732
Inventories	118.188	Deferred tax liabilities	6.138
Receivables	1.018.388	Risk and expenditure provisions	11.939
Cash and cash equivalents	78.483	Current Liabilities	1.123.984
		Borrowings	41.437
		Suppliers and other payable accounts	1.051.907
		Short-term provisions	30.640
Total Assets	1.304.928	Total Liabilities and Equity	1.304.928

b.2) Interim dividend approved by the Board of Directors at 22 December 2009 – Provisional statement:

<u>ASSETS</u>		<u>LIABILITIES AND EQUITY</u>	
Non-current assets	79.625	Equity	112.064
Property, plant and equipment	38.524	Share capital	17.988
Intangible Assets	1.876	Share Premium	65.867
Investments in group, multigroup and associated companies	14.082	Legal reserve	3.609
Deferred tax assets	1.012	Conversion differences	561
Other non-current assets	968	Voluntary reserves	307
Receivables	23.163	Profit/(loss) for the year	23.732
Current assets	1.151.100	Non-Current Liabilities	36.664
Inventories	76.045	Borrowings	21.272
Receivables	935.844	Deferred tax liabilities	6.934
Cash and cash equivalents	139.211	Risk and expenditure provisions	8.458
		Current Liabilities	1.081.997
		Borrowings	24.660
		Suppliers and other payable accounts	1.029.334
		Short-term provisions	28.003
Total Assets	1.230.725	Total Liabilities and Equity	1.230.725

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16. Creditors and payables

	Thousand euro	
	2010	2009
Long term creditors and payables:		
- Borrowings	44.540	34.095
	44.540	34.095
Short term creditors and payables:		
- Borrowings	99.077	29.089
	99.077	29.089
Short-term loans in Group, multigroup and associated companies (Note 27)	26.379	3.881
Sundry and other payables		
- Suppliers	788.167	790.072
- Trade payables, group companies and associates (Note 27)	1.324	4.926
- Sundry payables	153.374	136.498
- Personnel (accrued wages and salaries)	6.382	7.424
- Public Administration other debts	62.680	39.651
- Customer advances	85.279	60.547
	1.097.206	1.039.118
Sundry and other payables		
- Suppliers	790.072	716.035
- Trade payables, group companies and associates (Note 27)	4.926	15.984
- Sundry payables	136.498	71.505
- Personnel (accrued wages and salaries)	7.424	5.633
- Other debts with Public Administration	39.651	36.394
- Customer advances	60.547	53.683
	1.039.118	899.234

The carrying amounts of long-term payables approximate their fair values, since the effect of discounting is immaterial.

The carrying amounts of short-term and long-term bank debt are registered in euro.

The carrying value of trade creditors and other accounts payable are registered in different currencies as follows:

	Thousand euro	
	2010	2009
Euro	1.030.984	982.574
Mexican peso	36.807	56.493
Algerian dinar	29.415	51
	1.097.206	1.039.118

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a) Borrowings and overdrafts

	Thousand euro	
	2010	2009
Non-current		
Mortgages	24.268	17.688
Syndicated loan	17.303	16.407
Credit policies	2.969	-
	44.540	34.095
Current		
Mortgages	220	180
Syndicated loan	207	931
Credit policies	3.448	680
Discounted credits	92.918	27.199
Other loans and interests	2.284	99
	99.077	29.089
Total borrowings and overdrafts	143.617	63.184

Management considers that the Company will be able to comply with all contractual obligations deriving from loans on a timely basis in the future.

The main loans obtained by the Company are as follows:

On 26 July 2007, Corsán Corviam-Construcción concluded an agreement under which it was granted a credit line totaling 18.407 thousand euro, the primary use of which is to finance the construction of buildings (two police stations for Mossos d' Escuadra for GESTIO D' INFRAESTRUCTURES S.A.U.). At the year-end this item reflects an outstanding balance payable totaling 17.510 thousand euro (2008: 17.338 thousand euro). This loan bears interest at Euribor and matures at 2032. This loan is subject to a compliance ratio agreement, which is normal for this type of transaction. At 31 December 2010, Company's management understands that full compliance has been obtained with all ratios relating to this agreement.

During 2009 the Company has received assets as payment in kind which are secured by mortgages totaling 14.040 thousand euro (2009: 16.392 thousand euro) (see Note 11).

b) Long-term accrual accounts

During 2009 all balances related to long-term accrual accounts was split in favor of Hixam Gestión de Aparcamientos II, S.L.U. (see Note 2) and so during 2010 and 2009 there are no long-term accruals.

c) Creditors

Inside this heading are included 118.549 thousand euro (2009: 100.869 thousand euro) corresponding to billing on account.

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17. Other provisions

Movements in the provisions recognized in the balance sheet are as follows:

2010	Thousand euro			
	Job completion	Litigation and others	Portfolio responsibilities over dependent companies	Total
Opening Balance	28.002	8.451	3.817	40.270
Charges	11.479	8.000	9.697	29.176
Applications	(9.469)	(3.489)	-	(12.958)
Closing Balance	30.012	12.962	13.514	56.488

2009	Thousand euro			
	Job completion	Litigation and others	Portfolio responsibilities over dependent companies	Total
Opening Balance	25.122	8.189	-	33.311
Charges	14.097	1.465	3.817	19.379
Applications	(11.217)	(1.203)	-	(12.420)
Closing Balance	28.002	8.451	3.817	40.270

Provision' total analysis is as follows:

	Thousand euro	
	2010	2009
Non current	26.476	12.267
Current	30.012	28.003
	56.488	40.270

a) Provision for job competition

This account is related to those projects that are finished or substantially completed and corresponds to Company's estimation over those costs that may be incurred prior to client approval. Thus, it also includes the estimated cost provision for work retreatment that have been accrued along its own execution.

b) Litigation and others

This item mainly represents provisions created to cover claims against the Company by customers in the construction segment. In the opinion of the Directors, after obtaining the relevant legal advice, there is no expectation that the result of these litigations will give rise to significant losses exceeding the amounts contained in the provisions at 31 December 2010. The provision that the company has to this purpose mainly corresponds to litigations which started in 2010.

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c) Portfolio responsibilities over dependent companies

It corresponds to non-current negative values due to dependent companies' negative equity and it is mainly related to SARL Isolux Corsán Argelie provision for a total of 1.325 thousand euro and to Isolux Corsán Do Brasil provision totaling 10.610 thousand euro (2009: Isolux Corsán Argelie E.U.R.L by 2.701 thousand euro and Isolux Corsán Do Brasil by 978 thousand euro) (Note 8)

18. Deferred tax liabilities

Set out below is an analysis of deferred income tax:

	Thousand euro	
	2010	2009
Deferred tax assets:	7.858	1.952
- Temporary differences	5.663	1.952
- Pending deductions to be applied	2.195	-
Deferred tax liabilities:	(6.980)	(6.934)
- Temporary differences – retentions	(6.709)	(6.850)
- Other temporary differences	(271)	(84)
Deferred tax	878	(4.982)

Deferred tax assets and liabilities are offset if at the time the Company has an enforceable right to offset the amounts recognized and intends to settle the net amount, or to realize the asset and settle the liability simultaneously.

The gross movement in deferred taxes has been as follows:

	Thousand euro	
	2010	2009
Opening balance	(4.983)	(5.863)
Charged to the profit and loss account (Note 20)	3.665	881
Pending deductions to be applied generated in 2010	575	-
Other movements	1.620	-
Closing balance	878	(4.982)

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The movement during the year in deferred tax assets and liabilities, not taking into account the offset of balances sheet has been as follows:

2010		Thousand euro		
Deferred tax liabilities	Portfolio	Clients retentions	Others	Total
Balance at 31 December 2009	-	(6.850)	(84)	(6.934)
Charged (credited) to income statement	(229)	141	42	(46)
Balance at 31 December 2010	(229)	(6.709)	(42)	6.980

2009		Thousand euro		
Deferred tax liabilities	Clients retentions	Others	Total	
Balance at 31 December 2008	(6.850)	(126)	(6.976)	
Net Exchange differences	-	-	-	
Charged (credited) to income statement	-	42	42	
Charged to equity	-	-	-	
Balance at 31 December 2009	(6.850)	(84)	(6.934)	

2010		Thousand euro		
Activos por impuestos diferidos	Provisions	Other differences	Pending deductions	Total
Deferred tax assets 2009	1.952	-	-	1.952
Charged (credited) to income statement	3.787	(76)	2.195	5.906
Balance at 31 December 2010	5.739	(76)	2.195	7.858

2009		Thousand euro		
Deferred tax assets	Provisions	Start-up Cost	Pending deductions	Total
Balance at 31 December 2008	1.078	35	-	1.113
Charged (credited) to income statement	874	(35)	-	839
Charged to equity	-	-	-	-
Balance at 31 December 2009	1.952	-	-	1.952

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19. Income and expenses

a) Transactions denominated in foreign currency

Transactions carried out in foreign currency are as follows:

	Thousand euro	
	2010	2009
Purchases	102.337	73.285
Sales	-	-
Services received	64.291	22.855
Services provided	163.513	105.315

b) Revenue

Revenues from the Company's ordinary activities can be analyzed geographically as follows:

Market	2010	2009
National	84,52	89,67%
International	15,48	10,33%
	100,00	100,00%

Similarly, revenue could be analyzed by product line as follows:

Activity	2010	2009
Construction	30,07	37,79%
Civil works	69,93	62,21%
	100,00	100,00%

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c) Consumption of goods purchased for resale, raw materials and other consumables:

	Thousand euro	
	2010	2009
Purchases::		
Domestic purchases	162.124	216.773
	162.124	216.773

	Thousand euro	
	2010	2009
Purchases:		
Domestic purchases	4.458	10.065
Inventory changes	(32.157)	(8.852)
	(27.699)	1.213

d) Personnel costs:

	Thousand euro	
	2010	2009
Wages, salaries and similar remuneration	97.435	97.503
Staff welfare expenses	24.100	24.292
	121.535	121.795

The line "Wages, salaries and similar compensation" includes indemnities totaling 5.776 thousand euro (2009: 3.428 thousand euro).

The average number of employees by category is as follows:

	2010	2009
Executives	792	681
Administrative staff	229	201
Workers	783	1.105
	1.804	1.987

The distribution by gender of the Company's personnel at the year-end is as follows:

2010	2010	
	Male	Female
Executives	33	-
University graduates	504	130
Administrative staff	117	76
Workers	639	21
	1.293	227
	1.520	

2009	2009	
	Male	Female
Executives	13	-
University graduates	547	133
Administrative staff	122	82
Workers	1.065	25
	1.747	240
	1.987	

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e) Profit/losses due to assets disposals:

	Thousand euro	
	2009	
Intangible assets	-	-
Property, plant and equipment	107	(20)
	107	(20)

20. Income tax and tax situation

The company is taxed under the tax consolidation system and the parent of the tax group is the company Grupo Isolux Corsán, S.A.

Set out below is the reconciliation between net income and expense for the year and the income tax assessment base:

2010

	Thousand euro		
	Income statement		
Income/expense for the year			32.652
	Increase	Decrease	Total
Corporate Tax			10.192
Permanent differences	1.000	(7.952)	(6.952)
Temporary differences:	12.032	(373)	11.659
- Arising during the year	12.032	-	12.032
- Arising in previous years	-	(373)	(373)
Taxable income			47.551

2009

	Thousand euro		
	Income statement		
Income/expense for the year			31.951
	Increase	Decrease	Total
Corporate Tax			12.974
Permanent differences	2.055	(9)	2.046
Temporary differences:	3.300	(364)	2.936
- Arising during the year	3.160	-	3.160
- Arising in previous years	140	(364)	(224)
Taxable income			49.907

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There are differences between book and tax results caused, among other things, by the divergence in policies applied to accounting and tax allocations of losses due to shares impairment.

Income tax expense is composed of:

	Thousand euro	
	2010	2009
Current tax	13.857	12.093
Deferred tax (Note 18)	(3.665)	881
	10.192	12.974

The Group's income tax differs from the theoretical amount that would have been obtained if his 30% tax rate had been applied, as follows:

	Thousand euro	
	2010	2009
Profit before taxes	42.844	44.925
Income tax calculated at 30% of tax rate	12.853	13.478
Effect over non-deducting expenses for fiscal purposes	300	614
Tax deductions arising in the year	(2.385)	
Others	(576)	(1.118)
Tax expense	10.192	12.974

Current corporate income tax is the result of applying the 30% tax rate to taxable income. Deductions applied in 2010 amount to 576 thousand euro (2009: 1.108 thousand euro). The amount payable to the tax authorities totals 12.853 thousand euro (2009: 13.854 thousand euro), which is recorded as a payable to Grupo Isolux Corsán since the Company is taxed under the tax consolidation system.

At 31.12.2010 no deductions for investments or employment are available for application.

According to current legislation, taxes may not be considered definitively settled until the returns filed have been inspected by the tax authorities or the four year lapsing period has elapsed.

As a result, among other things, of the different interpretations to which Spanish tax legislation lends itself, additional liabilities may be raised in the event of a tax inspection. The Directors consider, however, that any additional assessments that might be made would not significantly affect these annual accounts.

On 1 July 2010 the Company informed to the parent company of the tax group (Grupo Isolux Corsán, S.A.) of the tax inspection which is taking place over the corporation tax of the years 2005 to 2008.

Other companies of Grupo Isolux Corsán (including Isolux Corsán Concesiones) are also subject of investigation of their value-added tax for the years 2006-2008, the income tax of the years 2006-2008, the Annual Statement of Operations with Third Parties (2005-2008) and Intra-Community Business Operations statement (2005-2008).

From the actions that the fiscal authorities could adopt in relation to the investigated years, non susceptible to objective quantification tax liability could result. However, the Administrators of the parent company estimate that the resulting liability of that potential revision could mean losses higher than the provisioned amounts.

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21. Financial income/(expense)

Financial income/expense is as follows:

	Thousand euro	
	2010	2009
Financial income:	18.928	11.625
Shares in equity instruments	7.745	6
- Group companies and associates (Note 8)	7.745	6
Marketable securities and financial instruments	11.183	11.619
- Third parties	11.183	11.619
Financial expense:	(17.082)	(11.636)
Debt with the group and associates	(12)	-
Debts with third parties	(17.070)	(11.636)
Exchange rate differences	(2.243)	862
Impairment and losses on disposal of financial instruments	(18.527)	(6.729)
Impairment and losses	(18.527)	(6.729)
Financial income/(expense)	(18.924)	(5.878)

a) Finance income and expense

	Thousand euro	
	2010	2009
Interest income::		
- Dividends from shares in group companies and associates	7.745	6
- Interest on debt securities	86	389
- Interest on loans	2.554	2.749
- Other financial income	8.543	8.481
	18.928	11.625
Financial expenses:		
- Interest on loans	(2.643)	(1.828)
- Interest on discounting of bills and factoring	(11.423)	(7.733)
- Other financial expenses	(3.016)	(2.075)
	(17.082)	(11.636)

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

b) Impairment and losses on disposal of financial instruments:

	Thousand euro	
	2010	2009
Impairment losses:		
- From Group shares (Note 8)	8.830	2.900
- Other companies' shares	-	12
- Responsibilities losses (Note 17)	9.697	3.817
	18.527	6.729

The distribution of losses on share impairment is as follows:

	Thousand euro	
	2010	2009
ISOLUX CORSAN ARGENTINA S.A	(922)	168
ISOLUX CORSAN POLONIA SP ZOO	(6)	2
ISOLUX CORSAN DO BRASIL S.A.	(10.610)	(4.305)
ISOLUX CORSAN CONSTRUCCIÓN SA. DE CV.	-	693
ISOLUX CORSAN INDIA ENGINEERING & CONST. PRIVATE. LTD.	(298)	-
ISOLUX INGENIERÍA S.A.	-	-
EXTREMEÑA DE INFRAESTRUCTURAS, S.A.	(196)	-
CONSTRUCCIONES PINA DO VALE S.A.	(129)	(70)
SOMA-ISOLUX NH ONE TOLLWAY PRIVATE LIMITED	-	150
EL SITIO DE LA HERRERÍA S.L.	(1)	(2)
SARL, ISOLUX CORSAN ARGELIE	(3.925)	(2.561)
RODOBAHIA CONSTRUCTION	403	-
ISOLUX PROYECTOS E INSTALAÇÕES LTDA	(1.581)	-
ISOLUX CORSAN INDIA ENGINEERING & CONST. PRIVATE. LTD.	-	(792)
CARRETERAS CENTRALES DE ARGENTINA, S.A.	(1.262)	-
PARTICIPACIONES EN OTRAS SOCIEDADES	-	(12)
	(18.527)	(6.729)

22. Contingencies

Contingent liabilities

The Company has contingent liabilities in respect of litigations which have arisen in the ordinary course of business and which are not expected to give rise to significant liabilities other than those for which provision has already been made (Note 17).

23. Commitments

a) Purchase commitments

In 2010 and 2009 the Company does not have any purchase commitment.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

b) Operating lease commitments (company as lessee)

The Company also leases several premises and warehouses under non-cancellable operating leases. These agreements have a term of between five and ten years, and most are renewable at maturity under market conditions.

The Company also leases plant and machinery under cancellable operating leases.

Total minimum future payments for non-cancellable operating leases are as follows:

	Thousand euro	
	2010	2009
Less than one year	2.805	4.273
One to five years	1.078	1.614
More than five years	142	235
	4.025	6.122

The expense recognized in the income statement during the year for operating leases amounts to 54.839 thousand euro (2009: 84.338 thousand euro).

c) Guarantees

On 31 December 2010 the Company had provided guarantees to third parties amounting to approximately 637.419 thousand euro (2009: 629.523 thousand euro) which mostly relate to guarantees submitted to Public Entities and private customers to guarantee the successful completion of the work.

The Company Management estimates that the liabilities that may arise at 31 December 2009 in respect of the guarantees provided, if any, would not be significant.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

24. Joint ventures

The distribution of revenue and joint ventures profit/losses, as well as company's shareholding is as follows:

2010

Name	Shareholding %	Revenues	Total
MEJORA ABASTECIMIENTO AGUA OVIEDO	100,00%	1.378	118
UTE ACCESO CORUÑA	50,00%	1.394	(204)
UTE COIN CASAPALMA CARRETERA A-355 A-357	50,00%	1.518	(48)
HOSPITAL DE BURGOS	10,00%	3.769	(64)
UTE ABASTECIMIENTO LERIDA CANAL PIÑANA	70,00%	4.127	545
UTE HOSPITAL MILITAR	57,00%	1.189	300
LINEA AVE CAMPOMANES	50,00%	7.032	951
UTE AUTOVIA A7 CONCENTAINA MURO DE ALCOY	50,00%	14.420	415
LINEA 5 TRAMO:HORTA-VALL D'HEBRON	40,00%	13.476	2.044
N.VESTIBULOS INTERCAMBIADOR ARCO TRIUNFO	65,00%	8.704	(899)
HOSPITAL PARAPLEJICOS TOLEDO	50,00%	5.035	191
UTE PRESA SANTOLEA	50,00%	3.752	(58)
UTE MACEIRAS REDONDELA	50,00%	9.554	(838)
UTE AVE NUDO DE LA TRINIDAD MONTCADA	33,34%	15.318	(3.764)
UTE EDIFICIO MEDICINA C.JUSTICIA MADRID	50,00%	2.660	906
SANEAMIENTO PUERTO DEL CARMEN	70,00%	3.440	1.028
ABASTECIMIENTO OROPESA	70,00%	3.792	502
ACOND.CTRA.VALLEHERMOSO-ARURE	70,00%	6.497	1.890
AUTOV IV CENTENARIO FASE 1 TRAMO 1	70,00%	10.303	(1.372)
UTE ARITZETA	50,00%	21.306	2.653
ACONDICIONAMIENTO A495	60,00%	1.034	(420)
UTE CABREIROS	70,00%	2.589	1.164
UTE DEPUR.SESEÑA BOROX	45,00%	3.956	(156)
CARRETERA LEÓN CEMBRANOS	65,00%	5.226	(360)
CARRETERA PUERTO RICO-MOGAN	30,00%	11.357	(77)
UTE CERCANIAS MADRID LINEA C-3 PINTO	40,00%	4.164	(1.512)
ACTUACIONES MEDIAMBIENTALES AVE	33,34%	1.028	7
NUEVA AREA TERMINAL AEROP. DE SANTIAGO	55,00%	36.426	(14.128)
UTE CORELSA	50,00%	19.764	5.017
UTE FUENTE LA PIEDRA	70,00%	9.932	(427)
UTE CORIA MORALEJA	60,00%	7.985	(875)
UTE AP7 MACANET	55,00%	9.861	(1.884)
UTE ENLACE MEIRAS	50,00%	2.959	287
ACCESOS SOTO RIBERA	60,00%	1.754	22
REHABILITACIÓN CUARTEL TENIENTE RUIZ	42,50%	2.423	218
3M APARCAM. CEUTA	42,50%	6.073	1.073
BARRIADA PR.ALFONSO	50,00%	1.030	5
UTE LA CARTUJA	70,00%	1.339	(373)
UTE ARQUITECTURA L-5	43,50%	25.204	1.671
AMPLIACION HOSPITAL UNIV.DE GUADALAJARA	50,00%	9.181	(348)
HOSPITALIZACION	60,00%	3.022	336
UTE PUENTE PISUERGA	50,00%	4.889	395
EUBA-IURRETA UTE	50,00%	1.748	(492)
RONDA POCOMACO-CORUÑ	80,00%	8.126	(314)
UTE LOECHES	50,00%	2.209	(339)
UTE AVE PINAR II	64,29%	10.722	925
BEATRIZ DE BOBADILLA	50,00%	9.575	(65)
OBRAS EDIF. FACULTAD MEDICINA DE GRANADA	50,00%	3.241	(578)
RAMBLA ALBOX	70,00%	2.206	(56)
PRESA GUADALMELLATO	60,00%	1.196	(96)
LAV PINOS PUENTE	80,00%	5.921	(1)
UTE ZONA VERDE	60,00%	1.981	252
UTE MONUM.HISTORICO	60,00%	1.801	88
RESTO DE UTES (inferiores a 1.000 miles de euros)		5.560	2.048
TOTAL		364.146	(4.697)

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

2009

Name	% shareholding	Revenues	Profit/(loss)
ABASTECIMIENTO OCCIDENTAL ASTURIAS	80,00%	1.439	(1.430)
ACONDICIONAMIENTO CTRA A-495.GIBRALEON-S.BARTOLOME	60,00%	3.897	(970)
ACONDICIONAMIENTO CTRA.VALLEHERMOSO-ARURE	70,00%	8.542	2.101
ACTUACIONES MEDIAMBIENTALES AVE	33,34%	1.638	14
ADECUACIÓN PRESA BEMBEZAR Y RETORNILLO	50,00%	1.136	(76)
AUTOVIA IV CENTENARIO FASE 1 TRAMO 1	70,00%	24.954	30
CARRETERA LEÓN CEMBRANOS	65,00%	2.885	(523)
CARRETERA PUERTO RICO-MOGAN	30,00%	5.444	(618)
CARRIL MAÇANET-FORNELLS DE LA SELVA AP-7	55,00%	12.925	(1.616)
CENTRO DE INSERCIÓN SOCIAL DE TENERIFE	75,00%	4.612	754
DUPLIC.EFT SUBTRAMO FTE.DE PIEDRA-ANTEQUERA	70,00%	8.865	417
DUPLICACION M-501 PANTANOS TRAMO M-522	50,00%	4.496	2.721
EMISARIO RIO PISUERGA	50,00%	1.239	282
ENLACE MEIRAS - VEIGE	50,00%	1.076	(24)
HOSPITAL DE BURGOS	10,00%	8.311	(202)
HOSPITAL PARAPLEJICOS TOLEDO	50,00%	7.993	179
LINEA 5 TRAMO:HORTA-VALL D'HEBRON	40,00%	23.749	3.140
LINEA AVE CAMPOMANES	50,00%	22.121	1.293
MEJORA ABASTECIMIENTO AGUA OVIEDO	100,00%	3.450	(179)
MEJORA SISTEMA ABASTECIMIENTO OROPESA	70,00%	5.823	18
NUEVA AREA TERMINAL AEROPORTUARIA DE SANTIAGO	55,00%	2.275	(460)
NUEVO APOYO TERMINAL BARCELONA UTE	75,00%	8.721	(1.205)
NUEVO VIAL DE CONEXIÓN CON CTRA. N-352	50,00%	1.098	5
REGADIO ZONA RIO DURATON	50,00%	1.165	(1)
SANEAMIENTO PUERTO DEL CARMEN	70,00%	5.336	615
URBANIZACION N-1 Y N-2, GARABOLOS-LUGO	80,00%	2.275	(84)
UTE ABASTECIMIENTO LERIDA CANAL PIÑANA	70,00%	5.788	354
UTE ACCESO CORUÑA	50,00%	8.894	547
UTE ARITZETA	50,00%	30.594	(424)
UTE AUTOVIA A7 CONCENTAINA MURO DE ALCOY	50,00%	21.899	748
UTE AVE NUDO DE LA TRINIDAD MONTCADA	33,34%	16.705	(3.840)
UTE AVE PINAR II	64,29%	4.422	669
UTE CABREIROS	70,00%	13.622	878
UTE CAJA DUERO	50,00%	4.341	13
UTE CERCANIAS MADRID LINEA C-3 PINTO	40,00%	2.370	(1.587)
UTE COIN CASAPALMA CARRETERA A-355 A-357	50,00%	4.524	79
UTE CORELSA	50,00%	14.441	2.590
UTE DEPURADORA SESEÑA BOROX	45,00%	1.072	(219)
UTE EDIFICIO MEDICINA C.JUSTICIA MADRID	50,00%	5.871	558
UTE HOSPITAL MILITAR	57,00%	2.802	8
UTE MACEIRAS REDONDELA	50,00%	5.597	(1.092)
UTE RIO DUERO - TUNEL PINAR ANTEQUERA	45,00%	8.580	(1.640)
VESTIBULOS INTERCAMBIADOR ARCO TRIUNFO	65,00%	4.270	(506)
RESTO DE UTES (less than 1.000 thousand euro)		9.079	1.936
TOTAL		340.336	3.253

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

Amounts that appear below represent the Company's share in assets and liabilities, as well as Joint Ventures sales and profit/losses. These amounts have been included in balance sheet and income statement, respectively.

	Thousand euro	
	2010	2009
Assets:	311.024	275.830
Non-Current assets	5.213	10.906
Current-assets	305.811	264.924
Liabilities:	315.721	272.577
Non- Current Liabilities	-	-
Current Liabilities	315.721	272.577
Activos netos	(4.697)	3.253
Revenues	373.938	345.044
Expenses	(378.635)	(341.791)
Profit after Taxes	(4.697)	3.253

There are no significant contingent liabilities or capital investment commitments relating to the Company's shareholding in joint ventures.

25. Branches

Branches correspond to establishments abroad. The revenue and profit/(loss) before taxes that they contribute to the Company's financial statements are as follows:

2010		Thousand euro	
Name	Shareholding %	Revenue	Attributable Outcome
Sucursal de Portugal	100%	(130)	(264)
Sucursal de México	100%	36.635	7.150
Sucursal de Argentina	100%	-	(108)
Sucursal de Argelia	100%	142.485	3.477
Total		178.990	10.225

2009		Thousand euro	
Name	Shareholding %	Revenue	Attributable Outcome
Sucursal de Portugal	100%	114	(1.094)
Sucursal de México	100%	101.566	2.381
Sucursal de Argentina	100%	-	(22)
Sucursal de Argelia	100%	1.739	245
Total		103.419	1.510

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.**NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010**

(Expressed in Thousand euro)

26. Compensation for the Board of Directors and senior management**a) Directors' compensation**

Members of the Board of Directors and senior management have not received any compensation in 2009 as a result of holding their positions or for any other reason.

During 2010, no contributions were made to pension plans or funds for former or current members of the Company's Board of Directors. No such obligations were incurred during the year.

Members of the Board of Directors have not received any compensation as a result of their profit or share premium participation. They have received neither shares nor shares options in 2010, neither has exercised options nor have outstanding options.

b) Senior management compensation

Employees considered by the Company as position of manager occupy charges inside the board of Directors of the Company.

The Company's senior management is on the payroll of Grupo Isolux Corsán, S.A., the parent company of the group to which it pertains. Grupo Isolux Corsán, S.A. invoices for this and other services. There is no other compensation or loans to senior management that have been directly paid by the Company in 2010.

c) Shareholdings and positions held by members of the Board of Directors in other similar companies

Article 229 to 231 of the Spanish Companies Act (LSA), as worded in the Royal Decree 1/2010 of 2 of July, obliges Board directors to inform the company of any shareholdings in companies engaged in activities that are the same as or similar or complementary to the company's corporate purpose, any offices or duties performed in such companies, and any activities that are the same as or similar or complementary to the company's objects, carried out for their own account or for the account of third parties.

According to the previous law, there is only one thing to mention. Fernando Caballero Fernández which is the assistant's CEO of the company and at the same time CEO of Watsegur, S.A.

The above information is included in the notes to the individual and annual accounts prepared by Corsán-Corviam Construcción, S.A. and are based on the detailed analysis of the reports received from all members of the Board of Directors of Corsán-Corviam Construcción, S.A., in accordance with the interpretation of Article 229 to 231 of the Spanish Companies Act.

27. Other related-party transactions

The Company belongs to Grupo Isolux Corsan and is controlled by Grupo Isolux Corsán S.A., incorporated in 2004, which holds 99,97% of its shares. The remaining 0,03% of the shares are held by Isolux Ingeniería, S.A. The parent company is Grupo Isolux Corsán, S.A.

The following transactions, in addition to those breakdown in the notes of these annual accounts, were carried out with related parties:

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
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 (Expressed in Thousand euro)

a) Sales of goods and services

	Thousand euro	
	2010	2009
Services		
APARCAMIENTOS ICZARAGOZA TORRERO, S.L.	-	2.295
APARCAMIENTOS ISLAS CANARIAS, S.L.	-	-
APARCAMIENTOS IC CORDOBA, S.L.	47	602
APARCAMIENTOS IC RUIZ DE ALDA, S.A.	547	2.359
APARCAMIENTOS IC TALAVERA, S.L.	-	424
APARCAMIENTOS IC TALAVERA II, S.L.	7.384	6.569
ISOLUX DE MÉXICO, S.A. de C.V.	1.496	-
APARCAMIENTOS IC TOLEDANOS, S.L.	1	9
APARCAMIENTOS IC ZARAGOZA, S.L.	-	575
APARCAMIENTOS SEGOVIA, S.L.	981	7.970
BENDIA S.A.	-	-
CONCES. AUTOPISTA MONTERREY-SALTILLO, S.A. de C.V.	61.462	-
CONSTRUCTORA AUTOPISTA PEROTE-XALAPA, S.A. de C.V.	48	-
BIORECICLAJE DE CADIZ, S.A.	33	9
CORVISA S.L.	25	60
ELABORADOS METALICOS EMESA, S.L.U.	1	485
EMISO CADIZ, S.A.	6.927	3.399
GIC FABRICAS, S.A.	-	49
GRUPO ISOLUX CORSAN, S.A.	799	6.195
GLOBAL VAMBRU, S.L.	4	-
HIXAM GESTION DE APARCAMIENTOS, S.L.U.	-	22
HIXAM GESTION DE APARCAMIENTOS II, S.L.U.	6	-
ISOLUX CORSAN CONSTRUCCION S.A. DE C.V.	-	1.000
INTERISOLUX ALCORCON VIVIENDA JOVEN, S.L.	8.502	2.499
INTERISOLUX TORREJON VIVIENDA JOVEN, S.L.	-	1.613
ISOLUX CORSAN APARCAMIENTOS, S.A.	-	244
ISOLUX CORSAN CONCESIONES, S.A.	-	2
ISOLUX CORSAN SERVICIOS, S.A.	1	219
ISOLUX INGENIERIA, S.A.	390	1.280
PINARES DEL SUR, S.A.	1.726	8.605
	90.380	46.484

Assets are sold on the basis of current price lists applicable to unrelated third parties. Services are normally negotiated with associated parties based on the market value of the transactions concerned.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

b) Acquisition of goods and receipt of services

	Thousand euro	
	2010	2009
Acquisition of assets:		
GRUPO ISOLUX CORSAN, S.A.	394	-
GIC FABRICAS, S.A	-	6.192
CORVISA, S.L.	-	332
ELABORADOS METALICOS EMESA, S.L.U.	-	2.935
WATSEGUR, S.A.	-	429
ISOLUX INGENIERÍA, S.A.	-	12.243
Total	394	22.131
 Receipt of services:		
ACTA, S.A.	1	1
APARCAMIENTOS IC TALAVERA, S.L.	1	1
APARCAMIENTOS IC TOLEDANOS II, S.A.	7	6
CEUTI APARCAMIENTOS Y SERVICIOS, S.A.	2	8
CORVISA, S.L.	271	-
ELABORADOS METÁLICOS EMESA, S.L.U.	3.144	-
EXTREMEÑA DE INFRAESTRUCTURAS, S.A.	121	116
DESARROLLO DE CONCESIONES Y SERVICIOS, S.L.	33	-
GRUPO ISOLUX CORSAN, S.A.	31.842	34.712
ISOLUX CORSAN CONSTRUCCIÓN S.A. DE C.V.	-	28
ISOLUX CORSAN APARCAMIENTOS, S.L.	413	401
ISOLUX CORSAN CONCESIONES, S.A.U.	-	1.616
ISOLUX CORSAN INMOBILIARIA, S.A.	834	3
ISOLUX CORSAN SERVICIOS, S.A.	-	3
ISOLUX DE MEXICO, S.A. DE C.V.	252	8
ISOLUX INGENIERIA, S.A.	11.869	8
CONSTRUCTORA PINA DO VALE, S.A.	87	-
CONSTRUCTORA PINA DO VALE, S.A.	-	11
SERVICIOS Y CONCESIONES, S.A.	-	57
WATSEGUR, S.A.	267	-
Total	49.144	36.979

Assets are sold on the basis of current price lists applicable to unrelated third parties. Services are normally negotiated with associated parties based on the market value of the transactions concerned.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

c) Balances sheet receivable and payable at the year-end deriving from sales and the acquisition of goods and services:

	Thousand euro	
	2010	2009
Accounts receivable from associated parties		
APARCAMIENTOS IC RUIZ DE ALDA, S.A.	472	-
APARCAMIENTOS IC TALAVERA, S.L.	-	1
CONCES.AUTOP.MONTERREY- SALTILLO, S.A. DE C.V.	4.876	-
CONCESIONARIA AUTOPISTA PEROTE-XALAPA, S.A.	48	-
INTERISOLUX TORREJON VIV.JOVEN, S.L.	-	557
LANDSCAPE CORSAN, S.L.	-	15
PINARES DEL SUR, S.L.	337	3.125
GRUPO ISOLUX CORSAN, S.A.	-	1
APARCAMIENTOS SEGOVIA, S.L.	-	88
EMISO CADIZ, S.A.	1.323	1.971
HIXAM GESTIÓN DE APARC. II S.L.	12	7
ISOLUX DE MEXICO , S.A. de C.V.	4	-
ISOLUX INGENIERÍA, S.A.	110	-
INTERISOLUX ALCORCON VDA.JOVEN,S.L.	3.406	1.059
Total receivables, Group, multigroup and associated companies	10.588	6.824

Accounts receivable from associated parties relate to service transactions; they are not insured and not accrue any interest.

	Thousand euro	
	2010	2009
Accounts payable to related parties		
GIC FABRICAS, S.A.	-	3.979
GRUPO ISOLUX CORSAN, SA	7	3
CORVISA, S.L.	52	-
ISOLUX AENCIA CHILE	4	-
ISOLUX CORSAN APARCAMIENTOS, S.L.	9	-
ISOLUX CORSAN CONST. S.A. DE C.V.	-	8
ISOLUX DE MEXICO S.A. DE C.V.	92	-
ISOLUX INGENIERIA SA	831	716
ACTA, S.A.	3	2
WATSEGUR SA	118	36
SARL. ISOLUX CORSAN ARGELIE	22	-
ELABORADOS METALICOS EMESA, S.L.	186	140
ISOLUX DE MEXICO S.A. DE C.V.	-	15
PINA DO VALE, S.A.	-	11
DESARROLLO CONCESIONES Y SERVICIOS,S.A. (SERCON)	-	16
Total payables, Group, multigroup and associated companies	1.324	4.926

Accounts payable from associated parties relate to service transactions; they are not insured and not accrue any interest.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.
NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010

(Expressed in Thousand euro)

d) Loans to group, multigroup and associated companies

	Thousand euro	
	2010	2009
GRUPO ISOLUX CORSAN, S.A.	291.919	366.025
ISOLUX CORSAN CONST. S.A. DE C.V.	-	15
GIC FABRICAS, S.A.	51	-
CEUTI DE APARCAMIENTOS Y SERVICIOS, S.A.	6	-
ELABORADOS METALICOS EMESA S.L.	-	282
GESTION DE CONCESIONES, S.A.	813	-
ISOLUX CORSAN INDIA L.T.D.	74	74
ISOLUX DE MEXICO S.A. DE C.V.	7.773	41
HIXAM GESTIÓN DE APARC. II S.L.	-	5
APARCAMIENTOS ISLAS CANARIAS, S.L.	1	-
APARCAMIENTOS SEGOVIA, S.L.	1.123	-
ISOLUX CORSAN CONCESIONES, S.A.	2.868	-
APARCAMIENTOS IC TOLEDANOS, S.L.	1	-
APARCAMIENTOS IC TALAVERA, S.L.	2	-
APARCAMIENTOS IC CORDOBA, S.L.	55	-
APARCAMIENTOS IC ZARAGOZA TORRERO, S.L.	2	-
APARCAMIENTOS IC TOLEDANOS II, S.L.	1	-
APARCAMIENTOS IC RUIZ DE ALDA, S.A.	143	-
SOCIEDAD CONCESIONARIA AUTOVIA-4, S.A.	5	-
APARCAMIENTOS IC TALAVERA II, S.L.	8.629	-
CONCESIONARIA AUTOPISTA PEROTE-XALAPA, S.A.	48	-
SARL ISOLUX CORSAN ARGELIE	62	-
GLOBAL VAMBRU, S.L.U.	5	-
VALDELRIO INMOBILIARIA, S.L.	1	-
ISOLUX INGENIERIA, S.A.	-	1
Total loans to Group companies	313.582	366.443

	Thousand euro	
	2010	2009
DESARROYO Y CONCESIONES DE SERVICIOS SERCON, S.A.U.	(55)	-
GRUPO ISOLUX CORSAN, S.A.	(133)	-
EXTREMEÑA DE INFRAESTRUCTURA,SA	(141)	-
PINA DOVALE, S.A.	(19)	-
CORVISA, S.L.	(291)	-
COST WRIGHT, S.L.	(1)	-
ISOLUX CORSÁN SERVICIOS, S.A.	(209)	-
WATSEGUR, S.A.	(230)	-
ISOLUX CORSAN INMOBILIARIA, S.A.	(932)	-
ISOLUX INGENIERIA, S.A.	(20.530)	-
ISOLUX CORSAN APARCAMIENTOS,SL	(418)	-
APARCAMIENTOS IC ZARAGOZA, S.L.	(1)	-
HIXAM GESTIÓN DE APARC. II SL	(35)	-
ELABORADOS METALICOS EMESA SL	(3.384)	-
ISOLUX CORSAN CONST. S.A. DE C.V.	-	(3.881)
Total short-term debts with group and associated companies	(26.379)	(3.881)

These balances relate to the current accounts with the Group, that not accrue any interest; and to the short-term capital.

In 2010 it has not been necessary to constitute any provision for loans with associated companies.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.**NOTES TO THE ANNUAL ACCOUNTS AT 31 DECEMBER 2010**

(Expressed in Thousand euro)

e) **Guarantees**

At 31 December 2010, Group Isolux Corsán, S.A. and Isolux Corsán Concesiones, S.A. have taken lines of funding as a total value of 964 thousand euro (2009: 898 thousand euro) and 185 thousand euro (2009: 100 thousand euro), respectively, being Corsán Corviam-Construction, S.A. guarantor of this operation.

28. Subsequent events

There have been no significant post.-balance sheet events which may have a significant impact on these annual accounts.

29. Auditors' fees

The fees accrued during the year to PricewaterhouseCoopers Auditores, S.L. for services relating to the audit of the annual accounts and other verification activities total 146 thousand euro (2009: 141 thousand euro). These fees were paid by the parent company. There were no fees accrued with respect to any project of the company in which it is involved PricewaterhouseCoopers Auditores, S.L. The fees were satisfied by the parent company.

No fees accrued to any other company using the PricewaterhouseCoopers trademark for any other services rendered to the Company in 2010 (2009). In 2010 and 2009 no tax services to any other company using the PricewaterhouseCoopers trademark have been rendered.

In addition, no fees accrued to any other auditor for any other services rendered to the Company neither in 2010 nor in 2009.

CORSÁN-CORVIAM CONSTRUCCIÓN, S.A.
Directors' Report
31 December 2010

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.**DIRECTORS' REPORT FOR 2010****1.- Economic environment**

During 2010 the gross domestic product (GDP) of the Spanish economy underwent an annual decrease of 0,2% a less sensitive decrease as compared to 3,7% reduction rate experienced during 2009. During 2010 an increase of 1,7% has taken place in the Euro Zone.

This decrease is particularly due to the decline in the internal demand, mainly generated by the reduction in public administration consumption and in the gross formation of fixed capital.

Employment decreased by 2,3% compared with last year, which led to a sharp increase in the unemployment rate from 18,0% in 2009 to 20,0% in 2010. The consumer price index ended 2010 at 1,8%, which is higher than the -03% at which 2009 ended.

Regarding investment, the gross formation of fixed capital will fell by 7,2% in 2010, reflecting a 2,7% increase in capital goods and 10,9% decline in construction.

Economic forecasts for 2011 foresee a sensitive growth in the performance of the Spanish economy and GDP is expected to increase by 0,7%, a decrease in employment by 0,3%, inflation is expected to increase by 2,3%, the gross formation of fixed capital will fall by 1,7% while the national deficit will reach 6,4%.

Economic forecasts for those countries in which the Company operates are quite positive. The expected growth margin in 2011 Gross Domestic Product is of 4,13% in Brazil, 8,37% in India, 3,92% in Mexico and 2,31% in USA. These amounts take a greater importance due to the higher Group internationalization.

During 2010, the construction sector reached in Spain an estimated production of 147.902 thousand euro, which represents a 12,7% of GDP, causing a 10,8% negative variation with respect to the previous year.

The activity distribution by subsector is summarized below:

- Residential building has represents 25,3% of total activity, with a decrease of 16,5%.
- Non-residential building has experienced a 16,1% decrease, representing 4,5% of the whole activity.
- Building maintenance and repair entail 25,2% of production, with a decrease of 4%.
- Civil work, with a 33,2% share, has experienced a 4,0% increase.

According to 2011 forecasts, construction activity will continue to fall between 8% and 10%, with the following distribution by sector:

- Residential building, between 4% and 7%.
- A reduction of 0% to 3% in non residential building.
- The same (0%-3%) in the case of building maintenance and repair.
- A reduction of 19% to 22% in civil work.

For the following years, and due to the recovery of Spanish economy, an improvement in construction sector is expected. This will make both public and private investment to improve, reaching substantially better growth rates than those registered in 2009 and 2010.

CORSÁN CORVIAM CONSTRUCCIÓN, S.A.**DIRECTORS' REPORT FOR 2010****2.- Developments in 2011**

Corsán Corviam Construcción, S.A., concentrates the construction activity carried out by Isolux Corsán Group.

Net turnover amounts 1.055,5 million euro in 2010 compared with 1.136,6 million euro in 2009 which is a decrease of 6,7%. Operating profits are 61,8 million euro compared with 50,8 million euro in 2009. This operating profit, together with depreciation/amortization, totaled of 10,6 million euro and change in trade provisions totaling 9,5 million euro means that the resources generated by operations (EBITDA) in 2010 reach 81,8 million euro, which is notably higher than the 62,8 million euro of 2009.

During 2010 we have reinforced our presence in traditional domestic sectors such as land infrastructure (railways and roadways) and strengthened our presence abroad through the contracting and execution of projects in developing countries such as Mexico, Algeria, Argentina and India.

3.- Outlook for 2011

The turnover of Group Isolux Corsán, whose activity develops across Corsán-Corviam Construcción S.A. and its shareholdings, during 2010 stood at 1.313,3 million euro.

The sub-group portfolio was 3.626,4 million euro at 31 December 2010, which means a 7,3% increase with respect to December 2009. On these bases, the Company expects its activity to grow in 2011.

These contract and portfolio figures lead to reasonable optimism regarding 2011, despite the current economic environment.

4.- Treasury stock

There have been no movements in treasury stock during the year.

5.- Research and development activities

There have not been realized research and development activities.

6.- Use of financial hedge instruments

The Company at 31 December 2010 has not any contract related to financial hedge instruments.

7.- Human Resources

The average number of employees in 2010 stood at 1.804 people. The composition of the workforce by professional category is as follows:

Category	Number
University graduates	792
Administrative staff	229
Workers	783
Total	1.804



CORSÁN CORVIAM CONSTRUCCIÓN, S.A.

PREPARATION OF THE 2010 ANNUAL ACCOUNTS

The Board of Directors of "Corsán-Corviam Construcción S.A." at its meeting on 28 March 2011, in compliance with the terms of Article 253 of the Spanish Companies Act and Article 37 of the Code of Commerce, have drawn up the Annual Accounts and the Directors' Report for the year ended on 31 December 2010, as set out in the documents which are attached to and precede this document.

Signatories:

D. Francisco José García Martín
President

D. José Gomis Cañete
Vice-president

D. Luis Delso Heras
Member

D. Fernando Caballero Fernández
Member

D. Antonio Portela Alvarez
CEO

D. Ángel Serrano Martínez-Estélez
Member

D. Juan Francisco Falcón
Non-Voting Secretary