ISOLUX INFRASTRUCTURE NETHERLANDS B.V.

Consolidated Financial Statements, Other Information, Directors' Report and Independent Auditor Report at December 31, 2012

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

Note

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CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2012
(Thousands of *US$*)

	Note	December 31, 2012
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	7	1,742,196
Intangible assets – Goodwill	8	55,520
Intangible assets – Other	9	2,169,853
Financial investments	10	71,270
Trade and other receivables	12	1,810,795
Deferred income tax assets	19	212,010
Derivative financial instruments	11	-
		6,061,644
CURRENT ASSETS		
Inventories		6,957
Trade and other receivables	12	788,279
Derivative financial instruments	11	2,242
Financial investments	10	35,986
Cash and cash equivalents	13	356,355
		1,189,819
Total assets		7,251,463

Notes 1 to 33 and Appendixes I and II form an integral part of these consolidated financial statements.

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CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2012
(Thousands of *US$*)

	Note	December 31, 2012
EQUITY		
Equity attributable to owners of the parent		
Share Capital	14	4,080
Share Premium	14	1,611,864
Accumulated losses		(24,359)
Carrying value adjustments		(555,217)
Hedging reserve	11	(82,536)
Cumulative translation differences	15	(3,398)
Other Carrying value adjustments	14	(469,283)
Equity attributable to owners of the parent		**1,036,368**
Non-controlling interests	**16**	**298,344**
Total Equity		**1,334,712**
LIABILITIES		
NON CURRENT LIABILITIES		
Borrowings	**18**	**3,514,249**
Derivative financial instruments	**11**	**232,161**
Deferred income tax liabilities	**19**	**90,037**
Provisions for other liabilities and charges	**20**	**14,506**
Trade and other payables	**17**	**750,592**
		4,601,545
CURRENT LIABILITIES		
Trade and other payables	**17**	**699,744**
Current income tax liabilities	**26**	**-**
Borrowings	**18**	**504,976**
Derivative financial instruments	**11**	**30,130**
Provisions for other liabilities and charges	**20**	**80,356**
		1,315,206
Total Liabilities		**5,916,751**
Total Equity and liabilities		**7,251,463**

Notes 1 to 33 and Appendixes I and II form an integral part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD COMPRISED BETWEEN JUNE 13 AND DECEMBER 31, 2012
(Thousands of *US$*)

	Note	Accumulated for the current period 13.06.2012 to 31.12.2012
Operating Income		**155,392**
Revenue / Sales	21 and 6	153,870
Other operating income	23	1,522
Operating expenditure		**(138,796)**
Materials consumed and other external costs	22	(97,557)
Employee benefit expense	24	(7,404)
Other operating expenses	23	(8,409)
Amortization, depreciation and impairment losses	7 and 9	(25,426)
Operating results		**16,596**
Financial expenses	25	(72,619)
Financial income	25	6,187
Net gains / (losses) on foreign currency transactions	25	7,279
Net financial results		**(59,153)**
Loss before income tax		**(42,557)**
Income tax	26	9,561
Loss for the period		**(32,996)**
Attributable to:		
Parent company shareholders		(24,359)
Non controlling interests	16	(8,637)

Notes 1 to 33 and Appendixes I and II form an integral part of these consolidated financial statements.

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CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD COMPRISED BETWEEN JUNE 13 AND DECEMBER 31, 2012

(Thousands of *US$*)

	Note	Accumulated for the current period 13.06.2012 to 31.12.2012
Loss for the period		**(32,996)**
Other comprehensive income		
Changes due to financial statements translation		**(904)**
Fair value changes in cash flow hedges		(25,444)
- Tax effect	19	7,633
Cash flow hedge transferred to profit and loss		6,085
- Tax effect	19	(1,826)
Net cash flow hedges		**(13,552)**
Comprehensive income for year attributable to:		**(47,452)**
Parent´s shareholders		(32,994)
Non controlling interest		(14,458)

Notes 1 to 33 and Appendixes I and II form an integral part of these consolidated financial statements.

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CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD COMPRISED BETWEEN JUNE 13 AND DECEMBER 31, 2012
(Thousands of *US$*)

	Attributable to owners of the parent								
				Carrying value adjustments					
	Share Capital (Note 14)	Share Premium (Note 14)	Retained earnings / (losses)	Cumulative translantion difference (Note 15)	Hedging reserve (Note 11)	Other Carrying value adjustments (Note 14)	TOTAL	Non-Controlling interests (Note 16)	Total Equity
Incorporation at June 13, 2012	18	-	-	-	-	-	18	-	18
Loss for the period	-	-	(24,359)	-	-	-	(24,359)	(8,637)	(32,996)
Net cash flow hedges	-	-	-	-	(5,237)	-	(5,237)	(8,315)	(13,552)
Foreign currency translation differences	-	-	-	(3,398)	-	-	(3,398)	2,494	(904)
Total other comprehensive income	-	-	-	(3,398)	(5,237)	-	(8,635)	(5,821)	(14,456)
Total comprehensive income	-	-	(24,359)	(3,398)	(5,237)	-	(32,994)	(14,458)	(47,452)
Other movements	-	-	-	-	-	-	-	4,964	4,964
Incorporation to the consolidation scope	4,062	1,611,864	-	-	(77,299)	(469,283)	1,069,344	307,838	1,377,182
Balance at 31 December 2012	4,080	1,611,864	(24,359)	(3,398)	(82,536)	(469,283)	1,036,368	298,344	1,334,712

Notes 1 to 33 and Appendixes I and II form an integral part of these consolidated consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V AT DECEMBER 31, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD COMPRISED BETWEEN JUNE 13 AND DECEMBER 31, 2012
(Thousands of US$)

	Note	December 31, 2012
Cash flows from operating activities		
Loss for the period before taxes		**(42,557)**
Adjustments for:		
- Depreciation, amortization and impairment losses	7 and 9	25,426
- Net financial results		59,153
-Other non monetary transactions		(5,481)
Subtotal		**79,098**
Changes in working capital :		
- Inventories		7,046
- Trade and other receivables		(19,066)
- Trade and other payables		(74,429)
- Cash flows from construction services		(137,371)
- Trade receivables – IFRIC 12 collections		5,915
- Other changes in non-current assets		8,658
Cash generated from operations		
- Taxes paid		(554)
Net cash generated from operating activities		**(173,260)**
Cash flows from investing activities		
- Addition to consolidation scope (Note 13)		381,544
- Acquisition of property, plant and equipment		(61,519)
- Net change in other financial investments		8,337
- Interest received and other financial income		13,466
-Loans to related parties		(225,424)
- Sales of property, plant and equipment		4,286
Net cash used in investing activities		**120,690**
Cash flows from Financing activities		
- Proceeds from borrowings		329,289
- Reimbursement of borrowings		(201,592)
- Interest paid		(53,548)
- Proceeds from related parties borrowings		334,523
- Equity instruments issue		235
Net cash generated from/(used in) financing activities		**408,907**
Net change in cash and cash equivalents		**356,337**
Cash and cash equivalents at start of the period		18
Cash and cash equivalents at the end of the period	14	**356,355**

Notes 1 to 33 and Appendixes I and II form an integral part of these consolidated financial statements.

FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

ISOLUX infrastructure

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD COMPRISED BETWEEN JUNE 13 AND DECEMBER 31, 2012
(Thousands of US$)

1. General Information

Isolux Infrastructure Netherlands, B.V. (formerly Grupo Isolux Corsán Netherlands, B.V) and its subsidiaries and joint ventures (together, "the Group") was incorporated for an indefinite period on June 13, 2012 and its registered office is Strawinskylaan 411, 1077 XX Amsterdam, the Netherlands, number trade register 55492584.

On June 13, 2012 the Shareholder Extraordinary General meeting, approved the change of name of the Company to Isolux Infrastructure Netherlands, B.V.

The parent company's corporate purpose is the participation in other companies as a partner or shareholder in the country or abroad (holding).

The Group operates mainly through the following lines of business:

- Concessions: the Group holds concessions for land infrastructures such as motorways and the electrical infrastructures such as high-voltage transmission lines and energy transformation stations.
- Photovoltaic energy: generation or production of renewable energies through photovoltaic plants technology.

Additionally the Group has its main activities and sales in India, Brazil, Mexico and Spain is expanding to other countries such as United States of America, Italy and Peru. Appendixes I and II to these notes contain additional information with respect to the entities included in the consolidation scope.

The parent company is jointly controlled by Grupo Isolux Corsán Concesiones, S.L. (a subsidiary of Grupo Isolux Corsán, S.A.) and Infra-PSP Canada Inc., which holds 80,77% and 19,23% of the shares respectively (directly or indirectly) through the transaction described below. This joint control is exercised due to shareholders' agreements which state that key strategic operational decisions have to be taken through supermajority involving both shareholders and other requirements.

The parent company was controlled by Grupo Isolux Corsán, S.A. before the agreement with Public Sector Pension Investment Board (PSP), a canadian pension fund, which committed to contribute to Isolux Infrastructure Netherlands the amount of US$ 627.7 million, of which the 50% is contributed through a mandatory convertible loan and remaining 50% through an equity contribution (acquisition of shares issued by Isolux Infrastructure Netherlands, B.V.).

In the agreement, it is also stipulated the commitment by Grupo Isolux Corsán Concesiones, S.L. to contribute to the Group the amount of US$ 125.5 million (50% through a convertible loan and 50% trough equity).

Prior to the subscription of shares by PSP, on October 29 2012, Grupo Isolux Corsán Concesiones contributed to the parent company, its participation in the Spanish companies Isolux Corsán Concesiones, S.A.U. ("ICC"), Isolux Corsán Concesiones de Infraestructuras, S.L.U., Grupo T-Solar Global, S.A. (GTSG) in exchange of share capital increase. With these transactions, the parent company received the businesses of concessions and photovoltaic energy.

Because this transaction falls within a business combination involving entities under common control, the management of the parent company decided to apply the predecessor accounting approach, same approach used by Grupo Isolux Corsán for similar transactions in the past, using for these financial statements the Grupo Isolux Corsán, S.A. consolidated book values. As a result, the total addition to the consolidation scope on October 29, 2012, amounted to net assets of US$ 743,426 thousand. The above described transaction did not have any monetary impact except for the cash and cash equivalent incorporated to the consolidation scope.

(Thousands of US$)

Set out below identifiable assets and liabilities contributed amounts which are recognized at contribution date:

Identifiable assets and liabilities contributed	
Cash and cash equivalents	381,544
Intangible assets – Other	2,175,747
Property, plant and equipment	1,665,433
Other non current assets	1,990,674
Other current assets	533,274
Non current borrowings	(3,316,719)
Other non current liabilities	(735,747)
Other current liabilities	(1,642,942)
Total identifiable assets acquired and liabilities assumed	**1.051,264**
Non-Controlling interests	(307,838)
Total	**743,426**

Because of the above described transaction, and considering the parent company date of incorporation, these financial statements, presents a consolidated balance sheet at December 31, 2012 and the consolidated income statement, consolidated comprehensive income, consolidated statement of change in equity and consolidated cash flow statement for the period comprised between June 13, 2012 and December 31, 2012, therefore not presenting comparative figures.

These consolidated financial statements therefore comprise the entire assets, liabilities and results of operations of the group subsidiaries and joint ventures contributed to the parent company since October 29, 2012.

These Consolidated Financial Statements have been prepared for issue by the Board of Directors on April 11, 2013.

In addition, the parent company presents separately its own stand-alone financial statements prepared in accordance with the statutory provisions set out in Title 9 Book 2 ans Section 402 of Book 2 of the Dutch Civil Code. These financial statements have also been prepared in accordance with the facility detailed under Section 362(8) of Book 2 of the Dutch Civil Code, by which the company financial statements are based on the accounting policies as adopted in the consolidated financial statements.

Photovoltaic Industry regulation

The Photovoltaic business unit, through T-Solar subgroup, mainly operates in Spain, with other investments in Italy, Peru and India.

Regulatory framework governing the Group's activities in Spain

The main legal framework for the electricity sector is contained in the Electricity Act Law 17/2007 (4 July) which adapted Spanish Law to European Parliament and Council Directive 2003/54/CE (26 June), which established common regulation for the internal electricity market.

Electricity regulations make a distinction between two types of production facilities: those operating under the "Ordinary System", and those operating under the "Special System". The subsidiaries of Grupo T-Solar Global, S.A. carry out their activities in the electricity generation market under the "Special System". The main provisions governing this activity are as follows:

Spanish Royal Decree 661/2007 (25 May), which regulates electricity production activities under the special system, establishes the financial system for those producing energy under the special system. This Royal Decree establishes output objectives for each of the renewable energy production technologies.

The target for photovoltaic technology was surpassed in August 2007. As a result, the SGE *(Secretaría General de Energía)* issued a Resolution on 27 September 2007 whereby the period over which the regulated rate for photovoltaic technology was established, by virtue of Article 22 of Royal Decree 661/2007. This period was established at twelve months after the publication of the Resolution in the Official State Gazette ("BOE"), i.e. 29 September 2007. Spanish Royal Decree 1578/2008 is applicable to any facility registered after that date.

The main aspects of Royal Decree 661/2007, with respect to the financial system for electricity generation using the Group's photovoltaic plants, requires the owners of facilities that entered into operation after 31 December 2007 to choose one of the following options, applicable for not less than one year:

- Regulated rate: producers output the electricity into the system through a distribution network and receive the regulated rate for that output.

- Market rate: in this case the electricity price is established by the market or negotiated by the owner of the facility, supplemented, if appropriate, by a premium. Minimum and maximum prices are established in this case. However, in the case of photovoltaic solar energy no such premium is contemplated and therefore (de facto) it can only apply the first option.

Operating facilities covered by Royal Decree 661/2007 have chosen to apply the regulated rate.

One of the novelties introduced by Royal Decree 1578/2008 is the distinction made between types of facilities. This differentiation is of particular importance because Royal Decree 1578/2008 establishes certain annual capacity quotas assigned on a quarterly basis and specific compensation based on the type and subtype of facilities.

On 23 November 2010 Royal Decree 1565/2010 (19 November), which regulates and amends certain aspects relating to electricity production under the Special System, was published. This Royal Decree includes a reduction of the premiums ranging between 5% and 45% for new projects that fall within the first calls for tenders as from the time this Royal Decree enters into force and the premium is eliminated after year 26.

Subsequently, on 24 December 2010 Royal Decree-Law 14/2010 (23 December), which establishes urgent measures to correct the rate deficit in the electricity sector was published. This Royal Decree-Law establishes a limit on the equivalent hours that photovoltaic plants entitled to collect a premium can operate as such premium. It also establishes an extension from 25 to 28 years with respect to the right of the plants to sell energy at a premium, thereby extending the period by three years compared with Royal Decree 661/2007. Subsequently Legislative Bill on Sustainable Economy increases the compensation period for the photovoltaic plants from 28 to 30 years.

On January 28, 2012 it was published the Spanish Royal Decree 1/2012, which removes compensation's pre-allocation procedures as well as economic incentives for electrical power cogeneration new plants, renewable energy sources and waste; by virtue of such decree, pre-allocation calls are indefinitely laid off. This regulation only affects those Group applications launched to get a pre-registration in Spain, but not such plants on start-up or operation phase.

Spanish Law 15/2012, of December 27 on fiscal measures, which comes into force on January 1, 2013; imposes among other measures, a tax on the electricity's value, which charges a 7% tax rate on the production activities and on the incorporation of energy power in the electrical system.

Finally, Spanish Royal Decree- law 2/2013, of February 1, on urgent measures in the electrical system and financial sector, states that the price discount factor, from the year 2013 is the Consumer Price Index on constant taxes excluding unprocessed food and energy products versus the general Consumer Price Index that has been used until 2012.

Due to the regulatory changes, the Group has performed impairment tests on the Spanish solar-photovoltaic plants Cash Generating Unit. These tests do not give rise to a significant impact on the recoverable amount of the assets associated to the electricity generation segment.

2. Basis of preparation

The consolidated financial statements of Isolux Infrastructure Netherlands B.V. have been prepared in accordance with Part 9, Book 2 of the Dutch Civil Code.

These consolidated financial statements have been prepared to present the historical financial position, results of operations, changes in equity and cash flows of the Group.

The Group prepared its consolidated financial statements in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union and effective at 31 December 2012.

These financial statements have been prepared on a historical cost basis, modified in those cases stipulated by the IFRS-EU rules, except for derivative financial instruments in which assets and liabilities are carried at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. The application of IFRS-EU also requires that management exercise judgment in the process of applying the accounting policies. Note 5 discloses the areas that require a higher level of judgment or entail greater complexity, and the areas where assumptions and estimates are significant for the financial statements.

The amounts contained in these consolidated financial statements are expressed in thousands of United States dollars ("US$"), unless otherwise stated.

2.1. Standards, amendments and interpretations

The Group has applied in the preparation of these financial statements all the standards and interpretations of IFRS-EU that are effective at the date of these consolidated financial statements.

Standards, interpretations and amendments effective from January 1, 2012 applied by the Group:

IFRS 7 (amendment), 'Financial Instruments: Disclosures'. This amendment modified the required disclosures about the risk exposures relating to transfers of financial assets. Among others, this amendment could affect the sale transactions of financial assets, factoring agreements, financial assets and the loan titles agreements. This amendment did not have a significant impact on the Group's Consolidated Financial Statements.

Standards, interpretations and amendments published by the IASB that are not yet in force and have been adopted by the European Union:

IFRS 10, 'Consolidated Financial Statements'. IFRS 10 replaces current consolidation requirements of IAS 27 and establishes principles for the presentation and preparation of Consolidated Financial Statements when an entity controls one or more other entities. The standard defines the principle of control, and establishes control as the basis for consolidation. This Standard will be effective for periods beginning on or after January 1, 2014 under IFRS-EU (January 1, 2013 under IFRS approved by the International Accounting Standards Board , herein and after IFRS-IASB).

IFRS 11 'Joint Arrangements'. This Standard will be effective for periods beginning on or after January 1, 2014 under IFRS-EU (January 1, 2013 under IFRS-IASB).

IFRS 11, replaces the actual IAS 31 about joint ventures and under this standard investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations each investor has rather than just the legal structure of the joint arrangement. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and accounts for its interest under the equity method. Proportional consolidation of joint ventures is no longer allowed.

IFRS 12 'Disclosures of interests in other entities'. This Standard will be effective for periods beginning on or after January 1, 2014 under IFRS-EU (January 1, 2013 under IFRS-IASB). Standard that defines the disclousures related to interests hold in subsidiaries, associates, joint arrangements and non-consolidated entities.

IAS 27 (amendment) 'Separated financial statements'. IAS 27 amendment is mandatory for periods beginning on or after January 1, 2014 under IFRS-EU (January 1, 2013 under IFRS-IASB). After IFRS 10 has been published, IAS 27 covers only separate financial statements.

IAS 28 (amendment) 'Associates and joint ventures'. IAS 28 has been amended to include the requirements for joint ventures to be accounted for under the equity method following the issuance of IFRS 11. IAS 28 is mandatory for periods beginning on or after January 1, 2014 under IFRS-EU (January 1, 2013 under IFRS-IASB).

IFRS 13 'Fair value measurement'. This Standard will be effective for periods beginning on or after January 1, 2013, both under IFRS-EU and IFRS-IASB.

IAS 1 (amendment) 'Financial statements presentation'. The main change resulting from this amendment is a requirement to group items presented in 'other comprehensive income' (OCI) on the basis of whether they will be subsequently reclassified to profit or loss or not (reclassification adjustments). This Standard will be effective for annual periods beginning on or after July 1, 2012, both under IFRS-EU and IFRS-IASB. Earlier application is permitted.

IAS 19 (amendment) 'Employee benefits'. IAS 19 amendment is mandatory for periods beginning on or after January 1, 2013.

IAS 32 (amendment) and IFRS 7 (amendment) 'Compensation of financial assets for financial liabilities'. IAS 32 amendment is mandatory for periods beginning on or after January 1, 2014 and is to be applied retroactively, both under IFRS-EU and IFRS-IASB. IFRS 7 amendment is mandatory for periods beginning on or after January 1, 2013 and is to be applied retroactively, both under IFRS-EU and IFRS-IASB.

The Group is currently in the process of evaluating the impact on its operations derived from the application of these new standards taking special consideration to the impact that IFRS 10, 11 and 12 will have on the Group's Consolidated Financial Statements in opinion of the Directors.

Standards, interpretations and amendments that have not been adopted by the European Union:

IFRS 9, 'Financial Instruments'. This Standard will be effective as from January 1, 2015 under IFRS-IASB.

IFRS 10, IFRS 11 and IFRS 12 (amendments) 'Transition Guidance'. Effective from January 1, 2013 under IFRS-IASB.

Improvements to IFRS published by the IASB in May 2012 as part of the Annual Improvements 2009-2011 Cycle. The improvements affect IFRS 1 ' First-time adoption of IFRS', IAS 1'Presentation of Financial Statements', IAS 16 'Property, Plant and Equipment', IAS 34 'Interim financial reporting', and IAS 32 'Financial Instruments: Presentation'. These amendments are mandatory as from January 1, 2014 under IFRS-IASB.

The Group is currently in the process of evaluating the impact on the Consolidated Financial Statements derived from the application of these new standards and amendments.

3. Summary of accounting policies applied

3.1. Consolidation principles

Subsidiaries

Subsidiaries are all entities (including special-purpose companies) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group control another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the group's voting rights relative to the size and dispersion of holdings of other shareholders give the group the power to govern the financial and operating policies, etc. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Appendix I to these notes set outs the identification details of the subsidiaries included in the consolidation scope under the full consolidation method.

Agreements established between shareholders result in the investment being considered as a joint venture (See Appendix II).

Sociedad Concesionaria Autovía A-4 Madrid, S.A. where the Group holds 48.75% of the shares is considered subsidiary since the control is held by the Group due to shareholder agreements (See Appendix I).

ICC Sandpiper, B.V. where the Group holds 100% of the ordinary shares is considered Joint Venture since the control is shared with Morgan Stanley Investment Partners due to shareholders agreements (See Appendix II and Note 17).

Transactions with non-controlling interests

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of Subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of an associate' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

There are not associates within the Group as of 31 December 2012.

Joint ventures

The Group treats incorporated or unincorporated entities in which two or more members have joint control under contractual agreements as joint ventures. Joint control is understood to be the situation established in an agreement between the parties in which financial and operating decisions require the consensus of all members.

Interests in joint ventures are consolidated using the proportionate consolidation method, The Group combines its share of the assets, liabilities, income, expenses and cash flows of the jointly controlled entity, line by line, with similar items in its own accounts. The Group recognizes, in these financial statements, the portion pertaining to the other members of the jointly controlled entity of any profits or losses obtained from the sale of the Groups' assets to the entity. The Group does not recognize its own share of the profits or losses of the jointly-controlled entity derived from the purchase by the Group of the entity's assets, until those assets are sold to an independent third party. A loss is immediately recognized on the transaction if it causes a reduction in the net realizable value of current assets or an impairment loss.

Appendix II to these notes set outs the identification details of the joint ventures included in the consolidation scope under the proportionate consolidation method.

3.2. Foreign currency transactions

Functional and presentation currency

The items included in these financial statements of each of the Group companies are measured using the currency of the primary economic environment in which the entities operate ("functional currency"). The financial statements are presented in thousands of US$, which is the Group's presentation currency.

Transactions and balances

Transactions in foreign currency are translated to each functional currency using the exchange rates effective at the dates of the transactions or where items are re-measured; 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 Consolidated Income Statement, except when deferred in equity (other comprehensive income) 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 other comprehensive income.

Group companies

Results and the financial situation of all Group companies (none of which has the currency of a hyperinflationary economy) whose functional currency differs from the presentation currency are translated to the presentation currency as follows:

- The assets and liabilities on each balance sheet presented are translated at the closing exchange rate at the balance sheet date;
- The income and expenses in each income statement are translated at the average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates existing at the transaction dates, in which case income and expenses are translated at the rates on the transaction dates); and
- All resulting exchange differences are recognized as other comprehensive income.

On consolidation, any exchange differences resulting from the translation of a net investment in foreign companies and loans and other instruments in foreign currency designated as hedges of those investments are taken to Equity. When sold, such exchange differences are recognized in the Consolidated Income Statement as part of the profit or loss on the sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3.3. Property, plant and equipment

Land and buildings mainly comprise plants, offices, technical installations, machinery and tooling. Property, plant and equipment are recognized at cost less depreciation and cumulative impairment losses, except for land, which is presented net of impairment losses. Historical cost includes expenses directly attributable to purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is likely that the future economic benefits associated with the asset will flow to the Group and the cost of the asset may be reliably determined. The carrying amount of a replaced component part is derecognized. All other repair and maintenance expenses are charged to the consolidated income statement in the year in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated on a straight-line basis in order to allocate costs to residual values based on the estimated useful lives of the assets in question, using the following rates:

	Average rate
Buildings	3 %
Photovoltaic Solar Electricity production facilities	4 %
Machinery	13%
Furnishings	7 %
Data-processing equipment	13%
Vehicles	14%

In the case of facilities located on leased land, the depreciation period may not exceed the term of the lease established in the relevant agreement.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at Balance Sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3.7).

Gains and losses on the sale of property, plant and equipment are calculated by comparing the proceeds with the carrying amount and are included in the consolidated income statement on the line "Other operating income/expenses". Own work capitalized is measured by adding to the price of consumable materials used, the direct or indirect costs attributable to the construction of the asset and reflected as "Other operating income" in the consolidated income statement.

3.4. Intangible assets - goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

3.5. Intangible assets - other

Concessions

Concessions are recognized in the amount paid by the Group with respect to assignment or operating royalties. In most of the cases, concessions relate to the administrative authorization granted by national authorities or other public bodies for the construction and subsequent maintenance and operation of highways, and other assets during the periods specified in the relevant contracts. The accounting treatment of such assets is according to the treatment stated in IFRIC 12.

Concessions fall under IFRIC 12 scope when it is considered that they are under the terms of the concession contracts, where the concessionaire is granted the right to use the concession, but does not control it since:

- The concession assets are owned by the granting authority in the majority of cases.
- The concession grantor controls the use of the infrastructure and rendered services and the conditions under which they must be rendered following the criteria set out in the concession documents during the stipulated concession term, and
- The infrastructure reverts to the concession grantor at the end of the contract and the concession holder no longer holds any rights in this respect.

When concessions are under IFRIC 12 scope, the related asset can be classified as:

- Intangible asset: only when related contracts do not establish any unconditional right to receive cash or other financial asset from the grantor independently of the use of the public service by the users
- Financial asset (Note 3.8): When an unconditional right to receive cash or other financial asset from the grantor is established independently of the public service by the users.

Revenues are recognized according to the fair value of each service rendered.

Construction services:

The Group recognizes construction revenue according to what is stated in note 3.20.

The amounts received or to be received for the infrastructure construction services are recognized according to its fair value.

The assets are measured based on the costs directly attributable to their construction and incurred up to the date the assets become operational, such as studies and projects, expropriations, replacement services, construction work executed, site management and administration, installations and structures, and other similar costs, as well as those indirectly attributable costs corresponding to the construction period. Likewise, financial expenses accrued during construction period are capitalized (under the intangible asset model).

The Group does not recognize the contract obligations when they are signed to the extent they are executory, however, when the grantor has performed its obligation above the obligation performed by the concession company, a liability and an increase of the intangible asset are recognized by the amount that equals the obligation performed by the concession company to the obligation performed by the grantor. This situation occurs mainly when the concession company receives the right to charge users from an existing infrastructure before performing construction works.

Concessions under intangible asset model recognize at beginning of the concession as part of the fair value of the asset, provisions for dismantling, retirement or reinstatement, as well as improvement and increase of capacity works whose revenues are included in the initial concession contracts and both related amortization and time value of money effect of such provisions (as stated in Note 3.19) are booked against the net result of the period. In addition, provisions related to significant replacement and repairmen works are booked in a systematic manner on accrual basis.

It is common that some concession agreements registered under intangible asset model, include also the right to receive payments directly from the grantor to finance partially the construction works, which is called as a "grant". Therefore the construction services covered by these grants are not recognized as intangible asset, they are treated as a financial asset until they are collected, however they are usually collected simultaneously while the construction works are being performed.

Under financial asset model , the fair value of the construction service is accounted as an account receivable which includes a financial remuneration calculated according to the estimates return rate of the projects based on the estimated cash flows including, according to contracts terms, price index estimations and contractual price reviews. Once the projects are in the operation phase, the account receivable is measured as amortized cost, adjusting to the profit and loss statement the impacts due to the differences between estimated cash flows and actual ones the return rate is not modified except for when relevant factors substantially change impacting the cash flows of the projects (economical financial rebalancing by concession grantor, modification of concession contracts, and other circumstances).

Maintenance and Operating services:

Repairs and maintenance that do not extend the useful life or production capacity of the relevant assets are expensed in the year the costs are incurred. Payback of the entire investment in a concession is obtained by the end of the project period, net of any amount that the granting authority reimburse at the concession end. The concession holder receives revenues for the services rendered, either directly from users or from the granting authority.

Once the operation of the concession assets begin, related collections are recognized as ordinary revenue and operating expenditure is included in expenses for the year. In all cases, the intangible assets are amortized on a straight-line basis over the concession term, except for those highways concessions, which are depreciated in a systematic way, based on the estimated traffic during the concession period. At each account close, the return on each project is reviewed to determine whether there is any sign of impairment since the assets are not recoverable on the basis of the operating revenue generated.

Concessions are usually financed by means of project finance arrangements (Project finance). These financing structures are applied to projects that are themselves capable of providing sufficient guarantees to the participating financial institutions with respect to the repayment of the debts incurred to undertake the project, although additional guarantees can arise in between construction period and project implementation. Each project is carried out through specific companies in which project assets are partly financed by a contribution of funds from the promoters, limited to a certain sum, and partly (generally a larger sum) by long-term external borrowings. Debt servicing is secured basically by the cash flows that will be generated by the project itself in the future and by mortgaging the project assets.

Computer software

Software licenses acquired from third parties are capitalized on the basis of the costs incurred to acquire and prepare the licenses for the use of a specific program. These costs are amortized over the useful life of the software for a maximum of five years.

Costs associated with developing or maintaining computer software programs are recognized as an expense when incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets.

Computer program development costs recognized as assets are amortized over the program's estimated useful lives (no more than 5 years) on a straight-line basis.

Research and development expenses

Research expenses are recognized as an expense when incurred, whereas development expenses incurred for a project are recognized as an intangible asset if the development is viable from a technical and commercial point of view, sufficient technical and financial resources are available to complete the project, the costs incurred may be reliably determined and the generation of profits is probable.

Other development expenditures are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Capitalized development costs that have a finite useful life are amortized on a straight line basis over the estimated useful life of each project.

If the circumstances which permitted the capitalization of the development expenses change, the unamortized portion is expensed in the year the circumstances change.

3.6. Interest costs

Interest costs incurred in the construction of any qualifying assets (which need a substantial period of time to be ready for its use or its sale) are capitalized over the period needed to complete and prepare the asset for the intended use. Other interest costs are expensed.

3.7. Non-financial asset impairment losses

Assets with an indefinite useful life, to intangible assets that are not available for use and goodwill are not amortized/ depreciated and are tested annually for impairment. Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.

3.8. Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management establishes the classification of financial assets when they are initially recognized and reviews the classification at each reporting date.

In accordance with the IFRS 7 hierarchy, the Group classifies market-valued financial instruments based on the lowest level of used data that were significant with respect to the instrument whole fair value. In compliance with this standard, financial instruments must be classified as follows:

1. Quoted prices in active markets for identical instruments.
2. Directly (prices) or indirectly (based on prices), observable data for the instrument.
3. Data not based on market observations.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired mainly for short-term sale. Derivatives are also categorized as held for trading unless they are designated as hedges. The assets in this category are included in current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are included under "Trade and other receivables" "Financial Investments" and "Cash and cash equivalents" in balance sheet (Note 3.12).

Receivables include the present value of future cash flows from certain concessions according to IFRIC 12. In such cases, there is a contractual right to receive future cash flows or other financial assets directly from the granting authority and the granting authority guarantees those payments (see Note 3.5 and 3.20).

Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that Group management has the positive intention and ability to hold to maturity. If the Group sells a non-insignificant amount of its held-to-maturity financial assets, the entire category will be reclassified as available for sale. Such available-for-sale financial assets are included in non-current assets, except those that mature within 12 months as from the balance sheet date, which are classified as current assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition of financial assets

Acquisitions and disposals of investments are recognized at the trading date, i.e. the date the Group undertakes to acquire or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially carried at fair value and transaction costs are taken to the income statement. Investments are written off when the rights to receive cash flows from them have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest rate method.

Gains and losses resulting from changes in the fair value of financial assets at fair value through profit or loss are included in the income statement in the year in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the income statement when the Group's right to receive payment is established.

Changes in the fair value of monetary instruments denominated in foreign currency and classified as available for sale are analyzed by separating the differences in the instrument's amortized cost and other changes in the instrument's carrying amount. Translation differences on monetary instruments are recognized in the income statement, while translation differences on non-monetary instruments are recognized under equity. Changes in the fair value of monetary and non-monetary instruments classified as available for sale are recognized in equity.

When available-for-sale instruments are sold or impaired, the cumulative fair value adjustments recognized in equity are taken to the income statement.

Interest on available-for-sale instruments calculated using the effective interest rate method is recognized in the income statement item "Net financial results". Dividends from available-for-sale equity instruments are recognized in the income statement when the Group's right to receive payment is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value using measurement techniques which include recent uncontrolled transactions between willing and knowledgeable parties relating to other instruments that are substantially identical and the analysis of discounted cash flows and option pricing models, maximizing market input and relying as little as possible on the entity's specific inputs.

At the balance sheet date, the Group assesses whether there is objective evidence of impairment losses with respect to a financial asset or group of financial assets. For equity instruments classified as available for sale, in order to determine whether there is impairment losses it will be necessary to examine whether there is a significant or protracted below cost decline in the fair value of the securities. If there is any evidence of this type for available-for-sale financial assets, the cumulative loss determined as the difference between the acquisition cost and current fair value, less any impairment loss in that financial asset previously recognized in the income statement, is removed from equity and recognized in the income statement. Impairment losses recognized in the income statement on equity instruments are not reversed through the income statement.

Impairment testing of receivables is described in note 3.11.

Financial assets and liabilities are offset and presented by its net value in the balance sheet when there is a legally enforceable right to compensate the recorded amounts, and the Group has the intention to settle or to realize the asset and cancel the liability simultaneously.

Financial assets are eliminated from the balance sheet when all risks and benefits inherent to ownership are substantially transferred. In the specific case of accounts receivable, the understanding is that this takes place in general when the risks of insolvency and default have been transferred.

3.9. Derivative financial instruments and hedging activities

Derivatives are initially recognized at fair value at the contract date and are subsequently measured at fair value. The method to recognize the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, on the nature of the item being hedged. The Group may designate certain derivatives as:

- fair value hedges of recognized assets and liabilities (fair value hedge);
- hedges of a specific risk associated with a recognized liability or a highly probable forecast transaction (cash flow hedge); or
- hedge of a net investment in a foreign operation (net investment hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking hedge transactions. The

Group also documents its assessment, at inception and on an ongoing basis, of whether or not the derivatives used in hedge transactions are highly effective in offsetting changes in the fair value or cash flows of the hedged items.

The fair value of some derivative instruments used for hedging purposes is shown in note 11. Movements in the hedging reserve are shown in the consolidated statement of changes in equity and Consolidated Statement of Comprehensive Income. The total fair value of hedging derivatives is classified as a non-current asset or liability if the period to maturity of the hedged item is more than 12 months and as a current asset or liability if the period to maturity of the hedged item is less than 12 months. Derivatives not classified as hedges for accounting purposes are carried as current assets or liabilities.

Regarding the fair value hierarchy established in IFRS 7, the Group proceeds to classify financial instruments market valuations as stated in note 3.8. as follows: Fair Value of derivative financial instruments is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in the income statement together with any change in the fair value of the hedged asset or liability that may be attributable to the risk hedged.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item for which effective interest rate method has been used, is recorded as profit or loss up to its maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in equity. The gain or loss relating to the ineffective portion is immediately taken to the income statement item "Net financial results".

Amounts accumulated in equity are recorded in the income statement in the periods when the hedged item affects results (for instance, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps that hedge variable-rate borrowings is recognized in the income statement item "Net financial results". The gain or loss relating to the effective portion of forward foreign currency contracts that hedge sales is recognized in the income statement item "Sales" and the ones hedging purchases is recognized in "Materials consumed and other external costs".

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement item "Net financial results".

Net investment hedge

Hedges of net investments in foreign operations are accounted for in a similar way to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in equity. The gain or loss relating to the ineffective portion is immediately recognized in the income statement. Gains and losses accumulated in equity are included in the income statement when the foreign operation is disposed of. At December 31, 2012 the Group has no net investment hedge.

Derivative financial instruments at fair value through profit or loss

Certain derivatives do not qualify for hedge accounting and are recognized at fair value through profit or loss. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are immediately recognized in the income statement item "Net financial results".

3. 10. Inventories

Raw materials and finished products are carried at the lower between the acquisition or production cost, using the weighted average cost method, and the net realizable value.

Finished products and work in progress items costs include design costs, raw materials, direct work force, other direct costs and general manufacturing costs (based on a normal capacity of production facilities). Changes in prices of such inventories referred to variable indexes are recorded against inventories value.

Obsolete, defective or slow-moving products are written down to their net realizable value.

Net realizable value is the selling price estimated during ordinary business course, less applicable sale variable costs.

3.11. Trade and other receivables

Trade receivables are amounts due from customers related to goods sold or services rendered in the course of the company's business. If the receivables are expected to be collected in a year or less (or in the operation cycle if longer), they are classified as current assets. Otherwise, they are recorded as non-current assets.

Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method, less a provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the receivables. The existence of significant financial difficulties on the part of the debtor, the probability that the debtor will become bankrupt or undertake a financial restructuring, and late payment or default are considered to be indicators of the impairment of a receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The asset's carrying amount is written down as the provision is applied and the loss is recognized in the income statement. When a receivable is uncollectable, the provision for receivables is adjusted accordingly. Subsequent recoveries of receivables written off are recognized in the income statement for the year in which the recovery takes place.

3.12. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of 3 months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. When a company's cash is restricted, for example when not freely available due to bank requirements, it is not classified under "Cash and cash equivalents".

3.13. Share Capital

Common shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The costs of an equity transaction that is abandoned are recognized as an expense.

Where any Group company purchases the parent company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the parent company's stockholders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax and social contribution effects, is included in equity attributable to the parent company's stockholders.

Pending payments regarding partly paid shares are recognised as an account receivable asset in the balance sheet when it meets certain conditions (the shareholders have right to full dividends and cannot avoid the calls according to the schedule defined).

3.14. Deferred income

a) Capital grants

Official subsidies relating to the acquisition of property, plant and equipment are recognized under "Deferred revenues" in the nominal amount granted after receiving official notification of the grant and when it is deemed there are no reasonable doubts regarding compliance with the grant conditions and, therefore, regarding the collection of the amount concerned.

As from the date of recognition, capital grants are taken to the income statement in proportion to the depreciation suffered over the period concerned by the assets financed by the grants.

The attribution of capital grants is recognized under the heading "Other ordinary revenues" in the income statement. They are not offset against the depreciation of the subsidized asset.

b) Interest free loans granted by official bodies

The loans received by the Group that do not accrue interest are recorded at their restated value (calculated using an effective market interest rate), and the difference generated at the initial moment between the nominal amount of the loan and its restated value is attributed as follows:

When the financing is to be used to acquire an asset, the above-mentioned difference is recorded as deferred revenues and taken to results for the year over the depreciation period for the financed assets.

c) Deductions

Tax revenues deriving from corporate income tax deductions or credits resulting from the investment in assets but yet to be applied, are taken to the consolidated income statement in the same period in which the property, plant and equipment generating those deductions or credits is depreciated, given that this involves specific assistance subject to compliance with certain conditions and are intended to encourage investments in renewable energies.

3.15. Trade and other payables

Trade payables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate method.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

3.16. Borrowings and compound financial instruments

a) Borrowings

Borrowings are initially carried at fair value net of transaction costs. They are subsequently measured at amortized cost. Any differences between the funds obtained (net of necessary costs) and their repayment value are recognized in the income statement over the life of the debt applying the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months as from the balance sheet date.

Interest and other costs incurred to obtain bank loans are taken to the income statement for the year on an accrual basis.

b) Compound financial instruments

Compound financial instruments issued by the group comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. Estimated cash flows are re-estimated at each closing date and changes in the amortised costs using the original effective interest rate are recognised against profit and loss. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

As the issuer of a financial instrument, the Group classifies it in full or its components as a financial liability, a financial asset or an equity instrument at the time of initial recognition, in accordance with the financial substance of the contractual agreement and the definition of financial liabilities, financial assets and equity instruments established by IAS 32.

In this connection, the Group issued different instruments (Note 17) in which the main component is a non-derivative financial liability.

3.17. Current and deferred income taxes

Tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement except to the extent it relates to items recognized directly in equity. In this case, tax is also recognized in equity.

The current tax charge is calculated based on the tax laws approved or about to be approved at the balance sheet date in the countries where the Group's companies operate and generate results subject to tax. Management assesses regularly the positions taken in relation to tax returns with respect to situations where tax law is subject to interpretation, and establishes, where appropriate, the necessary provisions on the basis of the amounts that it is expected to pay to the tax authorities.

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 in the financial statements. However, if the deferred taxes arise 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 the tax gain or loss, they are not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income 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 offset.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is likely that the temporary difference will not reverse in a foreseeable future.

Deferred tax assets and liabilities are offset if, and only if, there is a legally recognized right to offset current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities derive from income tax levied by the same taxing authority on the same taxable entity or person or different taxable entities or persons which intend to settle current tax assets and liabilities on a net basis.

3.18. Employee benefits

Pension and similar obligations

The Group has no pension or similar obligations with its employees or executives.

Termination benefits

Termination benefits are payable as a result of the Group's decision to terminate employment before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group 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.

Bonus plans

The Group recognizes a provision when contractually obliged or when there is a past practice that has created a constructive obligation.

3.19. Provisions

The Group recognizes a provision when: they have a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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. Any increase in the provision over time is recognized as interest expense.

Provisions related to obligations associated to the infrastructures operated under concession agreements are stated in note 3.5.

Provisions for warranties

The Group provides customers with warranties for photovoltaic panel sales. The provisions that are necessary for the warranties granted are calculated based on theoretical expectations and historic information regarding defect rates and estimated repair costs. These items are reviewed and adjusted on a regular basis. These provisions are recorded at the estimated value of future claims deriving from aforementioned contracts and charged against operating expenses.

Provision for disassembly

The Group has recorded the present value of the future estimated cost of disassembling and removing the solar plants at the end of their useful life as an increase in the value of the asset.

3.20. Revenue recognition

Sales include the fair value of payments received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Sales are presented net of value added tax, returns, rebates and discounts, and after eliminating sales within the Group.

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

The methods used to recognize revenue in each of the Group's business activities are described below:

Sale of electricity

Electricity sales by photovoltaic solar plants based on industry regulations (Note 1) are recorded in accordance with actual production. Sales for the year include an estimate of supplied energy that has yet to be invoiced at the end of the year.

Construction business

The Group's entities recognize revenue due to the construction services that are required by the concession contracts (electricity infrastructure and toll roads mainly) as described in note 3.5 as stated in IFRIC 12.

When the results of a construction contract may be reliably estimated, ordinary revenue and associated costs of the concession contract are recognized as such in the income statement, based on the percentage of completion of the activity performed under the contract at the balance sheet date. When a project is expected to generate a loss, the necessary provisions are recorded to cover the entire loss during preparation of the updated budget.

Percentage of completion is generally determined by examining work executed. This method may be used since all contracts generally include:

- a definition of each project unit that must be executed to complete the whole project;
- a measurement of each of these project units; and
- the price at which each unit is certified.

In order to put this method into practice, at the end of each month a measurement of completed units is obtained for each project. The resulting total is the amount of construction work executed at the contractual price, which is recognized as project revenue from inception. The difference with respect to the corresponding figure a month earlier is production for the month, which is the amount recognized as revenue.

Construction work costs are recognized for accounting purposes on an accrual basis; costs actually incurred to execute project units completed, plus costs that may be incurred in the future and must be allocated to the project units completed, are recognized as expenses.

The application of this revenue recognition method is combined with the preparation of a budget made for each construction contract by project unit. This budget is used as a key management tool in order to maintain detailed monitoring, project unit by project unit, of fluctuations between actual and budgeted figures.

In such exceptional cases, when it is not possible to estimate the margin for the entire contract, the total costs incurred are recognized and sales that are reasonably assured with respect to the completed work are recognized as contract revenue, subject to the limit of the total contract costs.

During the execution of construction work, unforeseen events not envisaged in the primary contract may occur that increase or decrease the volume of work to be executed. These changes to the initial contract require the grantor's technical approval and subsequent financial approval. This approval permits, from that moment, the issue and collection of certificates for this additional work. Revenue from the additional work is not recognized until the grantor's approval is reasonably assured; costs incurred in this work are, however, recognized when incurred, irrespective of the degree of approval obtained from the grantor.

In the event that the amount of work actually executed in a project exceeds the amount certified at the year end, the difference between the two amounts is reflected in the balance sheet item "Trade and other receivables". When the amount of work actually executed in a project is lower than the amount of the certificates issued, the difference is recognized in the balance sheet item "Trade and other payables".

Estimated project close-out costs are provisioned and apportioned over the execution period. These costs are recognized proportionally on the basis of estimated costs as a proportion of executed work. Costs incurred from projection completion to definitive settlement are charged to the provision recorded and the remaining balance is recognized in the item "Provisions for other liabilities and charges" in the balance sheet.

Costs relating to the tendering of bids for concession contracts are taken to the income statement when incurred, when the success of the bid is not probable or is not known at the date the costs are incurred. Bid tendering costs are included in the cost of the contract when the success of the bid is probable or is known, or when it is certain that the costs will be reimbursed or included in contract revenue.

When claims against the grantor due to construction overcosts arise, the Group only recognises the related revenue when negotiations have reached an advanced stage such that is probable that the grantor will accept the claim and the amount of the claim that the grantor will probably accept can be reliably measured.

Operating and Maintenance Concessions business

The Group has concessions to operate electricity infrastructure and toll roads.

Under concession contracts, revenue and expenditure is recognized on an accrual basis, irrespective of when the related monetary or financial flows take place. The accounting treatment of the main activities is described below.

Multiple element contracts

Concessions for public services are contracts between a private operator (the Concessionaire) and the Government or a different public body (the Grantor), in which the latter party grants to the private operator the right to provide public services such as the supply of electricity, or the operation of roads, etc. Control over the asset is retained by the grantor as stated in note 3.5, but the private operator assumes responsibility for building the asset and for operating and maintaining the infrastructure. Depending on the contract terms, concessions are treated as intangible assets (when the predominant element is that the concession holder has the right to receive fees directly from users or the level of future flows are not assured by the granting authority) or as financial assets (when the granting authority guarantees a level of future cash flows).

The Group offers certain agreements under which it builds an infrastructure in exchange for a concession to operate it for a specified period. When such contracts contain multiple elements, the amount of revenue recognized is defined as the fair value for each phase of the contract. Revenue from infrastructure construction is recognized as described in the preceding paragraphs. Revenue from an intangible asset operation is recognized on an accrual basis as operating revenue. When a financial asset has been previously recognized, revenue is treated as a principal repayment with an interest income component. The characteristics of the Group's main activities are described below:

Toll roads

In most cases, the principle of risk and business venture on the part of the concession holder coexists with the principle of assurance of the concession's economic and financial equilibrium on the part of the Grantor. Revenue is recognized at fair value during the construction phase.

In the Toll road contracts hold by the Group it is not usual that there is an unconditional right to receive cash or other financial asset from the grantor, and the level of cash to be received depends on the number of users (risk demand), therefore an intangible asset is recognized (Note 3.5). The Group recognizes operating and maintenance revenue on an accrual basis and the intangible asset is depreciated over the concession term based in the traffic forecast for the concession.

Certain concession contracts include the obligation for the concessionaire to pay to the grantor a % over the annual revenue obtained, as revenue sharing.

In such cases all revenues received from users are registered by the Group as operating revenue, recognizing an operating expense for the amount to be paid to Authorities according to contract terms (Note 9).

Electricity transmission lines

As described for Toll roads, the principle of risk and business venture on the part of the concession holder coexists with the principle of assurance of the concession's economic and financial equilibrium on the part of the Grantor and revenue is recognized at fair value during the construction phase.

In the Transmission line contracts hold by the Group it is usual that there is an unconditional right to receive cash or other financial asset from the Grantor, and the level of cash to be received is not subject to the demand risk, therefore a financial asset is recognized. Revenues related to concession contracts without demand risk are recognized using the effective interest rate method applied to the concession right.

Interest revenue related to concessions that apply the financial asset model are recognized as operating revenue since it is considered that such revenues are related to the ordinary business of the Group´s entities (Note 12).

Interest revenue

Interest revenue is recognized based on time, with reference to outstanding principal and taking into consideration the applicable effective interest rate, which matches the carrying value of the asset, discounting expected future cash flows over the estimated useful life of the asset.

3.21. Leases

When a Group`s company is the lessee – Finance lease

The Group lease certain property, plant and equipment. Property, plant and equipment leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the lower between the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding debt. The corresponding rental obligations, net of finance charges, are included in Borrowings if the lesser is a financial entity. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

When a Groups´ company is the lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to the income statement on a straight-line basis over the period of the lease.

3.22. Dividend distribution

Dividends can only be paid where there are cumulative retained earnings available for distribution. The net equity of the company, after the distribution, must be at least equal to the sum of the called-up share capital plus any legal reserves and reserves required by the articles of association.

Dividend distribution to the Group's parent company's shareholders is recognized as a liability in the financial statements in the year in which the dividends are approved by the Group's parent company's shareholders.

3.23. Fair value adjustments

Accounting policies relating to fair value estimation are mainly those described in note 3.4., 3.8., 3.9. and 3.16.; note 4.3 and 5 describe in detail the company accounting policy and practice regarding fair value estimation.

4. Financial risk management

4.1. Financial risk factors

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on financial markets uncertainty and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risks.

Risk management is performed by the Group's Central Treasury Department in accordance with policies approved by the Managers of the Group. This department identifies, evaluates and hedges financial risks in close association with the Group's operating units. The Managers provides written policies for overall risk management and for specific areas such as foreign exchange risk, interest rate risk, liquidity risk, use of derivatives and non-financial derivatives, and investment of cash surpluses.

The sensitivity tests have been performed considering at 12-months period.

a) Market risk

a.1) Foreign exchange risk

The Group has international operations and are therefore exposed to foreign exchange risk during currency transactions, relating particularly to the Brazilian reais, Mexican peso, Indian rupee and Euro. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Net positions denominated in currencies other than the functional one exist in certain Brazilian companies, and represent 1,02% over total borrowings as at 31 December, 2012.

Balances mainly relate to Viabahia Concesionaria de Rodovia's debt (US$ 14,452 thousand), denominated in US Dollar, covered through a Cross Currency Swap (Note 11) and to IC Participaciones de Viabahia's debt (US$ 26,687), denominated in Euro.

Additionally, there is an intercompany loan from the parent company to spanish subsidiaries Isolux Corsan Concesiones, S.A.U. and Isolux Corsan Concesiones de Infraestructuras, S.L.U amounted to US$ 324,012 thousand, denominated in US Dollar, which generates foreign exchange risk in these subsidiaries.

Foreign exchange positions arise from transactions of the contributed in the additions to consolidation scope as a result of the transaction described in note 1.

The Group analyzes their exposure to foreign exchange risk in a dynamic manner. A simulation is performed in which the Group calculates the effect on results of a specific change in the exchange rate.

At 31 December 2012, if the US Dollar had depreciated/appreciated by 10% against the EUR the consolidated after-tax result would have been US$ 24,604 thousand lower/higher mainly due to the effects of the increase/decrease in USD liability positions; equity would have changed by US 1,924 thousand.
The sensitive tests have been performed considering at 12-months period.

The Group has a number of investments in foreign operations whose net assets are exposed to foreign exchange risk. These investments are located basically in Brazil, Mexico, Spain, Italy, India and Peru. In general, the Group ensures that operations in each country are financed by borrowings in the functional currency of that country, taking into account the previously-mentioned exception, so that foreign exchange risk only affects the capital investment. Where the investment is partially or fully financed by borrowings, the Group ensures that the loans are obtained in the correspondent functional currency.

During 2012 the Group started to develop new photovoltaic plants in South Africa, mainly for solar plant implementation services.

Set out below is a breakdown expressed in thousands of US$ of the main foreign currency exposures affecting capital investments at December 31, 2012:

Currency	December 31, 2012
Euros (Net assets)	415,850
Mexican Peso (Net assets)	143,709
Indian Rupee (Net assets)	173.101
Brazilian Reais (Net assets)	390,176
Nuevo Sol (Net assets)	27.131
South African Rands (Net assets)	197

a.2) Price risk

The Group is not exposed to equity instrument price risk since they have no significant investments of this nature.

For electric transmission line concessions, the Group is exposed to service price risk, since they are referred to inflation and other economical index depending contractual terms. This risk is not considered to be significant.

For highway business, price risk is not considered significant, as tarifs are part of the concession agreement.

In the area of electricity production the Group is not exposed to market price risk for any raw material. The main costs associated with the activity are depreciation and maintaining the facilities. In order to both build and maintain the facilities the Group has concluded turnkey agreements and therefore the main costs are controlled variables.

a.3) Cash flow and fair value interest rate risk

As explained in note 18, Group participates in a number of investment projects structured under "Project finance" arrangements in which, among other aspects, repayments are secured only by cash flows from the respective projects; there may be, in some cases and during the construction phase, additional guarantees. In such cases, financing mainly comprises long-term, variable-rate instruments. The interest rates applicable depend on the country in which the project is located and on the currency in which the financing is issued. Financing issued at variable rates exposes Group to cash flow interest rate risk. The Group uses interest rate swaps to convert long-term financing totally or partially to fixed interest rates. Additionally, under certain project finance contracts the company that obtains the financing undertakes vis-à-vis the granting banks to contract the above-mentioned derivative financial instruments.

(Thousands of US$)

Exposure to variable interest rate risk at December 31, 2012 is analyzed below:

	TJLP and CDI Rate (2)	TIIE rate (3)	Euribor rate	PLR rate (4)	Libor rate	Total
Borrowings (1)	1,130,267	584,312	1,061,318	622,172	151,736	3,549,805
Financial investments related to borrowings	(596)	(26,703)	(60,490)	(19,467)	-	(107,256)
Interest-bearing cash and cash equivalents	(140,725)	(21,002)	(139,834)	(16,811)	(37,983)	(356,355)
Net position	**988,946**	**536,607**	**860,994**	**585,894**	**113,753**	**3,086,194**
Portion hedge by derivative financial instruments	0%	60%	93%	0%	55%	39%

(1) It does not include borrowings with fixed interest rate, and free interest, except Viabahía's debt which is covered with cross currency swap.
(2) Brazilian long-term reference interest rate
(3) Mexican long-term reference interest rate
(4) Indian long-term reference interest rate

The Group analyses their exposure to interest rate risk in a dynamic manner. A simulation is performed in which the Group calculates the effect on results of a specific change in the interest rate. In each simulation, the same interest rate fluctuation is used for all currencies and reference rates. Scenarios are only simulated for liabilities representing the most relevant interest-bearing positions. Based on the simulations performed the impact of after-tax results mainly due to an increase/reduction of 100 basis points in the interest rate would have been a reduction/increase of US$ 10,313 thousand. The sensitivity tests have been performed considering at 12-months period.

Likewise, there are debt balances covered by interest rate derivatives (Note 11). Based on the simulations performed the impact on equity mainly due to valuation change of financial derivatives prompted by an increase and decrease of 100 basis points in the interest rate would have been a decrease of US$ 66,994 thousand and an increase of US$ 73,177 thousand respectively.

b) **Credit risk**

The Group manages credit risk in relation to the following groups of financial assets:

- Financial investments (Note 10), Derivative financial instruments (Note 11) and balances included under Cash and cash equivalents (Note 13).
- Balances related to trade and other receivables (Note 12).

Financial investments, derivative financial instruments and cash equivalents are contracted with reputable financial institutions that obtain high credit ratings. The amounts are atomized in several financial entities.

Relating trade receivables, a significant risk is not deemed to exist since the Group activity relates to toll road concessions in which payments are made directly in cash, and electric transmission lines in which the granting authority has delegated the monthly payments to the users of the infrastructure (reputable distribution and other energy business companies) although guarantees the contractual unconditional right to received cash flows or other financial assets.

(Thousands of US$)

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group´s Treasury Department aims to maintain flexibility in funding by keeping committed credit lines available.

Regarding to the Group's project financing arrangements ("Project finance"), as explained in note 18, repayments are mainly secured by cash flows from the respective projects. In such cases, the Group hedges liquidity risk by ensuring that financing is long term and structured on the basis of the forecast cash flows for each project. Accordingly, 87% of financing recognized at December 31, 2012 falls due after more than one year and 65% of the financing recognized at December 31, 2012 falls due after more than five years.

As regards the Group's liquidity position, management monitors the forecast liquidity based on expected cash flows.

The following table contains a breakdown of the Group's financial liabilities that will be settled in the net amount, grouped together by maturity date based on the period from the balance sheet date to the maturity date stipulated in each contract. The amounts shown in the table relate to undiscounted cash flows stipulated in the contract. Balances payable in less than 12 months reflect the relevant carrying amounts as the effect of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
At December 31, 2012				
Borrowings	504,976	172,897	717,571	2,623,781
Derivative financial instruments	30,130	15,477	46,432	170,252
Trade and other payables (*)	476,045	-	75,272	539,962
Accrued unmatured interest	258,934	244,978	646,143	833,110
Total	**1,270,085**	**433,352**	**1,485,418**	**4,167,105**

(*) Excluding deferred revenue and balances recognized in relation to Viabahia Concessionaria de Rodovias,S.A. and Varanasi Aurangabad toll road, S.A. (Note 17)

Under less than 1 year column it is included a total of US$ 313,618 thousand related to borrowings of projects under construction. Once projects begin the operation phase, these borrowings are structured as "project finance" with amortization terms through the concession life.

Liquidity risk is managed on an overall, centralized basis by Group Treasury. This includes both managing cash from the Group's recurring transactions (analysis and follow-up of debt maturities, collections, renewal and contracting of loans, management of available credit lines, and temporary investment of cash surpluses) and managing the funds necessary to undertake planned investments. At December 31 2012, the Group has a negative working capital amounting to US$ 125,387 thousand. Management believes that the negative working capital mainly generated by the bridge loans facilities (Note 18) that during the construction period of the infrastructures are classified under current borrowing, but once the operation period begins are converted into project finance loans with long term maturities, associated to the cash flow estimated periods that will be generated by the projects.

(Thousands of US$)

4.2. Capital risk management

The Group's capital management objectives consist of protecting its capacity to do business as a going concern in order to obtain a return for shareholders and profits for other holders of equity instruments, as well as to maintain an optimal capital structure and reduce cost of capital.

In order to maintain or adjust the capital structure, the Group could adjust the amount of dividends payable to shareholders, reimburse capital to shareholders, issue new shares or sell shares to reduce debt.

Leverage ratio at December 31, 2012 is shown below:

	December 31, 2012
Borrowings and Trade and other payables (Note 18 and 17) (*)	4,537,747
Less financial investments related to borrowings (Note 10)	(107,256)
Less: cash and cash equivalents (Note 7)	(356,355)
Net debt	**4,074,136**
Equity (including non controlling interests)	1,334,712
Total capital	**5,408,848**
Leverage ratio (net debt / total capital)	**75,32%**

(*) Excluding Borrowings from related parties (Note 30), deferred revenue, taxes and balances described in relation to Viabahia Concessionaria de Rodovias,S.A. and Varanasi Aurangabad toll road, S.A. (Note 17)

The leverage ratio arising meets the Group's strategy. It is deemed reasonable since the main business of the Group is characterized by continued high financing levels (concessions funding through "project finance").

4.3. Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and held-for-trading and available-for-sale investments) is based on quoted market prices at the balance sheet date. The market price used for financial assets is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Market prices or brokers' prices are used for long-term payables. Other techniques, such as the estimated discounted cash flow method, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The carrying amount less the provision for the impairment of receivables and payables is assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

5. Accounting estimates and judgements

The preparation of these consolidated financial statements under IFRS-UE requires that management make estimations and assumptions that could affect the accounting policies adopted and the amounts of assets, liabilities, revenue, expenses and related breakdowns. The estimates and assumptions made are based on past experience or other facts that are deemed to be reasonable under the circumstances, at the balance sheet date, the result of which is the basis from which to judge the carrying amount of the assets and liabilities that cannot be immediately determined in any other manner. Actual results could differ from estimated ones.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Certain accounting estimates are considered to be significant if the amount of the estimates and assumptions is material and if the impact of the estimates and assumptions on the financial position or operating results is material. Group management's main estimates are explained below.

Critical accounting estimates and judgements

The Groups makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgments 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.

Acquisitions of groups of net assets

On the date a subsidiary is acquired, the IFRS require an analysis of whether or not the purchase is of a business or a group of net assets that do not comply with the definition of a business in accordance with IFRS 3 "Business combinations" (Note 3.1).

When the Group acquires shares in a company that constitutes a group of net assets that do not form a business, the cost of the group is distributed among the assets and liabilities identified on an individual basis within the group, establishing their fair values at the time of acquisition. At times the cost of the group of net assets may include a share-based payment component. In this case, the difference between the fair value of the assets acquired and the amount agreed to be paid in cash is credited directly to equity.

When the group acquires shares in an entity that constitutes a business, at the acquisition date the cost of the business combination is distributed among the identifiable assets, liabilities and contingent liabilities recorded by the acquired company. These assets and liabilities are initially recognized at fair value. If a portion of the cost of the combination depends on future events, the amount of that adjustment is included in the cost of the combination, provided that the events are probable and may be reliably measured. The excess cost of the business combination over the buyer's interest in the identifiable net fair value of the assets, liabilities and contingent liabilities is recognized as goodwill.

Estimated impairment of goodwill and other non-financial assets

The Group verifies annually whether there is an impairment loss in respect of goodwill and other non-financial assets if any impairment indicates exists, in accordance with the accounting policy in note 3.7. The amounts recoverable from cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates, and an analysis is performed to determine the sensitivity of the most relevant variables taken into consideration in those estimates, with special attention paid to those situations in which there could be indicators of potential impairment (Note 8).

Income tax

The Group is subject to income taxes in numerous jurisdictions. A significant level of judgment is required to determine the worldwide provision for income tax. There are many transactions and calculations with respect to which the ultimate calculation of the tax is uncertain in the ordinary course of business. The Group recognizes liabilities for anticipated tax problems based on estimates as to whether additional taxes will be necessary. When the final tax result differs from the amounts which were initially recognized, such differences will have an effect on income tax and the provisions for deferred taxes in the year in which they are deemed to arise. In this sense, there are no significant aspects subject to estimates that could have a material impact on the Group's position.

Fair value of derivatives or other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group exercises judgment to select a variety of methods and to make assumptions based mainly on market conditions at the balance sheet date. The Group has used discounted cash flow analyses for a number of financial instruments not traded in active markets.

Revenue recognition

The Group recognizes revenue from Concession contracts under the terms of IFRIC 12, in accordance with IAS 18 and IAS 11.

Revenue in respect of the construction services that are required by concession contracts is determined on a percentage-of-completion basis, as described in note 3.20. Percentage of completion is calculated as costs incurred under the contract as a percentage of estimated total contract costs. This revenue recognition method is only used when the result of the contract may be reliably estimated and the contract is likely to generate profits. If the result of the contract cannot be reliably estimated, revenue is recognized as costs are recovered.

When the costs related to a contract are likely to exceed the contract's revenue, the loss is immediately expensed. When applying the percentage-of-completion method, the Group makes significant estimates in relation to total costs necessary to perform the contract.

These estimates are reviewed and evaluated periodically to verify whether a loss has been generated and whether the percentage-of-completion method may continue to be applied, or to reestimate the forecast project profit. During the project, the Group also estimates likely contingencies relating to the increase in the total estimated cost and adjusts revenue recognized accordingly.

The Group's historical data indicates that its estimates are adequate and reasonable in relation to the above-mentioned aspects.

Generally, the construction services are usually subcontracted by the Group's concession companies to construction companies which are not included in the consolidation scope. The Group recognizes a minimum additional margin on construction costs charged by the construction company. This margin is estimated for each concession, approximately in 1% (except for certain projects where the margin is higher according to an analysis of the risks assumed by the concession companies). In some cases the total construction service or part of it is carried out directly by the concession companies. In these cases, the margin estimated is calculated considering the fair value of the service.

In the concession contracts considered as Financial Asset Model according to IFRIC 12, the financial income is calculated by the Group on the basis of the effective interest rate, equivalent to the project's internal rate return. Considering cash flows estimations, which discounted value includes inflation and other economical index according to contractual terms that impacts the tariff, is recognized under operating income.

Useful lives and amortization methods of property, plant and equipment and intangible assets

Group's management determines estimated useful lives and related depreciation charges for its property, plant and equipment and its intangible assets. This estimate is based on the period during which the non-current assets will generate economic benefits. At each account close, the Group reviews the useful lives of non-current assets. If the estimates differ from previous estimates, the effect of the change is recognized prospectively as from the year in which the change takes place.

For those intangible assets related to toll road concessions that are depreciated in a systematic way based on the expected traffic, Group's management annually updates traffic estimates made for such concessions.

Also, in case of the circumstances involve a worsening of the business plans, the Group performed the corresponding impairment tests.

For those property, plant and equipment assets related to Solar Energy Business, the Group's estimate of useful life is based on the planned lifecycle of the solar plants, which use high-tech equipment. In any event, the estimates are based on recommendations made by expert technicians. However, these estimates could change significantly as a result of technical innovations and competitor actions in response to future industry cycles. The Group will increase the depreciation charge where useful lives are shorter than previously estimated, and write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Receivables and financial assets

The Group makes estimates relating to the collectability of balances owned by customers in projects in which disputes have arisen or litigation is in progress due to disagreement with the work executed or the failure to fulfill contractual clauses linked to the return on the assets handed over to customers. The Group also makes estimates to assess the recoverability of available-for-sale financial assets, based mainly on the financial health and near-term business prospects of the investee company.

Provisions

Provisions are recognized when it is probable that a present obligation arising from past events will result in an outflow of funds and the amount of the obligation may be reliably estimated. Significant estimates are required in order to comply with applicable accounting practices. Group's management makes estimates of the likelihood of the contingencies and the amount of the liability to be settled in the future, evaluating all relevant information and facts.

Concession Contracts

In order to determine if concession contracts are under IFRIC 12 scope, the Group performs a detailed analysis over each concession contract, based on the available information and all the relevant terms included under such documents. The main issues considered by this analysis are:

a) If the grantor controls o regulates those services to which the concessionaire must allocate the infrastructure, to whom these services must be rendered and at what price.
b) If the grantor controls any significant residual interest in the infrastructure at the end of the concession contract.

Likewise, based on information analysis and available information for each contract, the Group determines the accounting model to apply:

- Intangible asset model: the Group applies this model when the operator has a right to receive tolls (or other payments) from users in consideration for the financing and construction of the infrastructure, or whenever the concession grantor remunerates the concession operator on the basis of the extent of use of the infrastructure, but with no guarantees as to the amounts that will be paid to the operator.

- Financial Asset model: the Group applies this model when the operator has an unconditional contractual right to receive payments from the grantor, irrespective of the infrastructure use.

- Mixed model: when the operator is remunerated partly by users (which amount is dependent on the extent of use of the infrastructure), and partly by the grantor (covered by an unconditional right to receive payments).

Once the accounting model has been determined, there are some key estimations / assumptions used by the management, for example:

- Traffic estimations to calculate amortization of intangible assets (Highway concessions).
- Provision for major maintenance: estimations of future CAPEX according to each concessions business plan is used by management.
- Construction margin estimated by management used to measure the fair value of intangible / financial assets.
- Management estimates when determining the financial asset value, according to electric transmissions lines contract terms and legal interpretations, that the entities will be compensated by the grantor with the residual value of the infrastructure at the end of the concessions term.

For concession projects where license are still pending to be obtained (as is the case of Uttar Pradesh transmission line in India) the Group applies IFRIC 12 accounting when, according to management estimation and lawyers opinion, it is probable to obtain the licenses in the near future.

Recovery of deferred tax assets

The recovery of deferred tax assets (Note 19) is evaluated at the time they are generated and subsequently at each balance sheet date, in accordance with the development of the Group's profits projected in its business plan.

Deferred income

According to the requirements of IFRS, the official grants are recognized in the accounts when there is reasonable certainly that the associated conditions will be met and the grants will be received. The grants and assistance granted to the group are subject to several conditions. The Group continually evaluates expectations of compliance with all of the conditions established for obtaining all the above-mentioned grants and considers that they have been met or will be met without any problem that would require the Company to return part or all of the assistance granted. All grants are therefore recognized at 31 December 2012 (Note 10).

(Thousands of US$)

The Group, through its subsidiary Grupo T-Solar Global, S.A. has obtained several grants to finance its investments. Given the different characteristics of each of the subsidies and credits received by the Group, Management uses its judgment to calculate their amounts in those cases in which the grants relate to interests-free loans. In these situations, Management calculates the implicit interest on these loans by using an effective market interest rate to obtain the fair value of the loans. The difference between the nominal value and the fair value of the loans is considered to be deferred revenues that will be taken to the income statement in accordance with the item being financed by the loans. If the interest-free loan is used to acquire an asset, the deferred revenue is taken to the income statement over the useful life of the asset concerned. If the interest-free loan is related to operating expenses, the deferred income is taken to the income statement at the time the expense is realized.

6. Financial information by activities and geographical areas

The group operates by the following lines of business:

- Electric Transmission lines: concession for the electrical infrastructures such as high-voltage transmission lines and energy transformation stations mainly operates in Brazil, India and USA.
- Highways: concession for land infrastructures such a as motorways, operates in India, Mexico, Spain and Brazil.
- Solar energy: generation or production of renewable energies through photovoltaic plants technology and related to the generation of electricity, mainly operates in Spain.
- General: general business unit includes the holding information and information from other non operative subholdings. This information is included in the geographical areas analysis according to the area in which each subholding operates.

Set out below the financial information by activities at December 31, 2012:

December 31, 2012	Electric Transmission Lines	Highways	Solar Energy	General	Total
Revenue/ Sales	63,145	83,670	7,040	15	**153,870**
Operating results	17,021	18,640	(13,383)	(5,682)	**16,596**
Net Financial Results	(17,748)	(19,157)	(9,357)	(12,891)	**(59,153)**
Profit before income tax	(727)	(517)	(22,740)	(18,573)	**(42,557)**
Income tax	(883)	2,666	7,779	(1)	**9,561**
Profit for the year	**(1,610)**	**2,149**	**(14,961)**	**(18,574)**	**(32,996)**

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD COMPRISED BETWEEN JUNE 13 AND DECEMBER 31, 2012
(Thousands of US$)

As well as, set out bellow the financial information by geographical areas where the Group operates:

December 31, 2012	Netherlands	Spain	Brazil	Mexico	India	USA	Other	Total
Revenue/ Sales	-	5.967	98,737	6.641	37.404	-	5.121	153,870
Operating results	(1.432)	(16.986)	25.573	3.998	4.237	(404)	1.610	16.596
Net Financial Results	(16.316)	(7.521)	(24.996)	(8.698)	(1.618)	(4)	-	(59.153)
Profit before income tax	(17.748)	(24.507)	577	(4.700)	2.619	(408)	1.610	(42.557)
Income tax	-	10.329	2.906	(579)	(865)	-	(2.230)	9.561
Profit for the year	**(17.748)**	**(14.178)**	**3.483**	**(5.279)**	**1.754**	**(408)**	**(620)**	**(32.996)**

Under "Other" mainly correspond to Italy, Peru, Cyprus and Sudafrica.

7. Property, plant and equipment

Set out below is a breakdown of property, plant and equipment showing movements:

	Consolidated					
2012	Land and Building	Solar electricity production facilities	Technical Facilities under construction	Facilities under construction and prepayments	Other	Total
Cost						
June 13, 2012	-	-	-	-	-	-
Additions to Consolidation Scope	453	1,651,394	191,631	23,081	22,502	1,889,061
Additions	40	13,679	48,000	5,523	449	67,691
Disposals	-	-	-	(3,759)	(527)	(4,286)
Transfer	-	16,718	-	(16,718)	-	-
Translation Differences Effect	(10)	33,742	-	(415)	1,194	34,511
31 December	**483**	**1,715,533**	**239,631**	**7,712**	**23,618**	**1,986,977**
Accumulated Depreciation						
June 13, 2012	-	-	-	-	-	-
Additions to Consolidation Scope	-	(218,197)	-	-	(5,431)	(223,628)
Additions	-	(12,297)	-	-	(1,080)	(13,377)
Impairment	-	-	-	(3,653)	-	(3,653)
Disposals	-	-	-	-	11	11
Translation Differences Effect	-	(4,086)	-	-	(48)	(4,134)
31 December	**-**	**(234,580)**	**-**	**(3,653)**	**(6,548)**	**244,781**

(Thousands of US$)

Net book value	483	1,480,953	239, 631	4,059	17,070	1,742,196

At October 29, 2012 the Group incorporated US$ 1,665,433 thousand as property, plant and equipment as a result of the addition to consolidated scope described in note 1.

Property, plant and equipment is mainly formed by Solar electricity production facilities which includes the investment in assets of the 46 photovoltaic plants (34 located in Spain, 8 in Italy, 2 in India and 2 in Peru) with a power of 168 megawatts in Spain and Italy, 44 megawatts in Peru and 17 megawatts in India that annually produce 315 gigawatts per hour (GWh) of clean energy. Additionally, under this caption it is also included PLA's (Permits, licenses and authorizations) whose carrying value at 31 December 2012 totals approximately US$ 138,500 thousand, administrative items (office supplies and furniture or data-processing equipment) and technical facilities used by those concessionaires included under these consolidated financial statements.

Additions shown under the caption "Facilities under construction and prepayments" mainly corresponds to the development of a solar photovoltaic plant in Unites States of America which started in 2012.

Technical facilities mainly correspond to the Wind Energy Transmission Texas, LLC. project, consisting of an indefinite build, operation and maintenance contract for 5 electrical substations, 7 transmission lines and 2 special items. At the end of the period the elements are under construction.

As of December 31, 2012, impairment charges have been registered in relation to GTS's solar plants amounting to US$ 3,653 thousand.

Companies included under these consolidated financial statements have taken a number of insurance policies to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient (Note 29).

No significant property, plant and equipment is subject to ownership restrictions or pledged to secure liabilities except for Real guarantees that may be provided to BBVA, Caixanova and Banesto, the banks granting the syndicated loans, and to Caixa Bank, Banco Santander, Bankia, BIIS, FMO, Proparco and Opic for the loans received (Note 18) for the industrial facilities that are owned by certain subsidiaries named in these credit agreements. The carrying value of the assets linked to these guarantees at 31 December 2012 is US$ 1,331,000 thousand.

For the period ended at December 31, 2012 US$ 2,175 thousand have been capitalized, related to interest accrued during the construction of non-current assets arising on direct financing received to build property, plant and equipment.

At 31 December 2012, the Group has the majority of the property, plant and equipment located outside Netherlands.

The aggregate minimum lease payments under non-cancellable operating leases are as follows:

	December 31, 2012
No later than 1 year	5,467
Later than 1 year and no later than 5 years	11,246
Later than 5 years	41,059
	57,772

(Thousands of US$)

The expense recognized in the Income Statement during 2012 in relation to operating leases totals US$ 4,287 thousand.

The assets covered by operating leases relate to the offices and land on which the T Solar Group´s operating companies place the solar plants. The land leases are in force for a minimum period ranging between 25 and 40 years, with an option to renew. These contracts have increase clauses linked to the CPI.

8. Intangible assets – Goodwill

Amounts included under this heading are as follows:

2012	Goodwill
Cost	
Opening Balance	-
Additions to Consolidation Scope	54,527
Translation Differences Effect	993
31 December	**55,520**

Goodwill, the only intangible asset with an indefinite useful life, derives mainly from the business combination in 2011 involving the purchase of additional interest of T-Solar Group which resulted in the acquisition of control by Grupo Isolux Corsán, S.A.

The goodwill was assigned to the Group's following cash generating unit (CGU):

CGU	December 31, 2012
Photovoltaic plants	55,520
Total	**55,520**

Photovoltaic Plants

The amount recoverable from the CGU's is determined based on the calculation of the value-in-use in accordance with pre-tax cash flow projections deriving from best financial estimations performed by Directors, based on estimated useful lives. Flows are discounted using a rate based on the weighted average cost of capital for the CGU.

The key assumptions used to calculate the most relevant value-in-use are as follows:

	December 31, 2012	
CGU	Cash flows (*)	Discount rate
Photovoltaic plants	23,639	7% to 8%

(*) Cash flows relating to the year following that in which the impairment test is carried out, excluding debt servicing and tax effects.

(Thousands of US$)

9. Intangible assets - other

The breakdown of movements for the period is as follows:

	Consolidated		
2012	Concessions	Computer software	Total
Cost	-	-	-
29 October, 2012			
Additions to Consolidation Scope	2,287,961	593	2,288,554
Additions	14,066	-	14,066
Disposals	-	(11)	(11)
Translation Differences Effect	(12,785)	2	(12,783)
31 December	**2,289,242**	**584**	**2,289,826**
Accumulated Depreciation	-	-	-
29 October, 2012			
Additions to Consolidation Scope	(112,680)	(127)	(112,807)
Additions	(8,385)	(11)	(8,396)
Translation Differences Effect	1,231	(1)	1,230
31 December	**(119,834)**	**(139)**	**(119,973)**
Net book value	**2,169,408**	**445**	**2,169,853**

The heading "Concessions" includes Concession contractual rights related to the construction and operation of highways infrastructure.

The heading Computer software records the applications acquired by the Group to manage the Group from a financial and production standpoint.

For the period ended at December 31, 2012 US$ 11,235 thousand have been capitalized, related to interest accrued during the construction of non-current assets arising on direct financing received to build the infrastructure.

Additions mainly correspond to the constructions works related to Soma Isolux Surat Hazira Tollway PVT, LTD and in Soma Isolux Kishangarh-Ajmer-Beawar Tollway PVT, LTD.

At 31 December 2012, projects under this caption mainly correspond to the following concessions:

Concession	Country	Toll Charge	Situation at December 31, 2012	Maturity (years)	Year award	Start Year Explotation	Investments Millions of US$ Total Planned (#)	Outstanding works (##)	Units
HIGHWAY INFRASTRUCTURE									
Autovía A-4 (**)	Spain	Shadow[a]	Operating	18	2007	2010	121	-	63,72km
Panipat-Jalandar (*)	India	User	Operating/ Construction	14 [1]	2008	2009	823	274	291,10km
Surat Hazira (**)	India	User	Construction	18 [1]	2009	2013	229	91	132,91km
Kishangarh-Ajmer-Beawar (**)	India	User	Construction	17 [2]	2009	2013	128	8	93km
Varanasi Aurangabad (*)	India	User	Operating/ Construction	29	2010	2011	315	169	192,4km
Monterrey Saltillo (**)	Mexico	User	Operating	30 [3]	2006	2009	334	-	45,1km
Perote-Xalapa (**)	Mexico	User	Operating	45 [4]	2008	2012	407	-	59km
Viabahía de Rodovías (*)	Brazil	User	Operating/ Construction	24	2009	2010	850	377	680,6km

(*) Brownfield project: concession regarding extension and improvement works of an existing path, in which operation and maintenance activities are carried on since the concession implementation (when most of investments in construction works are outstanding yet).

(**) Greenfield project: concession regarding construction works of a new path, in which operation and maintenance activities are carried on since the construction is finished.

(a) The concession grantor remunerates the concession operator on the basis of the extent of use of the infrastructure by the users, but with no guarantees as to the amounts that will be paid to the operator.

(1) The concession period may be modified depending on the traffic level achieved on 2018.
(2) The concession period may be modified depending on the traffic level achieved on 2021.
(3) The concession period may be extended to 45 years, pursuant to the concession agreement's amendment detailed below in this note.
(4) The concession period was extended to 45 years on June 14, 2011.

(#) Total planned investments in such concessions performed through joint ventures are shown based on its ownership percentage (Appendix II).
(##) Outstanding works detailed in brownfield projects do not include the pending construction works recorded as other payables (Note 17).

Set out below is a description of each concession project:

- Autovía A-4: Concession obtained for improvement, expansion and maintenance of an existing road (Autovía A-4) through Sociedad Concesionaria Autovía A-4 Madrid, S.A., included in Appendix I. The concession started to operate partially in 2010, and the whole concession was operating as at December 31, 2011. On 9 June 2011, economic and financial rebalancing in the company, was approved due to the over costs incurred in relation to additional construction works not considered at first under the concession project. These costs were recognized by Public Administration and amount to US$ 22.987 thousand. The approval represented an increase in the concession scope. As a result of the above-mentioned re-balancing, the company got a subordinated loan to fund additional construction works. This credit covered the estimated costs for that works, as well as a rate increase which would allow to get additional income.

- Panipat-Jalandar: Concession obtained to the extension, improvement, operation and maintenance of an existing toll road in India (Panipat-Jalandar NH1 Highway) through the subsidiary Soma-Isolux NH One Tollway Private Limited, included in Appendix I. Construction works regarding extension and improvement for the existing path (operation and maintenance activities are carried on since the concession implementation) began in 2009. The concession is a *Brownfield Project,* so it started generating income when most of the investments to be done regarding construction works remained outstanding. During all concession period the company shall pay to the Authority a sum of 1 rupee per annum by way of revenue sharing. Additionally, during the first year of concession period the company pays to the Authority an additional fee of 20,14% over the revenues (existing a minimum PCU "Passenger Car Unit" of 41.414); each year the fee will increase by 1% over the annual revenues. Since May 2009 the earnings will be calculated over a minimum "Passenger Car Unit" of 41.414. This minimum will increase each year by 2%.

It has to be pointed out that the subsidiary Soma-Isolux NH One Tollway Private Limited has submitted several claims to the NHAI demanding for the economic and financial rebalancing, as the project has suffered significant delays and has incurred in over costs due to several causes (such as, delays in obtaining of environmental licenses, expropriations, etc.). As well, the company is registering lower traffic levels than expected in the tender, because the tollbooths are not properly located, and the Authorities have not provided the permission to change them yet, even if it is a contractual right the company has under the concession agreement. As a result, additionally, the company is resulting in a shortfall in concession fee for NHAI, and so it is paying minimum amounts of PCUs established in the concession contract as revenue sharing.

- Surat-Hazira: Concession obtained to the construction, operation and maintenance of a toll road in India (Surat-Hazira NH-6 highway) through the joint venture Soma Isolux Surat Hazira Tollway Pvt, Ltd., included in Appendix II. This concession includes the right to receive tolls from users during the operating period, as well as an unconditional contractual right to receive payments from the grantor up to 556 crores (US$ 101,303 thousand), the drawn amount at 31 December, 2012 is 78 crores (US$ 14,212 thousand). During all concession period the company shall pay to the Authority a sum of 1 rupee per annum by way of revenue sharing.

- Kishangarh-Ajmer-Beawar: Concession obtained to the construction, operation and maintenance of a toll road in India (Kishangarh-Aimer Beawar NH-8 highway) through the joint venture Soma Isolux Kishangarh-Ajmer-Beawar Tollway PVT, Ltd., included in Appendix II. Construction works began on 2010. This concession includes the right to receive tolls from users during the operating period. During the third year of concessions the company will pay to the authorities an annual fee of 2% over the revenues of the year, as revenue sharing, (existing a minimum "Passenger Car Unit" of 45.976); each year this fee will increase by 1% over the annual revenues. The earnings will be calculated over a minimum "Passenger Car Unit" of 45.976, that will increase each year by 2%. During all concession period the company shall pay to the Authority a sum of 1 rupee per annum by way of revenue sharing.

- Varanasi-Aurangabad: Concession obtained to the extension, improvement, operation and maintenance of an existing toll road in India (Varanasi-Aurangabad NH-2 highway) through the joint-venture Soma Isolux Varanasi Aurangabad Tollway, Pvt. Ltd., included in Appendix II. The concession is a *Brownfield Project,* so the company has begun operating path in October 2011 while most of construction works are outstanding yet. During all concession period the company shall pay to the Authority a sum of 1 rupee per annum by way of concession fee. This concession includes the right to receive tolls from users during operating period, as well as an unconditional contractual right to receive from the grantor up to 565 crores (US$102.943 thousand).

- Monterrey-Saltillo: Concession regarding construction, operation and maintenance of a toll road in Mexico (Monterrey Saltillo) through the subsidiary Concesionaria Autopista Monterrey-Saltillo, S.A. de C.V., included in Appendix I. The concession was fully in operation at December 31, 2011. On 26 November 2012, Monterrey-Saltillo's highway fifth amendment on concession was granted. The amendment states the 15-year extension of the concession validity (to 45 years), whenever the Concessionaire proves that it is required to recover the amounts to which it was entitled under the original terms of the tender project.

- Perote-Xalapa: Concession for the construction, operation and maintenance of two toll road sections in Mexico (Perote-Banderilla and Libramiento de Xalapa) through the joint-venture Concesionaria Autopista Perote-Xalapa, S.A. de C.V., included in Appendix II. The concession started to operate partially in July, 2012, and the whole concession was operating as at December 31, 2012.

(Thousands of US$)

- Viabahia de Rodovias: Concession obtained to the extension, improvement, operation and maintenance of four toll-road sections in Brazil (BR-116/BA, BR-324/BA, BA526 and BA528) through the subsidiary Viabahia Concessionária de Rodovias, S.A., included in Appendix I. The concession is a *Brownfield Project,* so the company begun operating the existing path in December 2010, while most of construction works are outstanding yet. Main investments in construction works are expected to take place from 2011 to 2019.

10. Financial Investments

Set out below is an analysis of financial investments assets:

	December 31, 2012		
	Non-Current	Current	Total
Marketable securities and other deposits	71,270	35,986	107,256
Financial Investments	**71,270**	**35,986**	**107,256**

Marketable securities and other deposits that correspond available for sale instruments to linked deposits which guarantees financial debt. The companies must maintain the deposit during the finance agreement life or at least during construction phase, in favour of the lender credit entities. Therefore, despite its liquid nature, they are classified as non-current assets and current assets dependig on the maturity.

11. Derivative financial instruments

Derivative financial instruments are analyzed below at 31 December 2012:

	Assets	Liabilities
Interest rate swaps-cash flow Hedges	-	262,291
Cross currency swap-held for Trading	2,242	-
Total	**2,242**	**262,291**
Less non-current portion:		
Interest rate swaps –cash flow Hedges	-	(232,161)
Cross currency swap-held for Trading	-	-
Non-current portion	-	**232,161**
Current portion	**2,242**	**30,130**

Derivatives held for trading are carried as current assets. The total fair value of a hedging derivative is classified as a non-current asset if the period to maturity of the hedged item is more than 12 months and as a current assets if the period to maturity of the hedged item is less than 12 months.

The maximum credit risk exposure at the reporting date is the fair value of the derivative financial instruments carried in the balance sheet.

Financial instrument balances under this caption are classified in Group 2 for the purpose of information sources used to determine its fair value in compliance with IFRS 7.

(Thousands of US$)

Interest rate swaps

At 31 December 2012, gains and losses recognized in the hedging reserve in Equity (net of tax effects and Non controlling Interest) with respect to interest rates swaps amounts to a loss of US$ 82,536 thousand and will be taken to the income statement on a continuous basis until bank borrowings are repaid.

The effective portion recognized in the hedging reserve in equity (net of tax effect) amounts to US$ (25,444) thousand minus the tax effect recorded as tax deferred asset amounting to 7,633 thousand euro.
The settlement of these derivatives generated a profit totaling US$ 6,085 thousand

At December 31, 2012, non-current and current liabilities derivatives include hedging interest rate swap instruments that amounts US$ 262,291 thousand.

Set out below is an analysis of the main interest rate swaps in force at 31 December 2012:

Name	Contract date	Final maturity	Notional value (1)	Fixed interest rate (paid)	Variable interest rate (charged)
Bank loan Wett Holding	31/08/2011	31/03/2016	19,182 thousand USD	1.96%	Libor
Bank loan Wett Wind Energy	02/08/2011	31/03/2016	115,093 thousand USD	1.91%	Libor
Bank loan Concesionaria Saltillo Monterrey	30/05/2007	30/05/2025	2,290,177 thousand mexican peso	8.20%	TIIE*
Bank loan Sociedad Concesionaria Autovia A-4	01/08/2008	16/06/2025	57,315 thousand euro	5.05%	Euribor
Bank loan Concesionaria Perote-Xalapa	13/02/2008	14/01/2022	3,745,713 thousand mexican peso	8.20%	TIIE*
Syndicated loan GTS from NG Banco	22/12/2008	31/12/2026	39,014 thousand euro	3.96%	Euribor
Syndicated loan GTS from BBVA	15/07/2008	31/12/2027	102,986 thousand euro	5.09%	Euribor
Syndicated loan GTS from BBVA	15/09/2008	31/12/2027	29,870 thousand euro	4.75%	Euribor
Syndicated loan GTS from BBVA	15/09/2008	31/12/2027	107,401 thousand euro	4.78%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	6,414 thousand euro	4.33%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	62,167 thousand euro	4.11%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	131,006 thousand euro	4.42%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	8,694 thousand euro	4.29%	Euribor
Loan GTS from La Caixa	18/06/2009	18/06/2021	8,694 thousand euro	4.09%	Euribor
Santander loan GTS	04/06/2009	04/12/2023	6,328 thousand euro	4.00%	Euribor

(Thousands of US$)

Name	Contract date	Final maturity	Notional value (1)	Fixed interest rate (paid)	Variable interest rate (charged)
Syndicated loan GTS from Banesto	11/01/2011	20/12/2023	3,409 thousand euro	3.45%	Euribor
Syndicated loan GTS from Banesto	11/03/2011	20/12/2023	1,938 thousand euro	3.69%	Euribor
Syndicated loan GTS from Banesto	11/01/2011	20/12/2023	4,739 thousand euro	3.45%	Euribor
Name	Contract date	Final maturity	Notional value (1)	Fixed interest rate (paid)	Variable interest rate (charged)
Syndicated loan GTS from Banesto	22/12/2010	20/12/2023	21,132 thousand euro	3.54%	Euribor
Bankia loan GTS	18/03/2010	23/04/2026	2,017 thousand euro	3.65%	Euribor
Raggio di Puglia loan GTS	25/01/2012	29/06/2029	14,777 thousand euro	2.73%	Euribor

(*) Mexican long-term reference interest rate
(1) The notional value is the derivative's proportional nominal value which is signed to the future at the specified date.

Cross currency Swap

Viabahia Concessionaria de Rodovias, S.A. has contracted a cross currency swap related to a loan in US$ (R$ 12,549) to convert a fix interest rate to a variable interest rate based on DI, and to fix the exchange rate between Brazilian Reais and USD at the maturity date of the loan (June 2013). The fair value of the derivative at December 31, 2012 amounts to US$ 2,242 thousand.

12. Trade and other receivables

Set out below is an analysis of consolidated Trade and other receivables:

	December 31, 2012
Non-current	
Advanced payments to suppliers for construction services	59,543
Trade receivables - Financial assets (IFRIC 12)	1,660,665
Loans to group and related parties (Note 30)	62,769
Trade receivables	27,818
	1,810,795
Current	
Trade receivables for sales and services	16,690
Trade receivables - Financial assets (IFRIC 12)	111,587
Receivables from related parties (Note 30)	212
Loans to group and related parties (Note 30)	355,678
Sundry debtors	75,815
Employees	74
PIS/COFINS and other receivable taxes	49,401
Short-term accruals	(13)
Advanced payments to suppliers for construction services	178,835

788,279

At October 29, 2012 the Group incorporated US$ 781,147 thousand as current Trade and other receivables and US$ 1,737,601 thousand non-current trade and other receivables as a result of the addition to consolidated scope described in note 1.

For current trade and other receivables nominal values are deemed to approximate fair values.

The amount recorded under the heading "Trade receivables for sales and services" at 31 December 2012, relates to the electricity sales made by the photovoltaic business subsidiaries that own the rights and permits to generate and sell electricity. The Group's main customers, for such a business unit, at 31 December 2012 are the National Energy Commission (CNE) and GDF Suez Energía España, S.A.U.. Additionally, it also includes accounts receivables relating to toll revenues and transmission lines income. The amount recorded under the heading "Receivables from related parties" for US$ 376,301 thousand relates to the ordinary shares issued on 29 October, 2012, by Grupo Isolux Corsan Concesiones, S.L and Infra-PSP Canada Inc., both outstanding payment (Note 14).

"Trade receivables - Financial assets" include receivables related to transmission line concession contracts in Brazil and India. According to applicable accounting practices and in compliance with IFRIC 12 in respect to such kind of contracts, accounts receivable are classified through the financial asset model. Non-current receivable are recognized at amortized cost. The range of interest rates used (without considering inflation) is between 2% and 18% for 2012 depending on each transmission line.

Set out below is a summary of the Brazilian and Indian concessionaires in which IFRIC 12 – financial asset model- is applied:

Concession	Situation	Maturity (years)	Year award	Start Year Explotation	Investment Millions of US$		Units
					Total Planned (#)	Outstanding Works	
Cachoeira Paulista Trans. Energia, S.A. (*)	Operating	30	2002	2004	98	-	181km (500kv)
Jauru Transmissora de Energia, S.A. (**)	Operating/ construction	30	2007	2009	87	-	949km(230kv)
Interligação Elétrica Norte e Nordeste, S.A. (**)	Operating	30	2007	2011	142	-	720km (500kv)
Linhas de Xingu Transmissora de Energia, S.A. (*)	Construction	30	2008	2012	633	62	572km (500kv)
Linhas de Macapa Transmissora de Energia, S.A. (*)	Construction	30	2008	2012	562	23	713km (500kv)
South East U.P. Power Transmission Company Ltd. (*)	Construction	25(***)	2011	2014	805	709	1,600 km (765kv)
Linhas de Taubaté Transmissora de Energia (*)	Construction	30	2011	2014	157	155	247 Km (500Kv)

(#) Total planned investments in such concessions performed through joint ventures are shown based on its ownership percentage (Appendix II).

(*) Appendix I
(**) Appendix II
(***) The concession period might be extended to 35 years, subject to the approval of the Appropriate Commission.

At 31 December 2012, the Group has 7 concessions, 3 of which are being operated, and the other 4 are under construction.

In 2011, the Group won the Uttar Pradesh Electricity Regulatory Commission "UPERC" tender for the construction, operation and maintenance of a 765kv and 1,600 Km electric transmission line in India. However, at 31 December 2012 the subsidiary concessionaire company South East U.P. Power Transmission Company Limited has not obtained the transmission license from the grantor yet due to some outstanding procedures, as it was provided in the Transmission Service Agreement signed between the long term customers and the concessionaire company on 20th January 2011. Company's Directors, based on the last communications with UPERC and on their lawyers' opinion, consider that it is highly probable to obtain the transmission license during the next months, and that this fact will not impact significantly to the project profitability and to the expected operating date.

As well, during 2012, significant construction costs overruns have arisen in relation to Xingu and Macapa transmission line projects. These costs overrun, mainly due to delays on the obtaining of licenses and environmental additional requirements and modifications to the original technical characteristics of the projects, result in an increase of construction works cost in an approximate amount of US$ 171 million (350 million of brazilian reais) over the construction investment originally estimated, which are attributable and are being assumed by the concessionaire companies (notwithstanding the concessionaires will claim against the grantor). At 31 December 2012, costs overruns amounting to 87 million USD (178 million of reais) have already been incurred by the subsidiaries, and the outstanding amount is expected to be incurred during first half of 2013, as the transmission lines will start approximately operating in April 2013.

Considering the significant overruns arisen, the Group is preparing a claim against the grantor, demanding for economic and financial rebalancing, in order to obtain an additional revenue to cover the costs overruns. The claims will also include amounts due to financial costs overruns (due mainly to the delays during construction phase) and other concepts as the lost of concessional cash flows regarding the delay reaching the operational date.

Nevertheless, at 31 December 2012, all estimated costs overruns have been recognized by the Group as construction expenses, without recognizing any revenue related to them since the claim is in progress and the negotiation have not reached an advanced stage yet such that it is probable that the grantor will accept the claim . Therefore, the company has recognized a liability under "Provisions for other liabilities and charges" (Note 20) which includes the outstanding works to be incurred during 2013.

The amount recorded under the heading of current "PIS/COFINS and other receivables taxes" at 31 December 2012 mainly relates to tax credits arose during the construction phase due to assets acquisitions that will be compensated during the monthly billing along the concessions terms and to Value Added Tax (Input VAT), that relates to the investments made by the Group to build the plants.

Under "Advanced payments to suppliers for construction services" caption are included US$ 130,802 thousand to related parties (Note 30).

For all the companies included in these Financial Statements, a breakdown of "Trade receivables - Financial assets IFRIC 12" is shown below:

	December 31, 2012	
	Non-Current	Current
Cachoeira Paulista Trans, Energia, S,A,	135,528	25,596
Jauru Transmissora de Energia, S,A,	85,240	4,568
Interligação Elétrica Norte e Nordeste, S,A,	156,437	8,244
Linhas de Xingu Transmissora de Energia, S,A,	612,279	35,913
Linhas de Macapa Transmissora de Energia, S,A,	563,924	37,266
South East U.P. Power Transmission Company Ltd.	104,483	-
Linhas de Taubaté Transmissora de Energia	2,774	-
	1,660,665	111,587

The balance of trade and other receivables includes the following amounts denominated in currencies other than the US$:

	December 31, 2012	
Currency	Thousands of Local Currency	Thousands of US dollar
Euro	50,869	67,116
Brazilian Reais	3,732,920	1,823,160
Mexican Peso	172,951	13,339
Indian Rupee	15,356,861	279,802
		2,183,417

The caption "Advanced payments to suppliers for construction services" mainly records the amounts paid from South East U.P. Power Transmission Company Ltd. and Linhas de Taubaté Transmissora de Energia to their related parties suppliers for construction services, ICI C&C Mainpuri JV and Isolux Projetos e Instalações, respectively, (See Note 30). Nominal values are deemed to approximate fair value as it is expected that suppliers related parties are going to perform construction works in the short term.

(Thousands of US$)

13. Cash and cash equivalents

Set out below is a breakdown of consolidated cash and cash equivalents:

	December 31, 2012
Cash at bank and in hand	280,737
Short-term bank deposits and other	75,618
	356,355

This caption includes cash (cash in hand and demand deposits in banks) and cash equivalents (i.e., short-term highly liquid investments easily convertible into specific cash amounts within a maximum of three months, or with any restriction and availability penalty if higher, and whose value is not subject to significant change risks).

The Group incorporated at October 29, 2012 US$ 381,544 thousand as a result of the addition to consolidated scope described in note 1.

Cash and cash equivalents include balances in currencies other than US$ totalling US$ 322,021 thousand.

During the period, the main operations not involving cash and cash equivalents movements are as follows:

- The contribution of businesses to Isolux Infrastructure Netherlands, B.V. (Note 1).
- Capital increases performed in relation to the outstanding payments (Notes 12 and 14)

For the purposes of the cash flow statements, the treasury balance includes the balance in the caption cash and cash equivalents.

In 2012 the effective interest rate for cash equivalents ranged between 0.01% and 8.89%

The cash balances maintained by Group that are restricted, i.e. are not freely available, have been classified as "Financial Investments" (Note 10).

14. Share Capital and Carrying value adjustments

14.1 Share Capital

The parent company was incorporated as for an indefinite period on June 13, 2012 with an initial shares capital of € 18,000.00 (eighteen thousand euros) through the issue of 18,000 fully paid shares . All of the same class and series, numbered sequentially from 1 to 18,000, all bearing the same voting and dividend rights, subscribed by Grupo Isolux Corsan Concesiones, S.L.

On 29 October 2012, the parent company signed a deed of amendment of articles of association to modify the share capital, through a share split and a conversion of shares. Each share was splitted into one hundred shares, with a nominal value of one eurocent (€ 0.01) each; subsequently, each share in the capital of the parent company with a nominal value of one eurocent (€ 0.01) were converted into one ordinary share in the capital of the parent company, with a nominal value of one United States dollar cent (US$ 0.01), numbered V1 through V1,800,000.

As well on 29 October 2012, the following capital increases took place:

- The parent company issued 12,181,618 ordinary shares numbered V1,800,001 up to and including V13,981,618, with a nominal value of one United States dollar cent (US$ 0.01) to Grupo Isolux Corsan Concesiones, S.L. to pay up in kind the nominal value of each share and the share premium by way of contribution of intercompany accounts. The total net values of intercompany accounts were US$ 39,762,408. An amount of US$ 121,816.18 was allocated as payment of the nominal value on all the shares and the amount exceeding US$ 39,640,592 as share premium.

- The parent company issued 299,890,352 ordinary shares numbered V13,981,619 up to and including V313,871,970 with a nominal value of one United States dollar cent (US$ 0.01) to Grupo Isolux Corsan Concesiones, S.L. under the obligation for Grupo Isolux Corsan Concesiones, S.L. to pay in kind the nominal value of each share and the share premium by way of contribution as follows; (i) 2,535,311 shares fully subscribed an paid up, each with a par value of € 10 of the share capital of Isolux Corsan Concesiones, S.A.U., (ii) 65,434,220 shares fully subscribed and paid up each with a par value of € 0.5 of the share capital of Grupo T-Solar Global, S.A. and (iii) 545,910 shares fully subscribed an paid up, each with a par value of € 10 of the share capital of Isolux Corsan Concesiones de Infraestructuras S.L.U. The amount of the total value of contribution shares were US$ 1,199,566,401.8. An amount of US$ 2,998,903.52 was allocated as payment of the nominal value on all the shares and the amount exceeding US$ 1,196,567,498.31 as share premium.

- The general meeting of shareholders of the parent company resolved to issue 78,462,500 ordinary shares numbered V313,871,971 up to an including V392,334,470 each share with a nominal value of one United States dollar cent (US$ 0.01) fully subscribed by Infra-PSP Canada Inc. amounting to US$ 784,625 of wich US$ 588,469 were outstanding payment and the share premium amounting to US$ 313,065,375 outstanding payment too.

- The parent company issued 15,686,851 ordinary shares numbered V392,334,471 up to and including V408,021,321, with a nominal value of one United States dollar cent (US$ 0.01) to Grupo Isolux Corsan Concesiones, S.L. The twenty-five per cent of the nominal value of each share, being a total of US$ 39,217.13 were fully paid, and US$ 117,651.38 as outstanding payment. The share premium were US$ 62,590,534.29 outstanding payment too.

The share capital at December 31, 2012 is as follows:

	No. of shares	Share Capital US$ thousand
Grupo Isolux Corsán Concesiones, S.L.	329,558,821	3,295
Infra-PSP Canda Inc.	78,462,500	785
Total	**408,021,321**	**4,080**

The share capital outstanding payment amounts to US$ 706 thousand.

14.2 Share premium

This is an unrestricted reserve. As of 31 december 2012, the breakdown of the share premium is as follows:

	US$ thousand
Grupo Isolux Corsán Concesiones, S.L.	1,298,799
Infra-PSP Canda Inc.	313,065
Total	**1,611,864**

14.3 Carrying value adjustments

Other Carrying value adjustments mainly correspond to the difference amounting to US$ 456,136 thousand arising from book values of the subsidiaries contributed by Grupo Isolux Corsan Concesiones S.L. as paid in kind of the subscribes share capital mentioned in note 14.1 and values used for the contributions, and the expenses relating to share capital increases amounting to US$ 13,147 thousand.

(Thousands of US$)

15. Cumulative translation differences

A breakdown by company/subgroup of cumulative translation differences is set out below:

Company	December 31, 2012
Cachoeira Paulista Transmissora de Energía, S.A.	(741)
Concesionaria Autopista Monterrey-Saltillo, S.A.de C.V.	741
Concesionaria Autopista Perote Xalapa S.A. de C.V.	946
Grupo T-Solar Global, S.A.	5,331
ICC Sandpiper, B.V.	911
Integração Electrica Norte e Nordeste, S.A.	(735)
Isolux Corsán Brasileña de Infraestructuras, S.L.U.	(178)
Isolux Corsán Concesiones de Infraestructuras, S.L.U.	(673)
Isolux Corsán Concesiones, S.A.U.	(4,370)
Isolux Corsán Concessions Cyprus Limited	129
Isolux Corsán Concessions India Privated Limited	1,744
Isolux Corsán Concessions Infraestructures Holland, B.V.	115
Isolux Corsan Energy Cyprus Limited	(291)
Isolux Corsan NH1 Cyprus Limited	(551)
Isolux Corsán Paricipações de Infraestructuras, Ltda	(1)
Isolux Corsán Paricipações na Viabahia, Ltda	247
Isolux Corsan Power Concessions India Private Limited	316
Isolux Energía e Participações, S.A.	(136)
Isolux Infrastructure Netherlands B.V. (Sucursal Spain)	(12)
Jauru Transmissora de Energía, S.A.	(266)
Linhas de Macapa Transmissora de Energía, S.A.	(414)
Linhas de Taubaté Transmissora de Energía, SA	(7)
Linhas de Xingu Transmissora de Energía, S.A.	(376)
Mainpuri Power Transmission Private Limited	33
Operadora Autopista Perote Xalapa S.A. de C.V.	1
Plena Operação e Manuntenção de Transmission de Energia	(4)
Sociedad Concesionaria Autovía A-4 Madrid S.A.	94
Soma Isolux Surat Hazira Tollway Private Limited	(551)
Soma Isolux Surat Kishangarh - Ajmer -Beawar Private Limited	(2,329)
Soma Isolux Varanasi Aurangabad Tollway Private Limited	(655)
Soma-Isolux NH One Tollway Private Limited	(1,036)
South East Uttar Pradesh Power Transmission	(358)
Viabahia Concessionaria de Rodovias S.A.	(326)
Vias Administración y Logística, S.A. de C.V.	4
TOTAL	(3,398)

(Thousands of US$)

16. Non-controlling interests

Movements in non controlling interests during the period are set out below:

Investees	Opening balance	Additions to consolidation Scope	Share of profit/losses	Change in shareholding and others	Closing balance
Sociedad Concesionaria Auto. A4, S.A.	-	(4,600)	483	(246)	(4,363)
Soma-Isolux NH One Tollway Pvt. Ltda.	-	51,745	(710)	(996)	50,039
Viabahia Concessionaria de Rodovias, S.A.	-	19,715	2,065	(140)	21,640
Mainpuri Power Transfission Private Limited	-	6,566	(30)	2,700	9,236
Grupo T Solar Global, S.A.	-	234,412	(10,445)	(2,036)	221,931
South East Up Power Transmission	-	-	-	(139)	(139)
Total	-	307,838	(8,637)	(857)	298,344

17. Trade and other payables

Set out below is a breakdown of trade and other payables at December 31, 2012:

	December 31, 2012
Non-current	
Long term deferred PIS/COFINS	134,985
Borrowings from related parties (Note 30)	379,430
Deferred income	40,378
Other payables	195,799
Total	750,592
Current	
Borrowings from related parties (Note 30)	38,046
Credits from related parties (Note 30)	106,485
Suppliers	263,932
Outstanding remuneration	5,518
Other payables	285,763
Total	699,744
	1,450,336

At October 29, 2012 the Group incorporated US$ 779,542 thousand as current Trade and other payables and US$ 680,908 thousand non-current trade and other payables as a result of the addition to consolidated scope described in note 1.

For current trade and other payables nominal values are deemed to approximate fair values.

The caption "Long term deferred PIS/COFINS" correspond to PIS and COFINS taxes of the Brazilian transmission energy lines that is related to construction revenue and will revert during the operation with the monthly billings.

Additionally, under deferred income, the Group records a deferred tax liability deriving from the application of several tax incentives applied by Parque Solar Saelices, S.L. and to Tax incentives mainly correspond to environmental deductions which are described in note 19 "Deferred Income Tax" amounting to US$ 40,378 thousand.

On 29 June 2012, as part of the transaction with Public Sector Pension Investment Board (PSP) as described in Note 1, the parent company, Isolux Infrastructure Netherlands, subscribed two convertible facility agreements:

- Firstly, a mandatory convertible facility agreement through which PSP makes available to the parent company a term loan facility of an amount of US$ 313,850 thousand. This amount is fully disposed as of December 31, 2012, and will mature on 30 June 2017, unless it is previously converted into shares. The conversion shall be made, provided that certain specified events do not occur (such us, the investment agreement termination before 31 December 2016, early repayment, a default or relevant event, no obtaining of regulatory approvals).

  The conversion will be made at contractually established ratios, which depends on specific variables as the net operating income and if new projects has been developed. The loan bears an annual interest rate of 12.5%, which will be paid every six months. As of December 31, 2012 the loan, measured at amortized cost, amounts to US$ 321,088 thousand, including outstanding interest payments amounting to US$ 19,071 thousand.

- Secondly, a mandatory convertible facility agreement through which Grupo Isolux Corsan Concesiones, S.L. make available to the parent company a term loan facility of an amount of US$ 62,770 thousand. No amount has been disposed as of December 31, 2012, as it will be disposed once the above mentioned PSP loan has been fully disbursed. This loan will mature on 30 June 2017, unless it is previously converted into shares. The conversion shall be made, provided that certain specified events do not occur (such us, the investment agreement termination before 31 December 2016, early repayment).

  The conversion will be made at contractually established ratios, which depends on specific variables as the net operating income and if new projects has been developed. The loan bears an annual interest rate of 12.5%, which will be paid every six months.

At 31 December 2012, "Other payables" include mainly payables related to the intangibles assets recognized as a result of operation starting of the existing infrastructure in Brazil (Viabahia Concessionaria de Rodovias, S.A.) and India (Soma Isolux Varanasi Aurangabad Tollway Private Limited), respectively. These balances represent the obligation to provide construction services.

On 18 March 2011, the Group signed an agreement with Morgan Stanley Infrastructure Partner (MSIP), an infrastructure fund, becoming MSIP a strategic partner in the development of the Group in the Indian Infrastructure Concession business area. The initial closing of the agreement was reached on May 2011. The funding provided by MSIP strengthens the financial position of the Group in the Indian Concession infrastructure area, favoring the subgroups to obtain new projects.

Through this partnership MSIP committed to contribute to the holding company (ICC Sandpiper, B.V.) that owns the interests in three toll road concession joint ventures (Kishangarh, Surat and Varanasi) an amount approximately between US$ 106,700 thousand and US$ 258,500 thousand over the next five years depending on the number of concession of infrastructure projects obtained by the subgroup in India and will receive in exchange preferred shares which are convertible into ordinary shares of such holding company. The preferred shares are convertible to ordinary shares after an initial period of 5 years (or before in case of other certain specified events such as a breach of contract obligations and exit events as an IPO, a change of control, etc.). The conversion will be made at contractually established ratios which depend on specific circumstances such as anti-dilutive, indemnity and other clauses in the event of breach of contract obligations.

The Group has the majority in the Board of Directors of ICC Sandpiper although will require authorization from MSIP for certain key strategic and financing decisions. Therefore, the Company consolidated ICC Sandpiper subgroup on a proportional consolidation basis as joint venture.

The preferred shares have been classified as compound financial instrument, being the non-derivative financial liability the main and most significant part. Since the equity component is not significant as of yearend, the Group has proportionally consolidated Sandpiper subgroup by 100%.

Therefore, the compound instrument has been valuated as a liability, which has been measured at December 31, 2012 at amortized cost using the effective interest method; it will be linked to the value of the three toll road concessions' shares, so the company reassesses the future cash flows to determine the correct valuation at each year-end. This value at December 31, 2012 amounts to US$ 75,272 thousand (classified under non-current other payables).

The capital contributions provided by MSIP to ICC Sandpiper to make capital contributions to the concession joint ventures amounted to US$ 58,560 thousand, which provides MSIP through preferred convertible shares with approximately 23.5% of the voting rights of ICC Sandpiper and approximately 55% of economic ownership.

The balance of trade and other payables includes the following amounts denominated in currencies other than US$:

		December 31, 2012
Currency	**Thousands of Local Currency**	**Thousands of US dollar**
Euro	121,683	160,548
Brazilian Reais	1,364,386	666,367
Mexican Peso	385,525	29,734
Indian Rupee	10,790,121	196,596
Peruvian Nuevo Sol	4,861	1,908
		1,055,153

(Thousands of US$)

18. Borrowings

	December 31, 2012
Non Current	
Project Finance	3,070,035
Other Loans	444,114
Finance lease liabilities	100
	3,514,249
Current	
Project Finance	473,022
Other Loans	31,793
Finance lease liabilities	161
	504,976
Total	**4,019,225**

Borrowings relating to finance lease liabilities are secured by the financed assets.

Project finance is often guaranteed by a pledge on the project company's shares granted by its shareholders, the assignment of debt claims or restrictions on the disposal of project assets. Nevertheless, additional guarantees may be granted during the construction phase and until the implementation of the project (Note 27). As December 31, 2012 US$ 395,654 thousand corresponds to bridge loan facilities. Bridge loan facilities are short-term loans that are used during the construction period until the company secures permanent financing through project financing.

All financing is referenced to market rates and rates are contractually reviewed after periods which do not generally exceed six months. The fair values of current and non-current financing therefore approximate their carrying amounts.

At 31 December 2012, non-current borrowings mature as indicated below:

	December 31, 2012		
Item	Between 1 and 5 years	More than 5 years	Total
Project Finance	761,178	2,308,857	3,070,035
Other Loans	129,189	314,925	444,114
Finance lease liabilities	100	-	100
Total	**890,467**	**2,623,782**	**3,514,249**

The carrying value and the fair value of the long term financial lease liabilities do not present significant differences. As a result, liabilities are recorded at payment less formalization cost.

18. 1) Project Finance

The following debts are included under this caption:

Subsidiary	Project Finance	Thousands of US$ Amount Credit line	Initial date	Ending date	Interest Rate	Amortization
Jauru Transmisora Energia S.A.	BNDES Subcredit A	42,142	23/12/2009	15/04/2024	TJLP + 2,32%	168 monthly instalments
	BNDES Subcredit B	8,652	23/12/2009	15/10/2019	fixed rate 4,5% annual	114 monthly instalments
	Private Bonds Bradesco	77,167	07/02/2012	16/01/2013	CDI + 1,6%	1 instalment
	BNDES Subcredit D	67,546	26/12/2012	15/06/2027	TJLP + 2,58%	168 monthly instalments
	BNDES Subcredit E	6,447	26/12/2012	15/12/2022	fixed rate 2,5% annual	114 monthly instalments
	BNDES Subcredit F	635	26/12/2012	27/02/2022	TJLP	144 monthly instalments
Integraçao Electrica Norte e Nordeste S.A.	Bank of Northeastrn Brazil	107,448	19/05/2010	19/05/2030	fixed rate 8,5% annual	Quarter instalments while grace period and monthly instalments after this.
	B.Brasil	14,652	23/07/2012	23/07/2013	CDI + 1,35%	12 monthly instalments
Linhas de Xingu Transmissora de Energia S.A.	SUDAM - FDA	294,235	30/12/2010	15/10/2030	TJLP + 1,00%	34 half- yearly instalments
	BASA - FNO	73,756	30/12/2010	10/01/2031	fixed rate 8,5% annual	204 monthly instalments
	Bridge loan, Basa (2)	48,840	13/09/2012	30/03/2013	CDI + 2%	1 instalment
	Bridge loan, Basa (2)	24,420	26/03/2012	30/03/2013	CDI + 2%	1 instalment
	Bridge loan, B. Alfa (2)	14,652	28/12/2011	21/01/2013	CDI + 2,85%	1 instalment
	Bridge loan, B.Brasil (2)	20,513	14/05/2012	13/05/2013	CDI + 2,8%	1 instalment
Linhas de Macapa Transmissora de Energia S.A.	SUDAM – FDA	278,177	30/12/2010	15/10/2030	TJLP + 1,00%	34 half- yearly instalments
	BASA – FNO	69,705	30/12/2010	10/01/2031	fixed rate 8,5% annual	204 monthly instalments
	Bridge loan, B.Brasil (2)	8,303	14/05/2012	13/04/2013	CDI + 2,8%	1 instalment
Linhas de Taubaté Transmissora	Private Bonds Bradesco	72,527	27/06/2012	27/12/2013	CDI + 2,75%	1 instalment

de Energia S.A.						
Subsidiary	**Project Finance**	**Thousands of US$ Amount Credit line**	**Initial date**	**Ending date**	**Interest Rate**	**Amortization**
Sociedad Concesionaria Autovía A4-Madrid S.A.	Senior Credit BNP Paribas [1]	85,047	26/06/2008	15/06/2025	Euribor + (1,15%-1,25%)	28 half-yearly instalments
Concesionaria Autopista Perote-Xalapa S.A. de C.V.	Santander S.A., Institución Banca Múltiple, Banco Mercantil del Norte S.A. [1]	11.569	13/02/2008	08/02/2026	TIE + 1,25%	The day after receiving the VAT refund.
	Santander S.A., Institución Banca Múltiple, Grupo Financiero Santander	366,349	08/02/2008	08/02/2026	TIE + 2%	Income differentials
	Santander S.A., Institución Banca Múltiple, Grupo Financiero Santander	36,635	08/02/2008	08/02/2026	TIE + 2%	Income differentials
Concesionaria Autopista Monterrey-Saltillo, S.A. de C.V.	Santander S.A., Institución Banca Múltiple, S.A. [1] [3]	6,941	16/07/2008	[8]	TIIE + 1,25	The day after receiving the VAT refund.
	Banco Santander, S. A. Institución Banca Múltiple, Grupo Financiero Santander [1] [3]	179,710	29/03/2007	12/03/2026	TIIE + 1,65	56 quarter instalments
Soma-Isolux NH One Tollway Privated Limited	Oriental Bank of India	618,349	28/02/2009	31/10/2022	12% [4]	44 quarter instalments
Soma Isolux Surat Hazira Tollway PVT, LTD	Oriental Bank of Commerce (Lender's Agent)	330,978	14/11/2009	30/09/2024	11% upto May 12, 2012 11,50% from May 12, 2012[4]	48 quarter instalments
Soma Isolux Kishangarh-Ajmer-Beawar Tollway PVT.LTD	Oriental Bank of India (Lender's Agent)	178,443	14/11/2009	30/09/2024	11% [4]	48 quarter instalments
Soma Isolux Varanasi-Aurangabad Tollway PVT LTD (NH-2)	Syndicated Loan, Punjab National Bank (agent)	319,301	24/01/2011	31/01/2026	10,5% [4]	49 quarter instalments
	Subordinated loan with Punjab National Bank (agent)	515,417	24/01/2011	01/01/2027	11,5%[4]	4 quarter instalments

Subsidiary	Project Finance	Thousands of US$ Amount Credit line	Initial date	Ending date	Interest Rate	Amortization
South East U.P. Power Transmission Company Ltd.	Bridge loan, DB, L&T, IndusInd Bank, Subcredit A	8,199	20/01/2012	20/03/2013	12,5%	1 instalment
	Bridge loan, DB, L&T, IndusInd Bank, Subcredit B	40,995	20/01/2012	20/06/2013	13,25%	6 instalments
	Bridge loan, DB, L&T, IndusInd Bank, Subcredit C	27,330	17/05/2012	20/03/2013	13,25%	1 instalment
Viabahia Concesionaria de Rodovias S.A.	Banco do Nordeste do Brasil S.A.+BNDES	175,062	26/12/2011	26/12/2027	BNDES (70% crédito)_fixed rate 10% BNBrasil (30% Crédito) TJLP+5,7%	156 monthly instalments
	Banco Nacional de Desenvolvimieno Económico y Social	229,369	21/11/2012	15/09/2024	TJLP+2,16%	123 monthly instalments
	Banco Nacional de Desenvolvimieno Económico y Social	112,479	21/11/2012	15/07/2025	TJLP+2,16%	114 monthly instalments
	Banco Nacional de Desenvolvimieno Económico y Social	169,427	21/11/2012	15/08/2027	TJLP+2,16%	98 monthly instalments
	Banco Nacional de Desenvolvimieno Económico y Social	2,557	21/11/2012	15/12/2025	TJLP	114 monthly instalments
Wett-Wind Energy Transmission Texas, LLC.	The Bank of Nova Scotia (1)	122,625	28/07/2011	30/03/2017 or 30/09/2017 (6)	LIBOR + 2,25% or ABR + 1,25%. (7)	Quarterly Repayment and bullet amortization of 90% on ending date.
Wett Holdings LLC	The Bank of Nova Scotia (1)	775,513	24/02/2011	30/03/2017 or 30/09/2017 (6)	LIBOR + 3% or ABR + 2%. (7)	Quarterly Repayment and bullet amortization of 90% on ending date.
Subsidiaries of Tuin ZonneOrigen S.L.	BBVA Syndicate, Loan tranche (1) (5)	853,236	29/01/2008	31/12/2027	Euribor + (1,35-1,55%)	33 half-yearly instalments
Subsidiaries of Grupo T-Solar Global, S.A.	Syndicated loan Novacaixagalicia (1) (5)	77,946	17/12/2008	31/12/2026	Euribor + (1,85%-2%)	31 half-yearly instalments
Ortosolar Promotor de Energías Renovables, S.L.U	Banco Santander (1)	12,452	04/06/2009	04/06/2028	Euribor + (3% - 3,25%)	34 half-yearly instalments

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD COMPRISED BETWEEN JUNE 13 AND DECEMBER 31, 2012
(Thousands of US$)

Subsidiary	Project Finance	Thousands of US$ Amount Credit line	Initial date	Ending date	Interest Rate	Amortization
Global Surya,S.L.U.	La Caixa [1]	21,001	18/06/2009	18/06/2028	Euribor + (2,90% - 3,20%)	34 half-yearly instalments
T-Solar Autónoma S.L.U	Bankia [1]	3,313	18/03/2010	23/04/2028	Euribor + (3% - 3,75%)	34 half-yearly instalments
Astonfield Solar RAJASTHAN Pvt. Ltd	State Bank of India-Export-Import Bank of India	10,136	24/02/2011	24/03/2025	fixed rate 11,5%	155 montlhly instalments
Astonfield Solar GUJARAT Pvt. Ltd	FC-Export-Import Bank of India	17,634	24/02/2011	01/03/2023	fixed rate 13,75%	40 montlhly instalments
Subsidiaries of Grupo T-Solar Global, S.A.	Syndicated Loan Banesto [1]	61,005	20/12/2010	20/12/2026	Euribor + (3% - 3,50%)	31 half-yearly instalments
Raggio di Puglia 2	BIIS	33,709	27/01/2012	30/06/2029	Euribor + 3,9%	35 half-yearly instalments
GTS Majes	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	3,162	01/01/2012	30/04/2026	Fix rate 8,76%	25 half-yearly instalments
GTS Majes	Societe de Promotion Et de Participation Pour la Cooperation Economique	3,162	01/01/2012	30/04/2026	Fix rate 8,76%	25 half-yearly instalments
GTS Majes	Overseas Private Investment corporation / US Bank	64,150	01/01/2012	30/04/2030	Fix rate Tranche 1 3,04%; Tranche2 4,64%;	33 half-yearly instalments
GTS Repartición	Nederlandse Financierings-Maatschappij Voor Ontwikkelingslanden N.V.	3,162	01/01/2012	30/04/2026	Fix rate 8,76%	25 half-yearly instalments
GTS Repartición	Societe de Promotion Et de Participation Pour la Cooperation Economique	3,162	01/01/2012	30/04/2026	Fix rate 8,76%	25 half-yearly instalments
GTS Repartición	Overseas Private Investment corporation / US Bank	64,150	01/01/2012	30/04/2030	Fix rate Tranche 1 3,04%; Tranche2 4,64%;	33 half-yearly instalments

(1) These loans are subject to certain ratios compliance. Management understands no covenants under these agreements have been breached at December 31, 2012.
(2) Due to the fact that the use of long-term financing of SUDAM is not available until 2012, the company has signed a new bridge loan.
(3) On July 13, 2012 the company Concesionaria Autopista Perote Xalapa, S.A. de C.V. had renewed the borrowing, additional changes refers to the terms of maturity which have been settled on the 10th, 14th and 18th anniversary of the agreement.
(4) This interest rate is subject to fluctuations of PLR (Prime Lending Rate - Bank of India) interest rate.
(5) Borrowing from related parties.
(6) The maturity date is the earlier between the third anniversary of the final Substantial Completion Date (March 30, 2017) and the Date Certain (September 30, 2017).
(7) In each disturbement the company can choose between Eurodollar borrowing (which are bearing interest at LIBOR rate) and ABR (Alternative Base Rate) borrowing (which are bearing interest at ABR).
ABR: Means the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate for such day plus 1/2 of 1% and (c) 1% plus the LIBO Rate for a one month Interest Period.
(8) The amortization will be in one instalment on the day after receiving the VAT refund.

18.2) Other Loans

Subsidiary	Other Loans	Thousands of US$ Amount Credit line	Initial date	Ending date	Interest Rate	Amortization
Isolux Energia e Participaçoes S.A.	Votorantim	68,376	15/12/2011	19/06/2019	DI/ CETIP + 5,35%	Six half-yearly instalments
Cachoeira Paulista de Energia S.A.	Bonds holders (private investors) (1)	107,448	11/11/2011	11/11/2023	7,8% (2)	48 Quarterly instalments
Isolux Corsan NH1 Cyprus Limited	Cofides, S.A. (1)	32,985	16/12/2009	01/06/2017	Euribor + 3,55%	10 half-yearly instalments
Concesionaria Autopista Monterrey-Saltillo, S.A. de C.V.	FONADIN Credit A (3) (5)	39,797	20/10/2010	2039	8,50% (2)	31 January annually with income differentials
	FONADIN Credit B (3) (5)	40,423	20/10/2010	2054	8,50% (2)	31 January annually with income differentials
Viabahia Concesionaria de Rodovias, S.A.	Banco Safra S.A.	10,443	13/06/2011	03/06/2013	fixed rate 2,4%	1 instalment
Isolux Corsán participacioes na Viabahia Ltda.	Cofides, S.A.	28,504	31/05/2011	31/05/2018	Euribor +4,25%	10 equal instalments
Concesionaria Autopista Perote-Xalapa, S.A. de C.V.	FONADIN (3)	220,363	13/07/2011	13/07/2057	8,50% (2)	31 January annually with 80% of income differentials
T-Solar Global, Operating Assets S.L. (4)	Banesto	5,487	26/03/2010	Between 01/01/2015 and 01/01/2035	fixed rate 5%	1 instalment

(1) These loans are subject to certain ratios compliance. Management understands no covenants under these agreements have been breached at December 31, 2012.

(Thousands of US$)

(2) This interest rate is subject to inflation rate.
(3) This loan is denominated in UDIs.
(4) On September 19, 2012, Grupo T-solar Global, S.A. contributed this loan to T-Solar Global, Operating Assetes S.L.
(5) This loan has been partially cancelled during 2013, (Note 33)

On November 11, 2011 the company Cachoeira Paulista Transmissora de Energía S.A. has issued 220.000 bonds with par value of 1.000 US$ each, which amounts to $ 220.000. The bonds will be amortized quarterly and bears an annual interest rate of 7,8% subject to inflation rate. At the same time the company has repaid and cancelled the loan it had with BNDES as at September 30, 2011 which amounted to $ 114.004.

In December 11, 2011 Isolux Energia e Participaçoes,S.A. has issued 140.000 bonds with par value of 1.000 US$ each, which amounts to $ 140.000. The bonds will be amortized semiannually and bears an annual interest CDI+5,35%. The funds raised in this issue have been allocated to the repayment of the bonds previously issued during November 2010, for an initial amount of US$ 100.000 thousand.

At December 31, 2012 the Group's debt structure is as follows:

	December 31, 2012
Borrowing accruing a variable interest rate	3,535,352
Borrowing accruing a fixed interest rate	483,873
	4,019,225

18.3) Borrowings' breakdown

Project Finance	December 31, 2012
Concesionaria Autopistas Monterrey-Saltillo, S.A. de C.V.	179,314
Concesionaria Autopista Perote-Xalapa S.A. de C.V.	186,971
Integraçao Electrica Norte e Nordeste S.A.	58,619
Jauru Transmissora Energia S.A.	41,102
Linhas de Macapa Transmissora de energia S.A.	381,282
Sociedad Concesionaria Autovía A4-Madrid S.A.	83,799
Soma Isolux Kishangarh-Ajmer-Beawar Tollway PVT, LTD	83,643
Soma Isolux NH One Tollway PVT, LTD	397,479
Soma Isolux Surat hazira Tollway PVT, LTD	103,294
Soma Isolux Varanasi Aurangabad Tollway PVT, LTD	37,696
Viabahia Concesionaria de Rodovias S.A.	178,614
Wett Holdings LLC.	22,475
Wett-Wind Energy Transmission Texas, LLC.	129,260
Linhas de Xingu Transmissora de energia S.A.	421,158
South East U.P. Power Transmission Company Ltd.	76,524
Linhas de Taubaté Transmissora de Energia S.A.	74,414
Astonfield Solar Pvt. Ltd	276
Subsidiaries of Grupo-T Solar Global, S.A.	52,686
Subsidiaries of Tuin Zonne Origen, S.L.	737,422
Global Surya, S.L.U.	17,413
Ortosolar Promotor de Energías Renovables S.L.U.	10,733
T-Solar Autónoma S.L.U	2,893
T-Solar Global Operating Assets, S.L.	67,779
Raggio di Puglia 2 S.r.l	31,674
Astonfield Solar Rajasthan Prived Limited	9,764
Astonfield Solar Gujarat Private Limited	14,645
GTS Majes S.A.C and GTS Repartición S.A.C	142,128
Total Project Finance	**3,543,057**

(Thousands of US$)

Other loans	
Isolux Corsan NH1 Cyprus Limited	29,875
Isolux Energia e Participaçoes Ltda.	77,003
Isolux Corsán Participaciones na Viabahla Ltda	26,687
Cachoeira Paulista Trnasmissora Energia S.A.	104,432
Concesionaria Autopistas Monterrey-Saltillo, S.A. de C.V.	98,169
Concesionaria Autopista Perote-Xalapa S.A. de C.V.	119,802
Viabahía Concesionaria de Rodovias S.A.	14,452
T-Solar Global, Operating Assetes, S.L.	5,487
Total Other Loans	**475,907**
Finance lease liabilities	**261**
TOTAL	**4,019,225**

18.4) Other information

The carrying amount of the Group's borrowings is denominated in the following currencies:

	December 31, 2012
Non-current	
US Dollar	1,143,254
Euros	251,757
Mexican Peso	576,953
Brazilian reais	1,034,854
Indian Rupee	507,431
	3,514,249
Current	
US Dollar	71,930
Euros	4,888
Mexican Peso	7,306
Brazilian reais	334,178
Indian Rupee	86,674
	504,976
	4,019,225

(Thousands of US$)

19. Deferred income tax

The gross movement in deferred income tax is shown below:

	Deferred tax assets	Deferred tax liabilities
	2012	2012
Opening balance	-	-
Additions to Consolidation scope	198,281	86,635
Charge to Income Tax (Note 26)	7,406	2,976
Tax Charged to Equity	5,807	-
Translation Differences Effect	516	426
31 December 2012	**212,010**	**90,037**

At October 29, 2012 the Group incorporated US$ 198,281 thousand as deferred tax assets and US$ 86,535 thousand as deferred tax liabilities as a result of the addition to consolidated scope described in note 1.

Deferred tax assets breakdown at December 31, 2012 is as follow:

	December 31, 2012
Tax losses carried forward	21,946
Tax credits pending application	42,255
Temporary differences	147,809
	212,010

Deferred tax assets with respect to tax credits pending application and tax losses are recognized insofar as the realization of the relevant tax benefit through future taxable profits is likely. The Group has recognized all its tax credits and tax losses on the basis of estimated future taxable profits.

The Group has recognized tax credits with respect to tax losses mainly from Spain, to be applied over a 10-15 year period although the Group only recognizes the ones that expect to apply them before 10 years. Application is estimated to be started over the 12 month period.

Tax credits pending application refer entirely to environmental deductions in accordance with the provisions of Article 39.3 of Decree 4/2005 (March 5) which approves the Spanish Corporate Income Tax Act. Certain subsidiaries of the photovoltaic business have recognized a deduction in the amount established by that law for that year for the investments made in new property, plant and equipment intended to take advantage of renewable energy sources, consisting of the solar energy plants and equipment that produce heat or electricity.

The deadline for these deductions was initially 10 years, which was extended 15 years derived from the changes introduced by Decree Law 20/2012. In the case of newly created entities, the application of this deduction may be deferred until the first period in which, within the limitation period (four years), generated positive financial results.

These deductions are subject to the condition of the investments for a minimum period of 5 years from the date of registration of the asset that generated them.

(Thousands of US$)

Deferred tax liabilities breakdown at December 31, 2012 is as follow:

	December 31, 2012
Temporary differences	90,037
	90,037

Deferred tax assets and liabilities arising from temporary differences are analyzed below:

Temporary differences	**December 31, 2012**
Deferred tax assets	
Arising from non-current assets	69,120
Arising from financial derivatives measurement	78,689
Total	**147,809**
Deferred tax liabilities	
Arising from non-current assets	34,866
Arising from financial derivatives measurement	-
Arising from other Items	55,171
Total	**90,037**

20. Provisions for other liabilities and charges

	December 31, 2012	
	Non-current	Current
Balance at 13 June 2012	-	-
Additions to Consolidation Scope	14,448	168,444
Additions	-	-
Applications	-	(88,088)
Conversion Difference	58	-
Balance at 31 December 2012	**14,506**	**80,356**

This caption mainly refers the costs overruns arisen in relation to Linhas de Xingú y Linhas de Macapá as explained in note 12.

Additionally, based on a study carried out during the year by a third party, the Group has recorded a provision for the cost of dismantling the photovoltaic plants and the amount has been estimated at US$ 5,018 thousand. The recognition of this amount derives from the contractual obligation to dismantle the installations once the lease for the land on which they are located expires and in no case is this period less than 25 years as from the time of launch.

(Thousands of US$)

21. Revenue / Sales

Sales information by activity and market is included in Note 6.

Generally, infrastructure's construction is subcontracted to other companies (mainly related parties). Consequently, the recognized construction margin is minimum (not greater than 1%), except when works are performed directly by concession companies or when an analysis of risks assumed by the concession entities during construction supports a higher margin.

22. Materials consumed and other external costs

The account materials consumed and other external costs are analyzed below:

	December 31, 2012
Materials consumed	(73,776)
Outsourced construction Works	(16,106)
Other external expenses	(5,325)
Change in inventories	(2,350)
	(97,557)

23. Other operating income and expense

	December 31, 2012
Other operating income	
Other operating income	1,522
Total	**1,522**
Other operating expenses	
Operating leases	(4,287)
Taxes	(4,109)
Other operating expenses	(13)
Total	**(8,409)**

24. Employee Benefit Expense

	December 31, 2012
Wages and salaries	14,631
Social Security on other employee benefit	7,381
	22,012

During the year 2012, the average number of employees, based on full-time equivalents, was 4,677. Of these employees, 4,677 were employed outside the Netherlands.

(Thousands of US$)

25. Finance Income and Costs

	December 31, 2012
Interest expense	(65,139)
Net losses on derivative financial instruments at fair value	(6,056)
Other financial expense	(1,424)
Financial expense	**(72,619)**
Interest income and other financial income	2,739
Net gains on derivative financial instruments at fair value	0
Other financial income	3,448
Financial Income	**6,187**
Net gains/ (losses) on foreign currency transactions	**7,279**
Net financial results	**(59,153)**

26. Income Tax

Income tax expense is composed of:

	December 31, 2012
Current income tax	5,131
Deferred tax (Note 19)	4,430
Total Income Tax (Expense)/Income	**9,561**

The Group's income tax differs from the theoretical amount that would have been obtained if the tax rate applicable to the combined companies' profits had been used as follows:

	December 31, 2012
Profit (losses) before taxes	**(42,557)**
Tax calculated at the rate applicable to each company	11,979
Costs not deductible	(2,172)
Differences in Deferred Tax recognizing due to tax losses	(4,047)
Other	3,801
Tax (Expense)/Income	**9,561**

The effective tax rate in The Netherlands is 25%, differs from the average rates applicable to the Group's companies mainly due to the net effect of non-deductible expenses, which increase the effective tax rate, 22.46%, as well as the non-capitalization of tax losses in certain companies.

Likewise, Isolux Corsán Concesiones was subject to a general inspection of Value Added Tax (2006-2008), Income Tax (2006-2008), Annual Statement of Operations (2005-2008) and Intra-Community Business

Operations Statement (2005-2008), due to the fact that until 2011 it was registered under the Consolidated Fiscal Group of Isolux, which parent company is Grupo Isolux Corsán, S.A. and it will be the last responsible company of any contingency that would arise.

Likewise, the Isolux Corsan Consolidated Fiscal Group, to which belonged Isolux Corsán Concesiones S.A.U. until 2011, is subject to a general inspection of Value Added Tax (2006-2008), Income Tax (2006-2008), Annual Statement of Operations (2005-2008) and Intra-Community Business Operations Statement (2005-2008), which parent company is Grupo Isolux Corsán, S.A. and it will be the last responsible company of any contingency that would arise. As a result of these inspections, tax reports were issued by the income tax for the periods surveyed. Some of those tax reports were signed under discussion by the group, mainly by the concepts of deductions for export. The total amount is approximately US$ 5,916 thousand. In the opinion of management of the Company and its tax advisors, it is not considered that the final outcome of appeals have a significant impact on the financial statements at year end 2012, so that the Group has not recorded any provision with it. Under the Directors of the parent company and its tax consultants opinion, they have strong arguments in order to support the Group position, and estimate that any additional liability that might be raised would not significantly affect the Group Financial situation.

On August 31, 2012 was filed economic-administrative claim before the Court Central Tax for the aforementioned tax repots.

On November 30, 2012, the Tax Administration Service ("SAT") notified the subsidiary Concesionaria Autopista Monterrey Saltillo,S.A. de C.V. that there is a tax contingency which amounts to US$ 80,646 thousand (1.046 millions mexican pesos) corresponding to income tax (ISR), value added tax (VAT) and corporate flat rate tax rates plus several legal gear attachments relating FY 2008. The company's Directors and its tax consultants consider that the issuing authority of the official note has breached its obligations to state and encourage the official note according to the law, the tax contingency is not applicable and therefore, this situation is in appeal for revocation which was submitted on February 18, 2013. Evidence will be shown by the company when required, to prove the illegality of the official note, using all legal means in good faith. Nevertheless, the company's Director and its tax consultants consider remote that the resolution of the legal procedure would have significant impact over the operating result and its financial position.

As a result, among other things, of the different interpretations to which local tax legislation lends itself, additional liabilities may be raised in the event of a tax inspection. The directors of the company consider, however, that any additional liability that might be raised would not significantly affect these financial statements.

27. Contingencies and guarantees provided

The Group, in the ordinary course of business, has furnished technical guarantees in connection with the execution of projects and for the proper performance of contracts amounting to $ 119,873 thousand.

In connection with the sale of investment in the Brazilian concessions during 2010, Isolux Energia e Participaçoes guaranteed certain litigations and disputes. The Directors do not expect significant liabilities arising other than provisioned ones (Note 18).

Based on the opinion of the legal counsels, the Directors estimate that there are no significant contingencies qualified as possible risk.

As well, Grupo T-Solar Global provided a guarantee in order to ensure the compliance of the of Grupo Isolux Corsan, S.A. in relation with the agreement signed in 2011 with Corpfin and other capital funds.

In addition, the Group has furnished financial guarantees to third parties to meet all the financial agreement undertakings related to the different projects. Guarantees in force at 31 December 2012 are detailed as follows:

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(Thousands of *dollars*)

BRAZIL

Beneficiary	Intervening	Bank Institution	Finance amount (thousand)	Currency	Type of guarantee	Incorporation date	Maturity Date
Isolux Energia e Participaçoes, S.A.	Isolux Energia e Participaçoes, S.A.	Banco Votorantim, S.A.	140,000 (US$ 68,376)	Brazilian reais	Bank Deposit (R$ 15,055 thousand, US$ 7,353)	15/12/2012	18/06/2018
Cachoeira Paulista Transmissora de Energia, S.A.	Cachoeira Paulista Transmissora de Energia, S.A.	Bonds holders (privated investors)	220,000 (US$ 107,448)	Brazilian reais	Share pledge agreement	11/11/2012	11/11/2023
Jauru Transmissora de Energia, S.A.	1. Lintran Do Brasil Participaçoes, S.A. 2. Elecnor Transmissao de Energia S.A. 3. Isolux Energia e Participaçoes, S.A.	Banco Nacional de Desenvolvimento Economico e Social - BNDES	107,000 (US$ 52,259)	Brazilian reais	Fiduciary cession of borrowing rights Share pledge agreement	23/12/2009	15/04/2024
Interligaçao Eletrica Norte e Nordeste, S.A.	1. Isolux Energia Participaçoes LTDA 2. Companhia de Transmissao de Energia electrica Paulista, S.A. 3. Cimy Holding, S.A.	Banco do Nordeste do Brasil, S.A.	220,000 (US$ 107,448)	Brazilian reais	Cession of the emergent concessions rights Fiduciary cession of borrowing rights Share pledge agreement	19/05/2010	2026

INDIA						
Borrower	Rupee Lenders and Lender´s Agent	Finance amount (thousand)	Currency	Type of guarantee	Incorporation date	Maturity Date
Soma Isolux NH One Tollway Private Limited	Lenders: Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of Maharashtra, Canara Bank, Indian Overseas Bank, Oriental Bank of Commerce, State Bank of Bikaner & Jaipur, State Bank of Hyderabad, State Bank of India, State Bank of Mysore, State Bank of Patiala, State Bank of Travancore, Union Bank of India, United Bank of India, Uco Bank; Lenders´ Agent: STATE BANK OF INDIA; Securiry Agent: Security Trustee	33,890,000 (US$ 617,476)	Rupee	Share pledge agreement and other guarantees	28/02/2009	31/10/2023
Soma Isolux Kishangarh Beawar Tollway PVT LTD (NH-8)	Lenders: Bank of Maharashtra, Central Bank of India, Corporation Bank, Dena Bank, Indra Infraestructure Finance Company Limited, Indian Overseas Bank, Punjab National Bank, State Bank of Bikaner and Jaipur, State Bank of Travancore, Uco Bank; Lenders´ Agent: Central Bank of INDIA;Securiry Agent: Cetebank Financial Services Limited	9,780,000 (US$ 178,192)	Rupee	Share pledge agreement and other guarantees	14/11/2009	30/09/2024

(Thousands of US$)

INDIA						
Soma Isolux Surat Hazira Tollway PVT LTD (NH-6)	**Lenders:** Andhra Bank. Bank of Baroda. Central Bank of India. Corporation Bank. Dena Bank. India Infraestructure Finance Company Limited. Indian Overseas Bank. Oriental Bank of Commerce. Punjab National Bank. State Bank of Bikaner and Jaipur. State Bank of Hyderabad. State Bank of Travancore. UCO Bank. Union Bank of India.; **Lenders´ Agent**: Oriental Bank of Commerce; **Securiry Agent**: Oriental Bank of Commerce	18,140,000 (US$ 330,511)	Rupee	Share pledge agreement and other guarantees	14/11/2009	30/09/2024
Soma Isolux Varanasi Aurangabad Tollway Private Limited	Lenders: Andhra Bank, Bank of Baroda, Bank of India, Central Bank of India, Indian Overseas Bank, Indian Overseas Bank, Punjab National Bank, State Bank of Hyderabad, Union Bank of India.; Lenders´ Agent: Punjab National Bank; Securiry Agent: PNB Investment Services Limited.	18,500,000 (US$ 337,070)	Rupee	Share pledge agreement and other guarantees	24/01/2011	31/01/2026

SPAIN

Beneficiary	Intervenieng	Bank Institution	Finance amount (thousand)	Currency	Type of guarantee	Incorporation date	Maturity Date
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	Isolux Corsán Concesiones de Infraestructuras, S.L., ELSAMEX, S.A. y Grusamar Ingenieria y Consulting, S.L.	BNP Paribas, S.A. Banco Bilbao Vizcaya Argentaria, S.A.	64,459 (US$ 85,047)	Euro	Assurance agreement pledge Project agreement pledge Financial statement pledge	26/06/2008	15/06/2025
Sociedad Concesionaria Autovía A-4 Madrid, S.A.	BNP Paribas, S.A. Banco Bilbao Vizcaya Argentaria, S.A.	BNP Paribas, S.A. Banco Bilbao Vizcaya Argentaria, S.A.	13,500 (US$ 17,812)	Euro	VAT refund pledge VAT account balance pledge Project agreement pledge Assurance agreement pledge Shares pledge Guarantee agreements Subordinated loan agreement pledge	29/07/2010	28/12/2026

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(Thousands of US$)

USA							
Beneficiary	**Intervenieng**	**Bank Institution**	**Finance amount**	**Currency**	**Type of guarantee**	**Incorporation date**	**Maturity Date**
Wett Holdings LLC	Iccenlux Corp. Isolux Corsán Concesiones	The Bank of Nova Scotia	122,625	USD Dollar	Equity Contribution Agreement Collateral Agency Agreement Security Agreement Pledge Agreement	2012	2017
Wett Holdings LLC	Wett Holdings LLC	The Bank of Nova Scotia	775,513	USD Dollar	Equity Contribution Agreement Collateral Agency and Accounts Agreement Security Agreement Pledge Agreement	2012	2017

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SPAIN

Beneficiary	Guarantee issued on behalf of	Finance amount (thousand)	Currency	Type of guarantee	Incorporation date	Maturity Date
Banco Santander	Ortosolar Promotor de Energías Renovables, S.L.U.	1.601 (US$ 2,112)	Euro	Performance guarantee	2009	No Maturity date
Several government bodies	Group subsidiaries being developed and operated	616 (US$ 813)	Euro	Connection points and licenses (1) and tax reclamations	2010	No maturity date

(1) This includes the subsidiaries (Windmill Energie Alicante 1.4., Windmill Energie Alicante 2.3., Windmill Energie Alicante 2.7., S.L.U; Parque Solar Saelices, S.L.; T-Solar Autónoma, S.L.U, Borealis Solar)

ITALY

Beneficiary	Guarantee issued on behalf of	Finance amount (thousand)	Currency	Type of guarantee	Incorporation date	Maturity Date
Municipal Organizations	Raggio di Plugia 2 S.R.L	2,519 (US$ 3,324)	Euro	Other	2011	2014/2016

PERU

Beneficiary	Guarantee issued on behalf of	Finance amount (thousand)	Currency	Type of guarantee	Incorporation date	Maturity Date
Osienergmin (Ministry of Energy)	Companies in Peru	13,200	US Dollar	Compliance with solar plant launch commitments	2010	2017

28. Commitments

The main committed investments for the Group are those relating to the described in note 7 "Property, plant and equipment", note 9 "Intangible assets" and note 12 "Trade and other receivables".

On April 24, 2012 Isolux Corsán NH1 Cyprus, Limited signed a share purchase and sale agreement with Corsán Corviam Construcción, S.A. related to 10% of shares of Soma Isolux NH One tollway Private Ltd. The transaction will be performed at the fair value determined by an independent expert and could only occur once all necessary authorizations had been obtain.

On October 19, 2012, Isolux Corsan Power concessions India Private Limited signed a share purchase and sale agreement with Isolux Corsan India engineering & Construction Private Limited, about 2,628,381 compulsorily convertible preference shares of Mainpuri Power Transmission Private Limited. According to the first amendment of the agreement signed on March 22, 2013 the purchase price, fixed in US$ 17,837 thousand (980 million Indian rupees), shall be payable by the Purchaser to the Seller at any time not later than September 30, 2013.

The Group has receivable assets from related parties recognized in relation with these two commitments (note 30).

29. Insurance

The Group's policy is to maintain an adequate insurance coverage according to each kind of risk and based on maximum exposure to such risks being covered; among others: fires, floods, machinery breakage, accidents and environmental damages.

In respect to assets under construction such as some photovoltaic plants, electric transmission lines and highways, the company in charge of their construction (usually outsourced entities) is responsible for those damages that may arise during this period. Once construction is finished, there are legal warranty periods considered under country's legislation.

For concessions assets under operation, insurance policies required to meet the obligations established by the granting authority due to administrative concession terms are purchased / arranged. In addition, these assets are protected by the coverage granted by the authority due to their public service nature and the specific terms they are assigned to.

In case of major disasters, the granting authority is usually responsible for assets' damages and grants to the concessionaire additional funds to respond to extraordinary repairs.

In general, for operating solar plants the companies outsource maintenance services covering breakages and replacements.

30. Related-parties

Balances with related parties as of 31 December 2012, arise from the ordinary course of business. These balances are described below:

a) Remuneration paid to Board directors and key management of the Group

Remuneration paid to Board Directors and management related to executive functions as of December 31, 2012 amounts to US$ 347 thousand.

(Thousands of US$)

At December 31, 2012 there are not loans to senior management that have been directly paid by the Company.

b) Transactions with related parties

Transactions with related parties at 31 December 2012 are analyzed below:

	December 31, 2012
Services rendered	
Isolux Corsán Servicios, S.A.	90
Grupo Isolux Corsán, S.A.	515
Constructora Autopista Perote Xalapa	270
Grupo Isolux Corsán Concesiones, S.L.	340
Total	**1.215**
Financial income	
Grupo Isolux Corsán, S.A.	389
Isolux Ingeniería, S.A.	44
Total	**433**

	December 31, 2012
Receipt of services	
Grupo Isolux Corsán, S.A.	62
Isolux Corsán Servicios, S.A.	1,245
Elsamex, S.A.	758
Isolux Ingeniería USA, LLC	131,602
Corsán Corviam Construcción, S.A.	1,645
Constructora Autopista Perote-Xalapa, S.A. de C.V.	10.578
Isolux Projetos e Instalaçoes Ltda	14.195
Indra Isolux de México S.A. de C.V.	96
Isolux Ingeniería, S.A.	27
Isolux Corsán India Engineering & Construction Pvt.	8.918
ICI C&C Mainpuri JV	84.214
Other	133
Total	**253.473**

(Thousands of US$)

c) Balances with related parties

Balances with related parties at 31 December 2012 are analyzed below:

	December 31, 2012		
	Total	Non-Current	Current
Receivables from related parties			
Aparcamientos Segovia S.L.	4	-	4
Isolux Projetos e Instalaciones Ltda	198	-	198
Isolux Ingeniería USA, LLC	5	-	5
Luxeol S.L.	5	-	5
Total receivable from related parties (note 12)	**212**	**-**	**212**
Loans to group and related parties			
Grupo Isolux Corsán Concesiones, S.L.	90,342	10,461	79,881
Infra-PSP Canada, Inc	313,654	52,308	261,346
Grupo Isolux Corsán, S.A.	14,390	-	14,390
Isolux Projetos e Instalações Ltda	61	-	61
Total loans to group and related parties (note 12)	**418,447**	**62,769**	**355,678**
Advanced payments to related parties for construction services			
Isolux Projetos e Instalaciones Ltda	35,165	-	35,165
ICI - C&C Mainpuri, JV	79,885	-	79.885
Isolux Corsan India Engineering & Construction and Soma Entrerprises Limited	17.971	17,971	-
Isolux Ingeniería S.A.	11,470	-	11,470
Isolux Corsan India Engineering & Construction and C&C	21,365	21,365	-
Total Advanced payments to related parties for construction services (note 12)	**165,856**	**39,336**	**126,520**
Total (Note 12)	**584,515**	**122,312**	**482,410**

Amounts related to loans to group and related parties include outstanding payments regarding to partly paid shares issued by the parent company (note 12 and 14).

(Thousands of US$)

	December 31, 2012		
	Total	Non-Current	Current
Borrowings from not financial related parties:			
- Borrowings from Grupo Isolux Corsán related parties			
Isolux Corsán Do Brasil S.A.	23	-	23
Grupo Isolux Corsán, S.A.	176	-	176
Isolux Corsán India Engineering & Construction Private Ltd	18,221	-	18,221
Isolux de México S.A. de C.V.	217	-	217
Isolux Projetos e Instalações Ltda	49,433	47,131	2,302
Grupo Isolux Corsán Concesiones, S.L.	17,107	-	17,107
Infra-PSP Canada Inc.	321,088	321,088	-
Total borrowings from Shareholders related parties	**406,265**	**368,219**	**38,046**
- Borrowings from other not financial related parties			
Elsamex, S.A.	10,636	10,636	-
Grusamar Ingenieria y Consulting, S.L.	575	575	-
Total borrowings from other nor financial related parties	**11,211**	**11,211**	-
Total Borrowings from not financial related parties (Note 17)	**417,476**	**379,430**	**38,046**
Trade credits from related parties:			
Grupo Isolux Corsán, S.A.	44	-	44
Corsán Corviam Construcción, S.A.	460	-	460
Isolux Corsan India Engineering & Construction Private Ltd	6,315	-	6,315
Isolux Corsan Servicios, S.A.	1,615	-	1,615
Isolux Ingenierla, S.A.	264	-	264
Isolux Ingenierla USA, LLC.	21,240	-	21,240
Isolux Projetos e Instalações Ltda	2	-	2
Constructora Autopista Perote – Xalapa, S.A. de C.V.	3,488	-	3,488
ICI - C&C Mainpuri, JV	73,038	-	73,038
Indra Isolux de México S.A. de C.V.	19	-	19
Total trade credits from related parties (Note 17)	**106,485**	-	**106,485**
Borrowings from financial related parties			
ARRL (Mauritius) Limited	166	166	-
Total Borrowings from financial related parties (Nota 16)	**166**	**166**	-
Total	**524,127**	**379,596**	**144,531**

Amounts related to Borrowings from related parties of Grupo Isolux Corsán includes the obligation of the purchase price that shall be payable for the preference shares of Mainpuri Power Transmission Private Limited by Isolux Corsan Power concessions India Private Limited to Isolux Corsan India Engineering & Construction, Ltd (see Note 28).

Amounts related to Borrowings from related parties of Elsamex, S.A. and Grusamar Ingenieria Consulting, S.L. correspond to subordinated borrowing granted to Sociedad Concesionaria Autovia A-4 Madrid, S.A.

(Thousands of US$)

which maturity date is at 2025 (see Note 18). This borrowing was granted in 2008 and accrues a fixed interest rate of 4% and variable interest rate of 3% of operating revenue.

Balances from Isolux Corsan India Engineering & Construction, Isolux Ingenieria USA, LLC, Constructora Autopista Perote - Xalapa and ICI - C&C Mainpuri, JV., relates to work carried out concerning assets under constructions.

31. Joint ventures

The Group has interests in the joint ventures listed in Appendix II. The amounts set out below represented the Group' share, based on its interest in the joint ventures, on assets, liabilities of joint ventures consolidated through the proportional method (Note 3.1.). These amounts are included in the Consolidated Balance sheet:

	December 31, 2012
Assets:	
Non-current assets	977,556
Current assets	75,699
	1,053,255
Liabilities:	
Non-current liabilities	972,918
Current liabilities	84,490
	1,057,408
Net assets	**(4,153)**
Revenue	160,011
Expenses	(163,909)
Profit / (loss) after taxes	**(3,898)**

There are no contingent liabilities relating to the Group's interests in joint ventures, or contingent liabilities recognized by the joint ventures themselves.

32. Subsequent events

On February 28, 2013 the company Concesionaria Autopista Monterrey-Saltillo S.A. de C.V. has issued 42.000.000 bonds with par value of 100 Mexican pesos each, which amounts to 4.200.000 thousands Mexican pesos (US$ 323,929 thousand). The bonds, which are designated in UDIS, will be amortized on 29th December 2037, and bears an annual interest rate of 5,9%. At the same time the company has repaid and cancelled entirely the senior project finance it had with Santander S.A. and has amortised partially the convertible subordinated loan it held with Fondo Nacional de Infraestructura (Fonadin).

As well, the company has cancelled the interest rate swap designated to hedge the mentioned loan with Santander S.A., which related hedge reserves approximately amounted to US$ 25,686 thousand (333,043 thousand Mexican pesos), and has a result in a loss of US$ 38,927 thousand (504,715thousand Mexican pesos).

(Thousands of US$)

On March 27, 2013, Infra-PSP Canada Inc., shareholder of the Company, has reached a sale and transfer of shares agreement with PSPEUR, S.àr.l., selling to the latter company 78,462,500 ordinary shares of Isolux Infrastructure Netherlands, B.V. with a nominal value of one United States Dollar cent (USD 0.01), each numbered from v313,871,971 through v392,334,470, which purchase price amounts to US$ 313,850 thousand.

33. Audit Fees

Auditor fees

	December 31, 2012		
	PwC Firm	Other auditors	Total Audit fees
Audit of the financial statements	1,491	226	1,717
Other audit procedures	615		615
Other non-audit services	448		448
	2.554	226	2,780

The fees listed above relate to the procedures applied to the company and its consolidated group entities by accounting firms and external auditors as referred to article 1(1) of the Dutch Accounting Firms Oversight Act.

These amounts relate to annual audit fees, including the 12 month period ended on December 31, 2012.

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD COMPRISED BETWEEN JUNE 13 AND DECEMBER 31, 2012
(Thousands of US$)

Appendix I

Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activity	Consolidation method
Isolux Corsán Concesiones, S.A.U.	Madrid	100,00	Isolux Infrastructure Netherlands, B.V.	General	FC
Isolux Corsán Concesiones de Infraestructuras, S.L.U.	Madrid	100,00	Isolux Infrastructure Netherlands, B.V.	General	FC
Isolux Energia e Participaçoes, S.A.	Rio Janeiro	100,00	Isolux Corsán Concesiones S.A.U.	Electric Transmission Lines	FC
Linhas de Xingu Transmissora de Energía, S.A.	Rio Janeiro	100,00	Isolux Energia e Participaçoes, S.A.	Electric Transmission Lines	FC
Linhas de Macapa Transmissora de Energía, S.A.	Rio Janeiro	100,00	Isolux Energia e Participaçoes, S.A.	Electric Transmission Lines	FC
Cachoeira Paulista T. Energia S.A.	Rio Janeiro	100,00	Isolux Energia e Participaçoes, S.A.	Electric Transmission Lines	FC
Linhas de Taubaté Transmissora de Energia	Rio Janeiro	100,00	Isolux Energia e Participaçoes, S.A.	Electric Transmission Lines	FC
Concesionaria Autopista Monterrey-Saltillo, S.A.de C.V.	México DF	100,00	Isolux Corsán Concesiones, S.A.U.	Highways	FC
Vias Administración y Logistica, S.A. de C.V.	Mexico DF	100,00	Isolux Corsán Concesiones, S.A.U.	Highways	FC
Isolux Corsan Energy Cyprus Limited	Nicosia	100,00	Isolux Corsán Concesiones, S.A.U.	Electric Transmission Lines	FC
Isolux Corsan Power Concessions India Private Limited	Haryana	100,00	Isolux Corsan Energy Cyprus Limited	Electric Transmission Lines	FC
Mainpuri Power Transmission Private Limited	Haryana	74,00	Isolux Corsan Power Concessions India Private Limited	Electric Transmission Lines	FC
South East UP Power Transmission Company Ltd	Haryana	74,00	Mainpuri Power Transmission Private Limited	Electric Transmission Lines	FC
Iccenlux Corp.	Delaware	100,00	Isolux Corsán Concesiones, S.A.U.	Electric Transmission Lines	FC
Isolux Corsán Concesiones de México, S.A. de C.V.	Mexico DF	100,00	Isolux Corsán Concesiones, S.A.U.	Highways	FC
Isolux Corsán Concessions Infraestructures Holland, B.V.	La Haya	100,00	Isolux Corsán Concesiones, S.A.U.	Highways	FC
Sociedad Concesionaria Autovía A-4 Madrid S.A. (2)	Madrid	48,75	Isolux Corsán Concesiones de Infraestruct., S.L	Highways	FC
Isolux Corsan NH1 Cyprus Limited	Nicosia	100,00	Isolux Corsán Concesiones de Infraestruct., S.L	Highways	FC
Soma-Isolux NH One Tollway Private Limited	Haryana	51,00	Isolux Corsan NH1 Cyprus Limited	Highways	FC
Isolux Corsán Mexicana de Infrestructuras, S.L.U.	Madrid	100,00	Isolux Corsán Concesiones de Infraestructuras, S.L	Highways	FC
Isolux Corsán Brasileña de Infraestructuras, S.L.U.	Madrid	100,00	Isolux Corsán Concesiones de Infraestructuras, S.L	Highways	FC
Isolux Corsán Participaciones de Infraestructura Ltda	Sao Paulo	100,00	Isolux Corsán Brasileña de Infraestructuras, S.L.U.	Highways	FC
Isolux Corsán Participaciones na Viabahía Ltda	Sao Paulo	100,00	Isolux Corsán Participaciones de Infraestructuras Ltda.	Highways	FC
Viabahia Concessionaria de Rodovias, S.A.	Sao Paulo	70,00	Isolux Corsán Participaciones na Viabahía Ltda	Highways	FC

(2) The agreements signed by the shareholders of the Company, made the Group to hold the majority of the voting rights.
FC; Full Consolidation
Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

Appendix I

Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activity	Consolidation method
Grupo T-Solar Global, S.A.	Madrid	58,84%	Isolux Infrastructure Netherlands, B.V.	Solar Energy	FC
T Solar Global Operating Assets, SL	Madrid	51%	Grupo T-Solar Global, S.A Muchich Re y KKR).	Solar Energy	FC
Windmill Energie Alicante 1.2, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Windm 1.3, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Windmill Energie Alicante 1.4, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Yeguas Altas, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Huerto Albercones, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Huerto Las Pesetas, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Huerto Cortillas, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Huerto Paniza, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Huerto Montera, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Parque Solar Saelices, S.L. (Anteriormente Luz de Obrada S.L.U). (2)	Madrid	5%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Global Surya, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
TZ Almodovar del Río, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Ortosolar Promotor de energías renovables, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Tuin Zonne Solar, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
T Solar Autonoma, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Ortosol Energía 1, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Ortosol Energía 2, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Ortosol Energía 3, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Ortosol Energía 4, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Ortosol Energía 5, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Ortosol Energía 6, S.L.U.	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Tuin Zonne Origen S.L.U	Madrid	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
Pentasolar, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Pentasolar Talayuela 1, S.L.U.	Madrid	100%	Pentasolar, S.L.U.	Solar Energy	FC
Pentasolar Talayuela 2, S.L.U.	Madrid	100%	Pentasolar, S.L.U.	Solar Energy	FC

(2) The agreements signed by the shareholders of the Company, made the Group to hold the majority of the voting rights.

Appendix I

FC: Full Consolidation
Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

Appendix I

Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activity	Consolidation method
Pentasolar Madrigal 1, S.L.U.	Madrid	100%	Pentasolar, S.L.U.	Solar Energy	FC
Pentasolar Madrigal 2, S.L.U.	Madrid	100%	Pentasolar, S.L.U.	Solar Energy	FC
TZ Morita, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
TZ Morita 1, S.L.U.	Madrid	100%	TZ Morita, S.L.U.	Solar Energy	FC
TZ Morita 2, S.L.U.	Madrid	100%	TZ Morita, S.L.U.	Solar Energy	FC
TZ Morita 3, S.L.U.	Madrid	100%	TZ Morita, S.L.U.	Solar Energy	FC
TZ Morita 4, S.L.U.	Madrid	100%	TZ Morita, S.L.U.	Solar Energy	FC
TZ Morita 5, S.L.U.	Madrid	100%	TZ Morita, S.L.U.	Solar Energy	FC
TZ Morita 6, S.L.U.	Madrid	100%	TZ Morita, S.L.U.	Solar Energy	FC
TZ Morita 7, S.L.U.	Madrid	100%	TZ Morita, S.L.U.	Solar Energy	FC
TZ Castillo de Alcolea, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
TZ Castillo de Alcolea 1, S.L.U.	Madrid	100%	TZ Castillo de Alcolea, S.L.U.	Solar Energy	FC
TZ Castillo de Alcolea 2, S.L.U. (2	Madrid	100%	TZ Castillo de Alcolea, S.L.U.	Solar Energy	FC
TZ Castillo de Alcolea 3, S.L.U.	Madrid	100%	TZ Castillo de Alcolea, S.L.U.	Solar Energy	FC
TZ Castillo de Alcolea 4, S.L.U.	Madrid	100%	TZ Castillo de Alcolea, S.L.U.	Solar Energy	FC
TZ Castillo de Alcolea 5, S.L.U. (2	Madrid	100%	TZ Castillo de Alcolea, S.L.U.	Solar Energy	FC
TZ Castillo de Alcolea 6, S.L.U.	Madrid	100%	TZ Castillo de Alcolea, S.L.U.	Solar Energy	FC
TZ Castillo de Alcolea 7, S.L.U.	Madrid	100%	TZ Castillo de Alcolea, S.L.U.	Solar Energy	FC
TZ Archidona I , S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Tuin Zonne Archidona 1, S.L.U.	Madrid	100%	TZ Archidona I, S.L.U.	Solar Energy	FC
TZ Archidona 2, S.L.U.	Madrid	100%	TZ Archidona I, S.L.U.	Solar Energy	FC
TZ Archidona 3, S.L.U.	Madrid	100%	TZ Archidona I, S.L.U.	Solar Energy	FC
TZ Archidona 4, S.L.U.	Madrid	100%	TZ Archidona I, S.L.U.	Solar Energy	FC
TZ Archidona 5, S.L.U.	Madrid	100%	TZ Archidona I, S.L.U.	Solar Energy	FC
TZ Archidona 6, S.L.U.	Madrid	100%	TZ Archidona I, S.L.U.	Solar Energy	FC
TZ La Poza, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC

FC: Full Consolidation
Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

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Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activity	Consolidation method
TZ La Poza 1, S.L.U.	Madrid	100%	TZ La Poza, S.L.U.	Solar Energy	FC
TZ La Poza 2, S.L.U.	Madrid	100%	TZ La Poza, S.L.U.	Solar Energy	FC
TZ La Poza 3, SLU	Madrid	100%	TZ La Poza, S.L.U.	Solar Energy	FC
TZ La Poza 4, SLU	Madrid	100%	TZ La Poza, S.L.U.	Solar Energy	FC
TZ La Poza 5, SLU	Madrid	100%	TZ La Poza, S.L.U.	Solar Energy	FC
TZ La Poza 6, SLU	Madrid	100%	TZ La Poza, S.L.U.	Solar Energy	FC
TZ La Poza 7, SLU	Madrid	100%	TZ La Poza, S.L.U.	Solar Energy	FC
TZ Buenavista, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
TZ Buenavista 1, S.L.U.	Madrid	100%	TZ Buenavista, S.L.U.	Solar Energy	FC
TZ Buenavista 2, S.L.U.	Madrid	100%	TZ Buenavista, S.L.U.	Solar Energy	FC
TZ Buenavista 3, S.L.U.	Madrid	100%	TZ Buenavista, S.L.U.	Solar Energy	FC
TZ Buenavista 4, S.L.U.	Madrid	100%	TZ Buenavista, S.L.U.	Solar Energy	FC
TZ Buenavista 5, S.L.U.	Madrid	100%	TZ Buenavista, S.L.U.	Solar Energy	FC
TZ Buenavista 6, S.L.U.	Madrid	100%	TZ Buenavista, S.L.U.	Solar Energy	FC
TZ Alcolea Lancha, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
TZ Alcolea Lancha 1, S.L.U.	Madrid	100%	TZ Alcolea Lancha, S.L.U.	Solar Energy	FC
TZ Alcolea Lancha 2, S.L.U.	Madrid	100%	TZ Alcolea Lancha, S.L.U.	Solar Energy	FC
TZ Alcolea Lancha 3, S.L.U.	Madrid	100%	TZ Alcolea Lancha, S.L.U.	Solar Energy	FC
TZ Alcolea Lancha 4, S.L.U.	Madrid	100%	TZ Alcolea Lancha, S.L.U.	Solar Energy	FC
TZ Alcolea Lancha 5, S.L.U.	Madrid	100%	TZ Alcolea Lancha, S.L.U.	Solar Energy	FC
TZ Alcolea Lancha 6, S.L.U.	Madrid	100%	TZ Alcolea Lancha, S.L.U.	Solar Energy	FC
TZ Alcolea Lancha 7, S.L.U.	Madrid	100%	TZ Alcolea Lancha, S.L.U.	Solar Energy	FC
Tuin Zonne Veguilla, S.L.	Madrid	74%	Tuin Zonne Origen , S.L.U. y Mihuersol Jerez, S.L.	Solar Energy	FC
TZ Veguilla 1, S.L.U.	Madrid	100%	Tuin Zonne Veguilla, S.L.	Solar Energy	FC
TZ Veguilla 2, S.L.U.	Madrid	100%	Tuin Zonne Veguilla, S.L.	Solar Energy	FC
TZ Veguilla 3, S.L.U.	Madrid	100%	Tuin Zonne Veguilla, S.L.	Solar Energy	FC

FC: Full Consolidation
Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

Appendix I

Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activity	Consolidation method
TZ Veguilla 4, S.L.U.	Madrid	100%	Tuin Zonne Veguilla, S.L.	Solar Energy	FC
TZ Veguilla 5, S.L.U.	Madrid	100%	Tuin Zonne Veguilla, S.L.	Solar Energy	FC
TZ Veguilla 6, S.L.U.	Madrid	100%	Tuin Zonne Veguilla, S.L.	Solar Energy	FC
TZ Veguilla 7, S.L.U.	Madrid	100%	Tuin Zonne Veguilla, S.L.	Solar Energy	FC
Tuin Zonne Los Mochuelos, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
TZ Los Mochuelos 1, S.L.U.	Madrid	100%	Tuin Zonne Los Mochuelos, S.L.U.	Solar Energy	FC
TZ Los Mochuelos 2, S.L.U.	Madrid	100%	Tuin Zonne Los Mochuelos, S.L.U.	Solar Energy	FC
TZ Los Mochuelos 3, S.L.U.	Madrid	100%	Tuin Zonne Los Mochuelos, S.L.U.	Solar Energy	FC
TZ Los Mochuelos 4, S.L.U.	Madrid	100%	Tuin Zonne Los Mochuelos, S.L.U.	Solar Energy	FC
TZ Los Mochuelos 5, S.L.U.	Madrid	100%	Tuin Zonne Los Mochuelos, S.L.U.	Solar Energy	FC
TZ Los Mochuelos 6, S.L.U.	Madrid	100%	Tuin Zonne Los Mochuelos, S.L.U.	Solar Energy	FC
Pensolar Pozohondo, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Pensolar Pozohondo 1, S.L.U.	Madrid	100%	Pensolar Pozohondo, S.L.U.	Solar Energy	FC
Pensolar Pozohondo 2, S.L.U.	Madrid	100%	Pensolar Pozohondo, S.L.U.	Solar Energy	FC
Pensolar Pozohondo 3, S.L.U.	Madrid	100%	Pensolar Pozohondo, S.L.U.	Solar Energy	FC
Pensolar Pozohondo 4, S.L.U.	Madrid	100%	Pensolar Pozohondo, S.L.U.	Solar Energy	FC
Pensolar Pozohondo 5, S.L.U.	Madrid	100%	Pensolar Pozohondo, S.L.U.	Solar Energy	FC
Pensolar Pozohondo 6, S.L.U.	Madrid	100%	Pensolar Pozohondo, S.L.U.	Solar Energy	FC
Pensolar Pozocañada, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Pensolar Pozocañada 1, S.L.U.	Madrid	100%	Pensolar Pozocañada, S.L.U.	Solar Energy	FC
Pensolar Pozocañada 2, S.L.U.	Madrid	100%	Pensolar Pozocañada, S.L.U.	Solar Energy	FC
Pensolar Pozocañada 3, S.L.U.	Madrid	100%	Pensolar Pozocañada, S.L.U.	Solar Energy	FC
Pensolar Pozocañada 4, S.L.U.	Madrid	100%	Pensolar Pozocañada, S.L.U.	Solar Energy	FC
Pensolar Pozocañada 5, S.L.U.	Madrid	100%	Pensolar Pozocañada, S.L.U.	Solar Energy	FC
Pensolar Pozocañada 6, S.L.U.	Madrid	100%	Pensolar Pozocañada, S.L.U.	Solar Energy	FC
Granadasolar E. Renovables, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC

FC: Full Consolidation
Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

Appendix I

Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activity	Consolidation method
Granadasolar Sigüenza 1, S.L.U.	Madrid	100%	Granadasolar E. Renovables, S.L.U.	Solar Energy	FC
Granadasolar Sigüenza 2, SLU	Madrid	100%	Granadasolar E. Renovables, S.L.U.	Solar Energy	FC
Aspa Energías Renovables, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
TZ La Seca 1, S.L.U.	Madrid	100%	Aspa Energías Renovables, S.L.U.	Solar Energy	FC
TZ La Seca 2, S.L.U.	Madrid	100%	Aspa Energías Renovables, S.L.U.	Solar Energy	FC
Tuin Zonne Medina, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Tuin Zonne Medina 1, S.L.U.	Madrid	100%	Tuin Zonne Medina, S.L.U	Solar Energy	FC
Tuin Zonne Medina 2, S.L.U.	Madrid	100%	Tuin Zonne Medina, S.L.U	Solar Energy	FC
Tuin Zonne Medina 3, S.L.U.	Madrid	100%	Tuin Zonne Medina, S.L.U	Solar Energy	FC
TZ El Carpio, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Elduayen Fotovoltaica, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
P.S. Huerto Son Falconer, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Borealis Solar, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
European Sun Park Arnedo, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Windmill Fotovoltaica, S.L.U.	Madrid	100%	Tuin Zonne Origen, S.L.U.	Solar Energy	FC
Windmill Energie Alicante 1.1, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 1.5, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 1.6, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 1.7, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 1.8, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 1.9, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 1.10, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 1.11, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.1, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.2, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.3, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC

FC: Full Consolidation
Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

Appendix I

Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activity	Consolidation method
Windmill Energie Alicante 2.4, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.5, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.6, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.7, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.8, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.9, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.10, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Alicante 2.11, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 3.3, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 3.4, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 3.5, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 3.6, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 3.7, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 3.8, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 3.9, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 3.10,S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.1, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.2, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.3, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.4, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.5, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.6, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.7, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.8, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.9, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Windmill Energie Valladolid 4.10, S.L.U.	León	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC

FC: Full Consolidation
Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

Appendix I

Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activitiy	Consolidation method
TZ Albaida 2 S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Tuin Zonne Laguna Dalga S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
TZ Morón Uno, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
TZ Morón 2, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Tuin Zonne Ronda 1, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
TZ Ronda 2, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
TZ Santafe 1, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
TZ Santafe 2, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Tuin Zonne Viana S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 1, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 2, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 3, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 4, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 5, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 6, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 7, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 8, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 9, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 10, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 11, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 12, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Mihuersol Jerez 13, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Mihuersol Jerez 14, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
Global Elefantina, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A	Solar Energy	FC
TZ Buenavista 7, S.L.U.	Madrid	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Gts Repartición, S.A.C	Lima	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC

FC: Full Consolidation

Appendix I

Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

Appendix I

Subsidiaries included in the Consolidation Scope at December 31, 2012

Company name	Address	% par value	Shareholder	Activity	Consolidation method
Gts Majes, S.A.C.	Lima	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Raggio di Puglia 2 S.r.l	Roma	100%	T-Solar Global Operating Assets, S.L.	Solar Energy	FC
ARRL (Mauritius) Limited (2)	Port Louis, Mauritius	50%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Astonfield Solar Rajasthan (Private) Limited (1)	New Delhi	100%	ARRL (Mauritius) Limited	Solar Energy	FC
Astonfield Solar Gujarat (Private) Limited (1)	New Delhi	100%	ARRL (Mauritius) Limited	Solar Energy	FC
GTS Sicily 1, S.r.l. (2)	Palermo	20%	Grupo T-Solar Global, S.A.	Solar Energy	FC
T Solar Cyprus Limited	Nicosia,	100%	Global Elefantina, S.L.	Solar Energy	FC
Grupo T-Solar Global USA, inc	Austin	100%	Grupo T-Solar Global, S.A.	Solar Energy	FC
Sol Orchard Imperial 1, LLC	Austin	100%	Grupo T-Solar Global USA, inc	Solar Energy	FC
GTS Puerto Rico One LLC	Austin	100%	Grupo T-Solar Global USA, inc	Solar Energy	FC
Solaner One LLC (2)	Puerto Rico	50%	GTS Puerto Rico One LLC	Solar Energy	FC
GTS Puerto Rico Two LLC	Austin	100%	Grupo T-Solar Global USA, inc	Solar Energy	FC
Solaner Two LLC (2)	Puerto Rico	50%	GTS Puerto Rico Two LLC	Solar Energy	FC
Grupo T-Solar USA, LLC	Austin	100%	Grupo T-Solar Global USA, inc	Solar Energy	FC
Solar Power Ventures LLC	Austin	60%	Grupo T-Solar USA, LLC	Solar Energy	FC

(1) The Company closing balance is at 31st March..
(2) The agreements signed by the shareholders of the Company, made the Group to hold the majority of the voting rights.
FC: Full Consolidation
Note: The Group controls all of these subsidiaries through the voting rights granted by the shares held, as indicated in the accompanying table.

ISOLUX infrastructure

CONSOLIDATED FINANCIAL STATEMENTS OF ISOLUX INFRASTRUCTURE NETHERLANDS B.V. AT DECEMBER 31, 2012

Appendix I

Appendix II

Joint ventures included in the Consolidation Scope at December 31, 2012

Company Name	Address	% of par value	Shareholder	Actvity	Consolidation method
Jauru Transmisora de Energia S.A.	Rio Janeiro	33,33	Isolux Energia e Participações, S.A.	Electric Transmission Lines	PC
Interligaçao Electrica Norte e Nordeste, S.A.	Sao Paulo	50,00	Isolux Energia e Participações, S.A.	Electric Transmission Lines	PC
Plena Operaçao e Manutençao de Transmissoras de Energia Ltda	Rio de Janeiro	50,00	Isolux Energia e Participações, S.A.	Electric Transmission Lines	PC
Concesionaria Autopista Perote Xalapa S.A. de C.V.	México DF	50,00	Isolux Corsán Concesiones, S.A.U.	Highways	PC
Wett Holdings LLC	Delaware	50,00	Iccenlux Corp.	Electric Transmission Lines	PC
Wett - Wind Energy Transmission Texas, LLC.	Austin	50,00	Wett Holdings	Electric Transmission Lines	PC
ICC Sandpiper B.V.	Amsterdam	100,00	Isolux Corsán Concessions Infraestructures Holland, B.V.	Highways	PC
Isolux Corsan Concessions Cyprus Limited	Nicosia	100,00	ICC Sandpiper B.V.	Highways	PC
Indus Concessions India Privated Limited	Haryana	100,00	Isolux Corsan Concessions Cyprus Limited	Highways	PC
Soma Isolux Kishangarh-Ajmer-Beawar Tollway PVT.LTD	Haryana	50,00	Isolux Corsán Concesiones, S.A.U. (37,15%) and Indus Concessions India Privated Limited (12,85%)	Highways	PC
Soma Isolux Surat Hazira Tollway PVT, LTD	Haryana	50,00	Isolux Corsán Concesiones, S.A.U. (35,50%) and Indus Concessions India Private Limited (14,50%)	Highways	PC
Soma Isolux Varanasi Aurangabad Tollway Private Limited	Haryana	50,00	Indus Concessions India Privated Limited.	Highways	PC
Operadora Autopista Perote Xalapa S.A. de C.V.	México DF	50,00	Isolux Corsán Concesiones, S.A.U.	Highways	PC

PC: Proportional Consolidation
(3) Joint Venture according to shareholders agreement (note 17)

*   *   *

PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2012

The Board of Directors of Isolux Infrastructure Netherlands, B.V. at its meeting at April 11, 2013, have authorized for issue the consolidated financial statements at 31 December 2012, as set out in the documents which are attached to and precede this document.

Signatories:

Mr. Luis Delso Heras Chairman	Mr. José Gomis Cañete Member
Mr. Antonio de Padua Portela Álvarez Member	Mr. Robert Hendrik Rottinghuis Member
Mr. Jan Hendrik Siemssen Member	Mr. Arie Cornelis Igmar den Hejier Member
for: Mr.Bruno Guilmette Member	Mr.Patrick Samson Member
for: Mr. Steven Sonnenstein Member	Mr. Santiago Varela CEO
Mr. Javier Prados Non-voting secretary	

OTHER INFORMATION

I. Provisions in the Articles of Association relating to profit appropriation

Article 24 of the Articles of Association states that from the profits realised in any financial year, firstly the Management Board will state the amount of profits accrued in a financial year that shall be added to the reserves of the Company and secondly the General Meeting will determine the allocation of profits accrued in a financial year remaining after application to reserves.

II. Parent company's proposed profit appropriation

The Board of Directors proposes to appropriate the loss of US$ 24,359 thousand as follows:

	US$ thousand
Addition to legal reserves	-
Accumulated losses	24,359
Loss of the year	24,359

III. Events after balance sheet date

There have been no other significant events after balance sheet date which may be significant and which is not disclosed in note 32.

ISOLUX INFRASTRUCTURE NETHERLANDS, B.V. CONSOLIDATED DIRECTOR´S REPORT 2012

1. General Information

The parent Company's corporate purpose is the participation in other companies as a partner or shareholder in the country or abroad (holding).

The Group operates mainly through the following lines of business:

- Concessions: the Group holds concessions for land infrastructures such as motorways and the electrical infrastructures such as high-voltage transmission lines and energy transformation stations.
- Photovoltaic energy: generation or production of renewable energies through photovoltaic plants technology.

Additionally the Group has its main activities and sales in India, Brazil, Mexico, Spain and is expanding to other countries such as United States of America, Italy and Peru.

The parent company is jointly controlled by Grupo Isolux Corsán Concesiones, S.L. (a subsidiary of Grupo Isolux Corsán, S.A. devoted to engiennering and construction and present in more than 25 countries and 4 continents) and Infra-PSP Canada Inc., which holds 80,77% and 19,23% of the shares respectively (directly or indirectly).

The company was controlled by Grupo Isolux Corsán, S.A. before the agreement with Public Sector Pension Investment Board (PSP), a Canadian pension fund, which committed to contribute to Isolux Infrastructure Netherlands the amount of US$ 627,700 thousand, of which the 50% is contributed through a convertible loan and remaining 50% through an equity contribution (acquisition of shares issued by Isolux Infrastructure Netherlands, B.V.).

In the agreement, it is also stipulated the commitment by Grupo Isolux Corsán Concesiones, S.L. to contribute to the Group the amount of US$ 125,540 thousand (50% through a convertible loan and 50% trough equity).

Prior to the subscription of shares by PSP, on October 29 2012, Grupo Isolux Corsán contributed to the parent Company, its participation in the Spanish companies Isolux Corsán Concesiones, S.A.U. ("ICC"), Isolux Corsán Concesiones de Infraestructuras, S.L.U. ("ICCI") and Grupo T-Solar Global, S.A. (GTSG) in exchange of share capital increase. With these transactions, the parent Company received the businesses of concessions and photovoltaic energy.

Organisational structure

Power Transmission business includes 8 projects in 3 different countries and counts with more than 10 years experience in managing transmission assets in Brazil. It is also the first non North American Group to become a transmission Utility in the USA and is already certified Utility in Ontario (Canada), and the first foreign developer to break into the Indian HV Transmission Sector.

Toll Roads business includes 8 projects in 4 countries, most of them under operation. It is the largest international developer in India and is currently developing a number of proposals in the USA.

T-Solar (Photovoltaic Energy) develops, manages and sells energy in 4 different countries and is currently prospecting new markets in Africa and Asia

A breakdown of the different projects by business and countries is as follows:

ISOLUX infrastructure

Infrastructures (1,609 km)	100,00%
Brazil	
BR 116 Via Bahia	70,00%
India	
NH1: Panipat – Jalandhar	61,00%
NH2: Varanasi – Aurangabad [1]	50,00%
NH6: Surat – Hazira Port [1]	50,00%
NH8: Kishangarh – Beawar [1]	50,00%
Mexico	
CAMS. Saltillo – Monterrey	100,00%
COPEXA. Perote – Banderilla	50,00%
Spain	
Madrid – Ocaña A4	48,75%

Electric Transmission Lines (5,533 km)	100,00%
Brazil	
CPTE – Cachoeira	100,00%
LXTE – Xingu	100,00%
LMTE – Macapá	100,00%
LTTE – Taubaté	100,00%
IENNE – Interligação Norte-Norde	50,00%
JTE – Jaurú	33,33%
USA	
WETT	50,00%
India	
Uttar Pradesh	74,00%

Tsolar (229 MW)	[illegible]
Spain	
161 MW	51,00%
Italy	
7 MW	51,00%
Perú	
44 MW	100,00%
India	
17 MW	50,00%

As well, during the year 2012, the average number of employees, based on full-time equivalents, was 4,677. Of these employees, 4,677 were employed outside the Netherlands.

Due to new legal requirements as of 2013, disclosure in the Directors' Report is required when the composition of the Board of Directors is not equally divided between men and women. At this moment the composition of the Board of Directors does not reflect the situation as described in articles 166 and 167 Book 2 of the Dutch Civil Code. The parent company takes the issue of Boardroom diversity very seriously and believes that maintaining a balance of experience, skills, knowledge and background is key to its effective performance. It believes gender diversity is an important element of this mix. A balanced situation as outlined in the above mentioned articles would only be realized if and when vacancies may become available and only to the extent that compliant candidates are of equal quality.

2. Financial Highlights

2.1. Financial Highlights

The development of the Group's main figures in 2012, considering basically 2 months of main businesses activity since the businesses were transferred to the parent company and the parent company transactions since its incorporation, is as follows (in US$ thousands):

	2012
Total operating revenue	155,392
Operating profit	16,596
Gross operating profit - EBITDA (1)	42,022
Net financial results	(59,153)
Project Finance (2)	3,543,057
Net debt with financial entities (3)	3,555,614

(1) Operating profit without amortization/ depreciation, impairment losses and changes in trade provisions.
(2) Includes short and long-term Project Finance.
(3) Includes debts with financial entities net of cash, cash equivalents and financial investments guarantying financial debt.

2.2 Group's results

2.2.1 Income Statement Performance by activities

The performance of the income statement for 2012, considering basically 2 months of main businesses activity since the businesses were transferred to the parent company and the parent company transactions since its incorporation, is as follows (in US$ thousands):

December 31, 2012	Electric Transmission Lines	Highways	Solar Energy	General	Total
Operating Income	**63,796**	**85,180**	**7,369**	**(953)**	**155,392**
Revenue/ Sales	63,146	83,669	7,040	15	153,870
Other operating income	650	1,511	329	(968)	1,522
Operating expenditure	**(46,774)**	**(66,541)**	**(20,752)**	**(4,729)**	**(138,796)**
Materials consumed and other external costs	(37,254)	(54,390)	(3,649)	(2,264)	(97,557)
Employee benefit expense	(3,264)	(1,242)	(541)	(2,357)	(7,404)
Other operating expenses	(6,020)	(1,676)	(612)	(101)	(8,409)
Amortization	(236)	(9,233)	(15,950)	(7)	(25,426)
Operating results	**17,022**	**18,639**	**(13,383)**	**(5,682)**	**16,596**
Financial expenses	(20,018)	(22,844)	(9,812)	(19,945)	(72,619)
Financial income	1,874	3,957	704	(348)	6,187
Net gains / (losses) on foreign currency transactions	396	(270)	(249)	7,402	7,279
Net financial results	**(17,748)**	**(19,157)**	**(9,357)**	**(12,891)**	**(59,153)**
Profit (loss) before income tax	**(726)**	**(518)**	**(22,740)**	**(18,573)**	**(42,557)**
Income tax	(883)	2,666	7,779	(1)	9,561
Profit for the period	**(1,609)**	**2,148**	**(14,962)**	**(18,573)**	**(32,996)**

Revenue/ Sales December 31, 2012	Electric Transmission Lines	Highways	Solar Energy	General	Total
- Construction services revenue (IFRIC 12)	41,534	41,937	-	-	83,471
- Financial income related to concession's financial asset (IFRIC 12)	20,640	-	-	-	20,640
- Operation and maintenance revenues	971	41,733	7,040	15	49,759
- Direct taxes on sales	-	-	-	-	-
Total	**63,145**	**83,670**	**7,040**	**15**	**153,870**

- Electric Transmission lines: concession for the electrical infrastructures such as high-voltage transmission lines and energy transformation stations mainly operates in Brazil, India and USA.
- Highways: concession for land infrastructures such a as motorways, operates in India, Mexico, Spain and Brazil.
- Solar energy: generation or production of renewable energies through photovoltaic plants technology and related to the generation of electricity, mainly operates in Spain.
- General: general business unit includes the holding information and information from other non operative subholdings. This information is included in the geographical areas analysis according to the area in which each subholding operates.

.2.2. Income Statement Performance by geography

December 31, 2012	Netherlands	Spain	Brazil	Mexico	India	USA	Other	Total
Operating Income	-	5,406	99,074	8,038	37,432	150,025	(144,583)	155,392
Revenue/ Sales	-	5,966	98,737	6,641	37,405		5,121	153,870
Other operating income	-	(560)	337	1,397	27	150,025	(149,704)	1,522
Operating expenditure	(1,432)	(22,393)	(73,501)	(4,040)	(33,194)	(150,429)	146,193	(138,796)
Materials consumed and other external expenses	(1,432)	(3,882)	(61,103)	(3,031)	(26,784)	(150,036)	148,711	(97,557)
Employee benefit expense	-	(3,278)	(2,906)	(112)	(734)	(374)	-	(7,404)
Other operating expenses	-	(585)	(7,509)	(95)	(69)	(8)	(143)	(8,409)
Amortization	-	(14,648)	(1,983)	(802)	(5,607)	(11)	(2,375)	(25,426)
Operating results	(1,432)	(16,987)	25,573	3,998	4,238	(404)	1,610	16,596
Financial expenses	(19,074)	(12,365)	(26,970)	(8,710)	(5,500)	-	-	(72,619)
Financial income	(348)	797	2,165	98	3,479	(4)	-	6,187
Net gains / (losses) on foreign currency transactions	3,106	4,047	(191)	(86)	403	-	-	7,279
Net financial results	(16,316)	(7,521)	(24,996)	(8,698)	(1,618)	(4)	-	(59,153)
Profit (loss) before income tax	(17,748)	(24,508)	577	(4,700)	2,620	(408)	1,610	(42,557)
Income tax	-	10,329	2,906	(579)	(865)	-	(2,230)	9,561
Profit (loss) for the year	(17,748)	(14,179)	3,483	(5,279)	1,755	(408)	(620)	(32,996)

Revenue/ Sales December 31, 2012	Netherlands	Spain	Brazil	Mexico	India	USA	Other	Total
Construction services revenue (IFRIC 12)	-	-	61,775	-	21,695	-	-	83,470
Financial income related to concession's financial asset (IFRIC 12)	-	-	18,082	-	2,558	-	-	20,640
Operation and maintenance revenues	-	5,966	18,880	6,641	13,152		5,121	49,760
Direct taxes on sales	-	-	-	-	-	-	-	-
Total Revenue /Sales	-	5,966	98,737	6,641	37,405	-	5,121	153,870

3 Group's financial position

3.1 Financial position by activities

December 31, 2012	Electric Transmission Lines	Highways	Solar Energy	General	Total
ASSETS					
NON CURRENT ASSETS					
Property, plant and equipment	249,842	3,632	1,488,667	55	1,742,196
Intangible assets – Goodwill	-	-	55,520	-	55,520
Intangible assets – Other	1,840	2,167,947	-	66	2,169,853
Financial investments	596	10,184	60,490	-	71,270
Trade and other receivables	1,665,163	69,522	13,334	62,776	1,810,795
Deferred income tax assets	56,905	27,027	127,980	98	212,010
Derivative financial instruments					
	1,974,346	**2,278,312**	**1,745,991**	**62,995**	**6,061,644**
CURRENT ASSETS					
Inventories	753	4	6,199	1	6,957
Trade and other receivables	361,412	28,197	40,363	358,307	788,279
Derivative financial instruments	-	2,242	-	-	2,242
Financial investments	-	35,986	-	-	35,986
Cash and cash equivalents	134,923	74,186	106,945	40,301	356,355
	497,088	**140,615**	**153,507**	**398,609**	**1,189,819**
Total assets	**2,414,529**	**2,391,900**	**1,771,518**	**461,506**	**7,251,463**
LIABILITIES					
NON CURRENT LIABILITIES					
Borrowings	974,889	1,497,166	1,042,194	-	3,514,249
Derivative financial instruments	8,818	72,410	150,933	-	232,161
Deferred income tax liabilities	36,105	6,761	47,171	-	90,037
Provisions for other liabilities and charges	3,801	5,364	5,018	323	14,506
Trade and other payables	189,793	182,375	60,862	317,562	750,592
	1,213,406	**1,764,076**	**1,306,178**	**317,885**	**4,601,545**
CURRENT LIABILITIES					
Trade and other payables	306,928	321,759	32,524	38,533	699,744
Current income tax liabilities	-	-	-	-	-
Borrowings	411,433	42,950	50,593	-	504,976
Derivative financial instruments	-	-	30,130	-	30,130
Provisions for other liabilities and charges	80,336	20	-	-	80,356
	798,697	**364,729**	**113,247**	**38,533**	**1,315,206**
Total Liabilities	**2,012,103**	**2,128,805**	**1,419,425**	**356,418**	**5,916,751**
Total Equity	**402,426**	**263,095**	**352,093**	**105,088**	**1,334,712**

3.2 Financial position by geography

December 31, 2012	Netherlands	Spain	Brazil	Mexico	India	USA	Other	Total
ASSETS								
NON CURRENT ASSETS								
Property, plant and equipment	-	1,256,266	12,299	435	36,991	248,129	188,076	1,742,196
Intangible assets – Goodwill	-	55,520	-	-	-	-	-	55,520
Intangible assets – Other	-	102,055	457,868	733,851	874,347	1,732	-	2,169,853
Financial investments	-	47,117	596	10,183	2,736		10,638	71,270
Trade and other receivables	62,769	18,078	1,557,974	64	168,776	2,997	137	1,810,795
Deferred income tax assets	-	136,423	56,279	14,028	501	2,645	2,134	212,010
Derivative financial instruments	-	-	-	-	-	-	-	-
	62,769	**1,615,459**	**2,085,016**	**758,561**	**1,083,351**	**255,503**	**200,985**	**6,061,644**
CURRENT ASSETS								
Inventories	-	6,200	753	4	-	-	-	6,957
Trade and other receivables	338,607	44,927	265,186	13,275	111,026	991	14,267	788,279
Derivative financial instruments	-	-	2,242	-	-	-	-	2,242
Financial investments	-	-	-	15,850	20,136	-	-	35,986
Cash and cash equivalents	30,563	134,776	140,802	20,978	19,412	3,771	6,053	356,355
	369,170	**185,903**	**408,983**	**50,107**	**150,574**	**4,762**	**20,320**	**1,189,819**
Total assets	**431,939**	**1,801,362**	**2,493,999**	**808,668**	**1,233,925**	**260,265**	**221,305**	**7,251,463**
LIABILITIES								
NON CURRENT LIABILITIES								
Borrowings	-	940,279	1,031,386	576,953	655,319	148,202	162,110	3,514,249
Derivative financial instruments	-	175,095		46,758	-	8,818	1,490	232,161
Deferred income tax liabilities	-	47,172	34,865	4,188	2,573	1,239	-	90,037
Provisions for other liabilities and charges	-	10,648	3,801	-	-	-	57	14,506
Trade and other payables	321,088	92,319	250,239	10	84,319	889	1,728	750,592
	321,088	**1,265,513**	**1,320,291**	**627,909**	**742,211**	**159,148**	**165,385**	**4,601,545**
CURRENT LIABILITIES								
Trade and other payables	-	67,709	356,766	29,724	220,958	23,887	700	699,744
Current income tax liabilities	-	-	-	-	-	-	-	-
Borrowings	-	38,200	346,430	7,306	97,655	3,533	11,852	504,976
Derivative financial instruments	-	29,661	-	-	-	-	469	30,130
Provisions for other liabilities and charges	-	-	80,336	20	-	-	-	80,356
	-	**135,570**	**783,532**	**37,050**	**318,613**	**27,420**	**13,021**	**1,315,206**
Total Liabilities	**321,088**	**1,401,083**	**2,103,823**	**664,959**	**1,060,824**	**186,568**	**178,406**	**5,916,751**
Total Equity	**110,851**	**400,279**	**390,176**	**143,709**	**173,101**	**73,697**	**42,899**	**1,334,712**

3.3 Expected cash-flows and liquidity position

The investment contributions to be performed by the Group to the projects are covered by the equity and expected project finance cash flows.

Regarding to the Group's project financing arrangements ("Project finance"), repayments are mainly secured by cash flows from the respective projects. In such cases, the Group hedges liquidity risk by ensuring that financing is long term and structured on the basis of the forecast cash flows for each project. Accordingly, 87% of financing recognized at December 31, 2012 falls due after more than one year and 65% of the financing recognized at December 31, 2012 falls due after more than five years.

The group expects that bridge loan facilities relating to projects under construction will be converted into project finance loans with long term maturities once the operation period begins.

Additionally, on February 28, 2013 the company Concesionaria Autopista Monterrey-Saltillo S.A. de C.V. has issued 42.000.000 bonds with par value of 100 Mexican pesos each, which amounts to 4.200.000 thousands Mexican pesos (US$ 323,929 thousand). The bonds, which are designated in UDIS, will be amortized on 29th December 2037, and bears an annual interest rate of 5,9%. At the same time the company has repaid and cancelled entirely the senior project finance it had with Santander S.A. and has amortised partially the convertible subordinated loan it held with Fondo Nacional de Infraestructura (Fonadin).

As regards the Group's liquidity position, management monitors the forecast liquidity based on expected cash flows.

Liquidity risk is managed on an overall, centralized basis by Group Treasury. This includes both managing cash from the Group's recurring transactions (analysis and follow-up of debt maturities, collections, renewal and contracting of loans, management of available credit lines, and temporary investment of cash surpluses) and managing the funds necessary to undertake planned investments

The Group's capital management objectives consist of protecting its capacity to do business as a going concern in order to obtain a return for shareholders and profits for other holders of equity instruments, as well as to maintain an optimal capital structure and reduce cost of capital.

In order to maintain or adjust the capital structure, the Group could adjust the amount of dividends payable to shareholders, reimburse capital to shareholders, issue new shares or sell shares to reduce debt.

Leverage ratio at December 31, 2012 is shown below:

	December 31, 2012
Borrowings and Trade and other payables	4,537,747
Less financial investments related to borrowings	(107,256)
Less: cash and cash equivalents	(356,355)
Net debt	**4,074,136**
Equity (including non controlling interests)	1,334,712
Total capital	**5,408,848**
Leverage ratio (net debt / total capital)	**75,32%**

4. Expectations

Despite the current worldwide macroeconomic environment, the portfolio amounts point out to a reasonable and moderate optimism about the coming fiscal year 2013 thanks mainly to group´s position in developed and emerging markets and the characteristics of the projects with non-demand risk in some cases.

The Group mainly foresees to close the financing of Linhas de Xingú Transmissora de Energía, Linhas de Macapá Transmissora de Energía, Jauru Transmisora de Energía and Linhas de Taubaté Transmissora de Energía which actually have bridge loans that amount 313,618 thousand of dollars.

Likewise, another big challenge for 2013 is to finish the construction phase of projects of California and Puerto Rico and Linhas de Xingú Transmissora de Energía, Linhas de Macapá Transmissora de Energía and WETT Wind Energy Texas. Additionaly the tollroad NH6 will open its 75% and the Group will continue working to obtain projects in the US, South Africa, Australia, Japan and Golf Emirates.

5. General risks

Main risks and uncertainties identified by the group relate to:

- Finalizing the construction phase and entering into operation as expected in the business plans. Delays could arise in certain projects, mainly due to causes attributable to different government bodies that may lead to a claim for compensation whose exist could impact in the projects expected profitability.

- Obtaining the expected traffic levels for toll roads. The macroeconomic environment and other factors can influence in achieving this objective.

- Potential regulatory changes for the Photovoltaic energy market in different countries could impact in the expected profitability of the projects.

6. Risk management of financial instruments

The activities carried out by Group companies are exposed to various financial risks. The policies developed by Isolux Infrastructure Netherlands, B.V concerning these risks are based on the establishment of hedges for exchange and interest rate risks.

At 31 December 2012, the Group has entered into interest rate swaps with financial entities. The following interest rate swaps were in force:

Name	Contract date	Final maturity	Notional value (1)	Fixed interest rate (paid)	Variable interest rate (charged)
Bank loan Wett Holding	31/08/2011	31/03/2016	19,182 thousand USD	1,96%	Libor
Bank loan Wett Wind Energy	02/08/2011	31/03/2016	115,093 thousand USD	1,91%	Libor
Bank loan Concesionaria Saltillo Monterrey	30/05/2007	30/05/2025	2,290,177 thousand mexican peso	8,20%	TIIE*
Bank loan Sociedad Concesionaria Autovia A-4	01/08/2008	16/06/2025	57,315 thousand euro	5,05%	Euribor
Bank loan Concesionaria Perote-Xalapa	13/02/2008	14/01/2022	3,745,713 thousand mexican peso	8,20%	TIIE*
Syndicated loan GTS from NG Banco	22/12/2008	31/12/2026	39,014 thousand euro	3,96%	Euribor
Syndicated loan GTS from BBVA	15/07/2008	31/12/2027	102,986 thousand euro	5,09%	Euribor
Syndicated loan GTS from BBVA	15/09/2008	31/12/2027	29,870 thousand euro	4,75%	Euribor
Syndicated loan GTS from BBVA	15/09/2008	31/12/2027	107,401 thousand euro	4,78%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	6,414 thousand euro	4,33%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	62,167 thousand euro	4,11%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	131,006 thousand euro	4,42%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	8,694 thousand euro	4,29%	Euribor
Loan GTS from La Caixa	18/06/2009	18/06/2021	8,694 thousand euro	4,09%	Euribor
Santander loan GTS	04/06/2009	04/12/2023	6,328 thousand euro	4,00%	Euribor
Syndicated loan GTS from Banesto	11/01/2011	20/12/2023	3,409 thousand euro	3,45%	Euribor
Syndicated loan GTS from Banesto	11/03/2011	20/12/2023	1,938 thousand euro	3,69%	Euribor
Syndicated loan GTS from Banesto	11/01/2011	20/12/2023	4,739 thousand euro	3,45%	Euribor
Syndicated loan GTS from Banesto	22/12/2010	20/12/2023	21,132 thousand euro	3,54%	Euribor
Bankia loan GTS	18/03/2010	23/04/2026	2,017 thousand euro	3,65%	Euribor
Raggio di Puglia loan GTS	25/01/2012	29/06/2029	14,777 thousand euro	2,73%	Euribor

Name	Contract date	Final maturity	Notional value [1]	Fixed interest rate (paid)	Variable interest rate (charged)
Bank loan Wett Holding	31/08/2011	31/03/2016	19,182 thousand USD	1,96%	Libor
Bank loan Wett Wind Energy	02/08/2011	31/03/2016	115,093 thousand USD	1,91%	Libor
Bank loan Concesionaria Saltillo Monterrey	30/05/2007	30/05/2025	2,290,177 thousand mexican peso	8,20%	TIIE*
Bank loan Sociedad Concesionaria Autovia A-4	01/08/2008	16/06/2025	57,315 thousand euro	5,05%	Euribor
Bank loan Concesionaria Perote-Xalapa	13/02/2008	14/01/2022	3,745,713 thousand mexican peso	8,20%	TIIE*
Syndicated loan GTS from NG Banco	22/12/2008	31/12/2026	39,014 thousand euro	3,96%	Euribor
Syndicated loan GTS from BBVA	15/07/2008	31/12/2027	102,986 thousand euro	5,09%	Euribor
Syndicated loan GTS from BBVA	15/09/2008	31/12/2027	29,870 thousand euro	4,75%	Euribor
Syndicated loan GTS from BBVA	15/09/2008	31/12/2027	107,401 thousand euro	4,78%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	6,414 thousand euro	4,33%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	62,167 thousand euro	4,11%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	131,006 thousand euro	4,42%	Euribor
Syndicated loan GTS from BBVA	28/11/2008	31/12/2027	8,694 thousand euro	4,29%	Euribor
Loan GTS from La Caixa	18/06/2009	18/06/2021	8,694 thousand euro	4,09%	Euribor
Santander loan GTS	04/06/2009	04/12/2023	6,328 thousand euro	4,00%	Euribor
Syndicated loan GTS from Banesto	11/01/2011	20/12/2023	3,409 thousand euro	3,45%	Euribor
Syndicated loan GTS from Banesto	11/03/2011	20/12/2023	1,938 thousand euro	3,69%	Euribor
Syndicated loan GTS from Banesto	11/01/2011	20/12/2023	4,739 thousand euro	3,45%	Euribor
Syndicated loan GTS from Banesto	22/12/2010	20/12/2023	21,132 thousand euro	3,54%	Euribor
Bankia loan GTS	18/03/2010	23/04/2026	2,017 thousand euro	3,65%	Euribor
Raggio di Puglia loan GTS	25/01/2012	29/06/2029	14,777 thousand euro	2,73%	Euribor

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Independent auditor's report

To the General Meeting of Shareholders of Isolux Infrastructure Netherlands B.V.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements for the period 13 June 2012 to 31 December 2012 as set out on pages 3 to 100 which are part of the consolidated financial statements of Isolux Infrastructure Netherlands B.V., Amsterdam, which comprise the consolidated balance sheet as at 31 December 2012, the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows for the period from 13 June 2012 to 31 December 2012 and the notes, comprising a summary of significant accounting policies and other explanatory information.

Board of directors' responsibility

The board of directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as it determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Isolux Infrastructure Netherlands B.V. as at 31 December 2012, and of its consolidated result and its consolidated cash flows for the period from 13 June 2012 to 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2: 393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2: 392 sub 1 at b-h has been annexed. Further we report that the directors' report, to the extent we can assess, is consistent with the consolidated financial statements as required by Section 2: 391 sub 4 of the Dutch Civil Code.

Rotterdam, 29 May 2013
PricewaterhouseCoopers Accountants N.V.

E.C.P Verstraete RA