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ANNUAL REPORT **2014**

# Strengthening our way

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## Letter from the Chairman

**Dear shareholders, clients and employees,**

Ineco's ability to adapt and make full use of our experience in the global market has led to a 13% growth in revenue from services provided outside Spain in 2014.

**"We ended the financial year having taken 182.4 million euros in turnover and showing an operating profit of 4.3 million euros, concluding the first stage of a journey characterised by new challenges that Ineco has confronted by combining the strength of more than four decades of experience with the transformation of our organization and business model."**

This change was necessary to guarantee the company remained sustainable and competitive and, with no little effort, it has begun to bear fruit.

Ineco's human and technical capital, accumulated over a long period of developing Spanish transport's large infrastructure, is now coming of age and being made available to new clients outside of Spain. Not forgetting, of course, our mission to serve the Spanish Administration and our shareholding companies, our order book and revenue figures for 2014 reflect the evolving global demand for engineering and consultancy services: the market that experienced the greatest growth was that of non-EU countries, where our revenue went from 44.7 million euros in 2013 to 51.1.

Great regions in the world, such as the Middle East and Latin America, are undergoing their own economic and social transformation process. An inevitable part of this is the development of efficient and modern transport infrastructure capable of guaranteeing that future economic growth is unhindered. This is where Ineco offers its value-added



services which are endorsed by our long history of working on roads, railways and airports, which has led to Spain becoming one of the countries with the best transport infrastructure in the world.

Air traffic continues to grow across the planet, which is a global trend that even the recession has not been able to slow down. Ineco's aeronautical projects across the world hinge on modernising and improving airports, optimising air space use and increasing safety. This is exemplified by new contracts such as the commissioning and Operational Readiness and Airport Transfer (ORAT) of Abu Dhabi Airport's new terminal, which was awarded in conjunction with Aena, and the supervision of the enlargement works carried out on the Jorge Chávez International Airport in Lima, Peru. And let us not forget the existing projects that we have continued to make progress with, such as the Kuwait International Airport expansion project which we have been managing since 2011, and the improvement programme for 50 regional airports across Brazil. As a result, income from aeronautical projects – a fifth of our international portfolio – increased compared to 2013, up to 46.2 million euros.

With regard to railways, the large-scale projects already begun in previous years continued full steam ahead in 2014. In terms of high speed, it is worth mentioning the High Speed 2 project in the UK (London-Birmingham), the beginning of the track assembly process for the Mecca-Medina line in Saudi Arabia and the final supervision phase of the work on the central section of the Ankara-Istanbul line in Turkey. We also began to work on another railway restoration project: the Dugo Selo-Novska line in Croatia. Given its relevance, it is worth noting that we have been contracted for the next six years to coordinate and supervise the deployment of the European Rail Traffic Management System (ERTMS) for the nine railway corridors that run across EU member states.

In the sphere of urban transport, preliminary studies that are worth noting include the one conducted for the implementation of a light rail system in San José, the capital of Costa Rica, and the work carried out as part of Ecuador's National Strategic Mobility Plan. Ineco continued to work on the Urban Plan for Muscat in Oman, which will provide the city with a modern, efficient system.

With regard to roads, it is worth highlighting our ongoing large-scale projects such as the enlargement of the Guadalajara-Colima highway in Mexico and the completion (North Stretch) of the Rodoanel Mário Covas, the São Paulo ring road in Brazil.

Our vocation for public service is encapsulated by the works we carry out under different agreements such as those signed in Brazil and Panama. Thanks to these projects, Ineco supports the strengthening of institutions and the national infrastructure plan, respectively.

And naturally, in 2014 we have continued to lend specialised technical support to our shareholders, Enaire, Renfe, Adif and Adif Alta Velocidad, as well as to Aena and to Spain's Ministry of Public Works and Transport to maintain and modernise national infrastructure.

As we are well aware of the vital importance of innovation, we have been launching new projects designed to improve our solutions, as well as new product offers, throughout the year. All this increases the efficiency and sustainability of the transport systems that serve our society. Our efforts in the area of innovation have been recognised by Bentley Systems in the UK due to our work on the railway station Delta Junction on the HS2 line, where our use of technological tools such as BIM (Building Information Modelling) proved invaluable.

As such, over the course of the year, innovation, technical knowledge and our mission to serve have been our key values, together with the ten principles we subscribed to under the Global Compact, and which we renew for another year with the firm commitment of supporting the protection of the environment, human rights and labour standards, to follow good business practices and to fight corruption.

I would like to extend my thanks to all our employees, clients and shareholders for the trust they continue to bestow on our company, which has enabled us to consolidate our transformation process and end the year convinced that we are on the right path.

We will continue to work on adapting to the market requirements and develop infrastructure of the best possible quality using the experience and courage of the professionals we are lucky enough to have at our disposal. We will tackle the challenges the future brings safe in the knowledge that we are fully prepared to successfully overcome them.



**Jesús Silva Fernández**  
Chairman





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# About Ineco

"Few engineering firms can boast of the quality of services that Ineco provides. Our global and multimodal nature, as well as being present throughout the life cycle of infrastructures, really sets us apart from our competitors."

*Ana Rojo, Engineering and Services Managing Director*





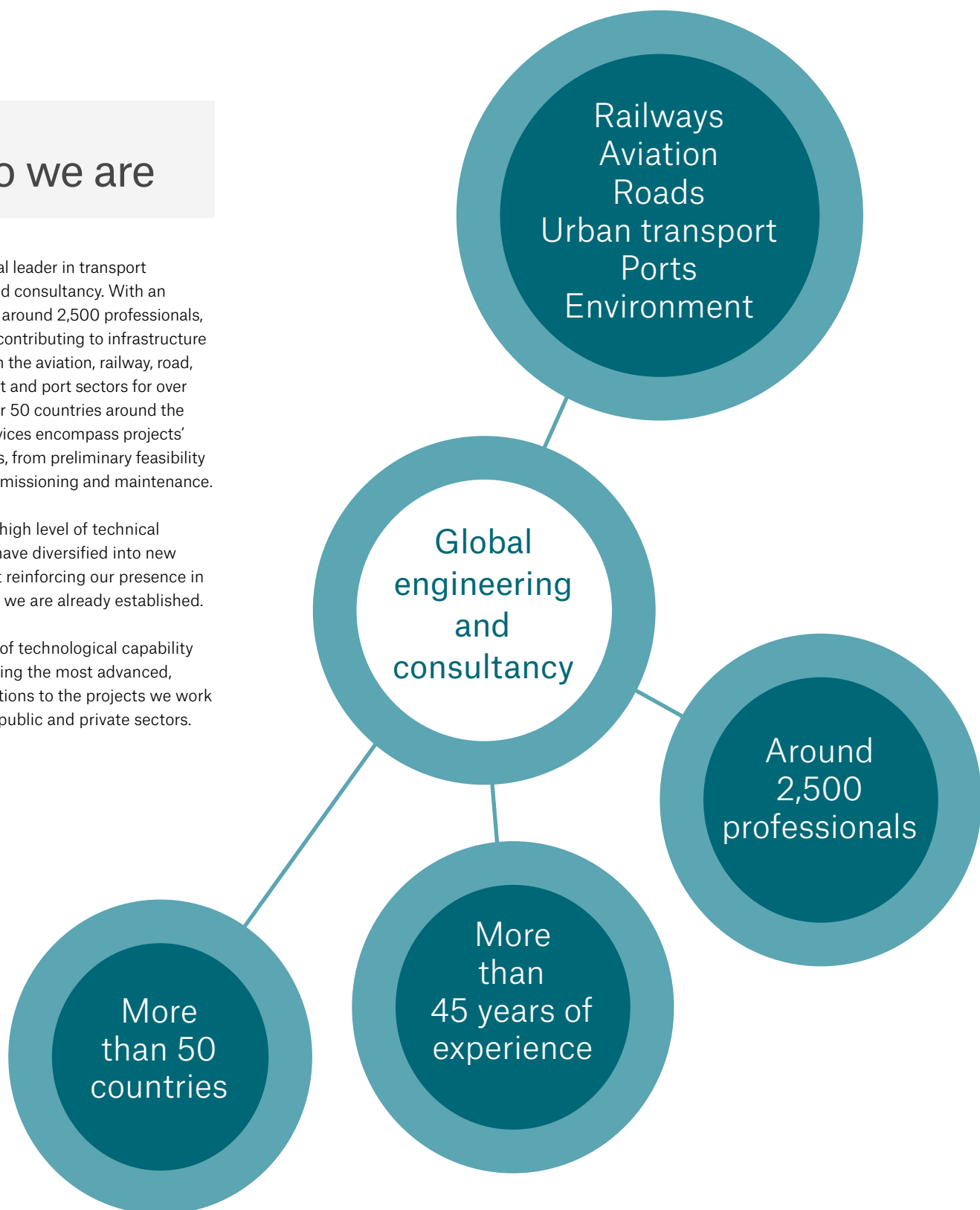
**lineco**

## Who we are

Ineco is a global leader in transport engineering and consultancy. With an expert team of around 2,500 professionals, we have been contributing to infrastructure development in the aviation, railway, road, urban transport and port sectors for over 45 years in over 50 countries around the world. Our services encompass projects' entire lifecycles, from preliminary feasibility studies to commissioning and maintenance.

Thanks to our high level of technical expertise, we have diversified into new markets whilst reinforcing our presence in those in which we are already established.

Our high level of technological capability allows us to bring the most advanced, profitable solutions to the projects we work in, both in the public and private sectors.





## Why we are different...

### Global and multimodal

We are present in over 50 countries across five continents. We bring a comprehensive approach to the projects that we carry out in all modes of transport.

### Commitment to our clients

This commitment is manifested in the excellence and quality of our work, its long-term success and our dedication to innovation.

### A multidisciplinary, highly skilled team

Ineco's value lies in its people, with around 2,500 expert professionals ready to address any engineering challenge.

### Wide experience

Over 45 years working to develop efficient and sustainable transport systems aimed at improving people's mobility.

### Flexibility and competitiveness

We adapt to our clients' needs and successfully address the challenges posed by different geographic, climatic, social and cultural situations.

### High technological capability

Research and innovation are a major part of our *raison d'être*: to reach the highest levels of quality in our work.

### Profitability and efficiency

We guarantee maximum efficiency in our methodologies and propose the most profitable alternatives possible.

### Support in decision making

We evaluate all the possibilities in order to identify the best solution.

### Strong commitment to society

Our work has a direct impact on the progress of societies.

## Our management team

**José Manuel Tejera**

Infrastructures and Transport  
Managing Director

**Ana Rojo**

Engineering Operations and  
Services Managing Director

**Jesús Silva**

Chairman

**Ignacio Fernández-Cuenca**

Corporate Managing Director



*At December 2014*

## Consolidating our strategic model

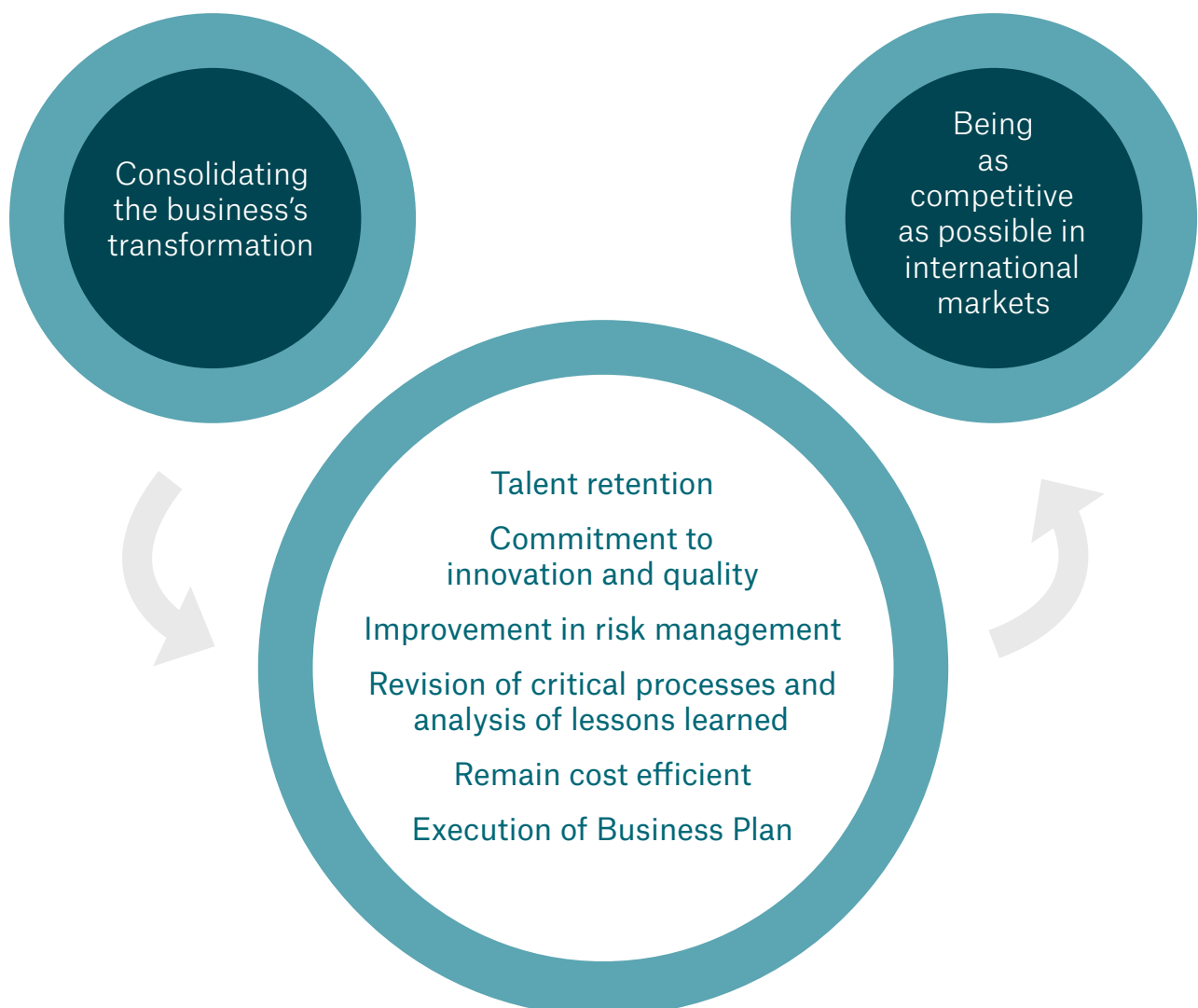
2014 has been a year of consolidating the company's globalisation strategy, as defined in its 2014-2015 Business Plan which was approved in 2013.

The company has continued to transform itself in order to adapt its business model to market demands. In this regard, Ineco's matrix structure has now been fully implemented and new operational procedures have been consolidated, which were established over the course of 2013, enabling Ineco to reinforce its globalization strategy. It is a well ordered process with a clear focus on the specific needs of our clients.

Ineco's diversity is founded on its more than 45 years of experience, which enables it to offer one of the most detailed and diverse product catalogues in the sector. This means it

can adapt itself throughout the entirety of a project's lifecycle. This is a unique global advantage which makes Ineco a leading engineering company in infrastructure development.

This transformation has enabled Ineco to maintain the high level of quality of service it provides to its customers, whilst succeeding in maximising its efficiency and profitability in an increasingly competitive environment. Even in this context, the company has succeeded in remaining, for another year, the leader in the international engineering sector, contributing to the sustainable development of infrastructures and producing value and wealth in the countries it operates in and the projects it works on.



## Mission

To contribute to the sustainable development of transport infrastructures and the generation of value and wealth in the countries we operate in by offering competitive, tried and tested, flexible engineering and consultancy services which are focused on clients and shareholders' interests.

## Values

TEAM  
EXPERT  
DYNAMIC  
EFFICIENT  
GLOBAL  
PROFITABLE  
COMMITTED  
INNOVATIVE  
SUSTAINABLE

## Vision

To be the leading firm in the world specialising in providing transport and consultancy services and to be recognised for our technological expertise and remarkable productivity in the main global areas of engineering.

# Our figures

Ineco earned 182.46 million euros in 2014, from which the rise in revenue from services rendered to the international market stands out, growing by 13%.

## Turnover

**182.46**  
million euros

## Operating profit

**4.37**  
million euros

## Staff

**2,366**  
employees

As at December 2014

### Revenue by geographical region in 2014:

Regions	2014
Europe	€ 131,320,339.95
Spain	€ 125,529,466.73
Asia	€ 32,665,317.03
South America	€ 13,826,680.27
Central and North America	€ 4,040,959.95
Africa	€ 470,992.61
Oceania	€ 32,709.50
<b>Grand total</b>	<b>€ 182,460,787</b>

### Revenue by service rendered:

Service	2014	2013
Public sector	€ 154,937,908	€ 134,351,824
Private sector	€ 27,522,879	€ 53,104,061
<b>Grand total</b>	<b>€ 182,460,787</b>	<b>€ 187,455,885</b>

### Distribution of 2014 portfolio by sector:

Sector	Domestic	International
Railways	70.84%	62.14%
Aviation	11.75%	15.74%
Intermodal	17.41%	22.12%

Data related to annual portfolio average

### Revenue by sector:

Sector	2014	2013
Railways	€ 111,394,238	€ 121,432,378
Aviation	€ 46,291,409	€ 44,705,404
Intermodal	€ 24,775,140	€ 21,318,103
<b>Grand total</b>	<b>€ 182,460,787</b>	<b>€ 187,455,885</b>



# Ineco around the world

Ineco has been adapting itself to new market contexts and successfully overcoming the challenges that have been put before it for nearly 50 years. Over the last few years, it has consolidated its international presence, carrying out projects in over 50 countries.

More  
than **50**  
countries

Ineco has two subsidiaries, Ineco do Brasil (in Brazil) and Inecomex (in Mexico), and it has holdings in Tenemetro (10%), CEAVMM (1.5%) and AIE Crida (16.67%).

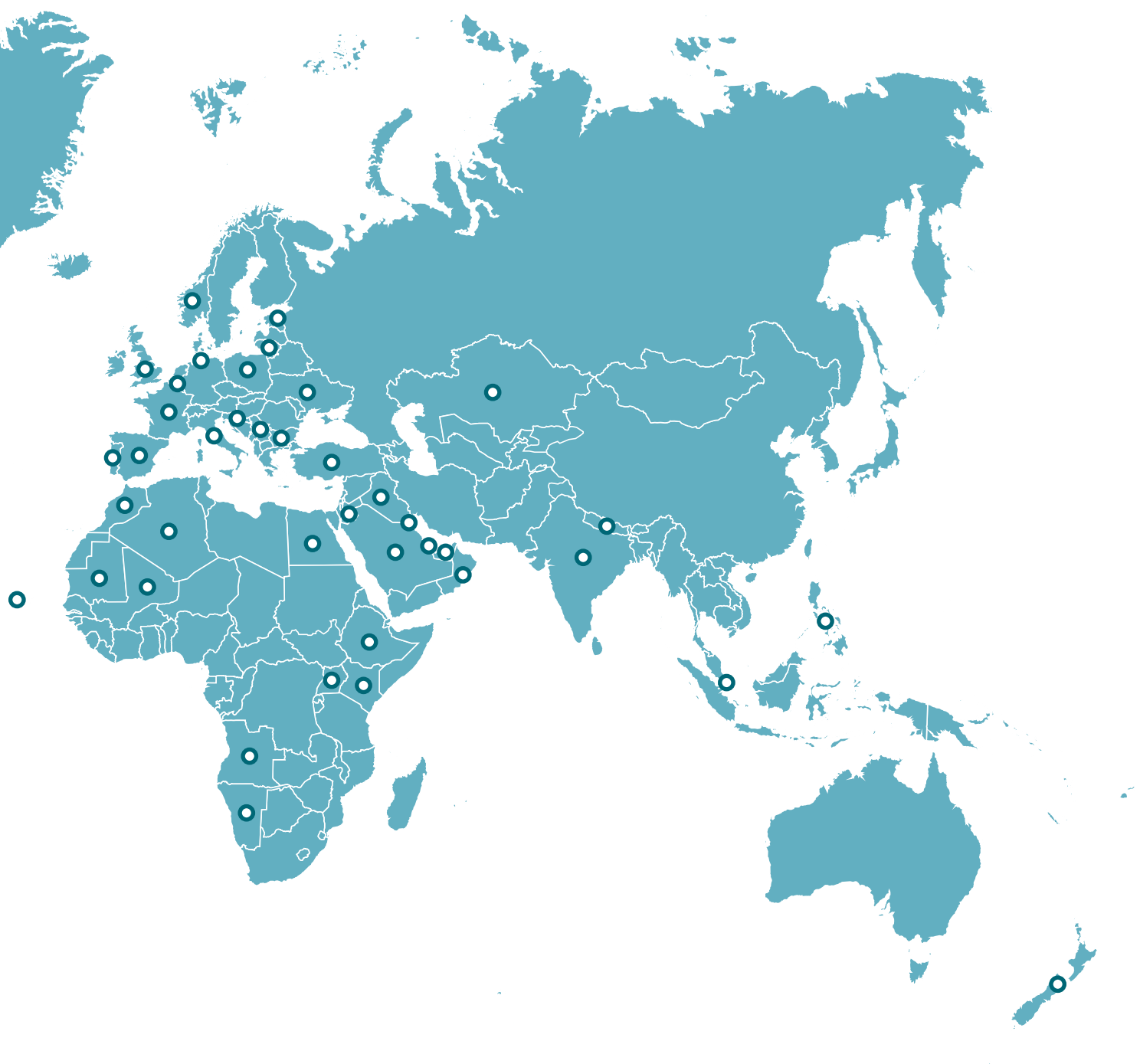
Ineco also has branches in the following countries:

- Ecuador
- Chile
- Colombia
- Panama
- Peru
- United Kingdom
- Turkey
- Cape Verde
- India
- Singapore
- Saudi Arabia
- Kuwait
- United Arab Emirates
- Oman

In addition, due to the agreements in place in certain countries it operates in, Ineco has formed various types of association with other companies, such as joint ventures and temporary business associations.

## America

Argentina	El Salvador
Bolivia	Jamaica
Brazil	Mexico
Chile	Nicaragua
Colombia	Panama
Costa Rica	Peru
Ecuador	Venezuela



## Africa

Algeria  
Angola  
Cape Verde  
Egypt  
Ethiopia  
Kenya

Mali  
Mauritania  
Morocco  
Namibia  
Uganda

## Europe

Bulgaria  
Croatia  
European Commission  
Denmark  
Estonia  
France  
Italy  
Lithuania

Norway  
Poland  
Portugal  
Serbia  
Spain  
Turkey  
Ukraine  
United Kingdom

## Asia and the Middle East

India  
Iraq  
Jordan  
Kazakhstan  
Kuwait  
Nepal

Oman  
Philippines  
Qatar  
Saudi Arabia  
Singapore  
United Arab Emirates

## Oceania

New Zealand



# Activity

“The works developed through 2014 make clear that our presence in strategic countries is being strengthened, and that we have opened new markets in which we have positioned ourselves as the leading Spanish engineering firm. All of this, without forgetting the support of our clients and shareholders in Spain.”

*José Manuel Tejera, Transport and Infrastructure Managing Director*





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# Aviation

The development of more than 30 projects in over 21 countries, including Spain, has allowed Ineco to raise the turnover of its aviation activity compared to the previous year. A positive figure which the company expects to increase even further in 2015, both in national and international territories.





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## On the up

Air transport is, by definition, a global, supranational and ever-growing mode of transport: according to the latest figures published by the ICAO (International Civil Aviation Organization), global air traffic increased by 4.5% compared to the previous year, transporting 3.1 billion passengers on scheduled flights and 40% of all global commodities in terms of value. Furthermore, 40% of international tourists across the world travel by plane and 29 million employees rely directly or indirectly on the airline industry.

These figures show a growing tendency that flies in the face of the economic recession and the recent setbacks that have

been suffered, for a number of different reasons; and it paints a picture that leaves little room for doubt as to air transport's economic and social significance and the impact it has on national economies, both in more developed and emerging parts of the world.

Ineco operated across all these areas throughout 2014, with more than 30 projects in 21 countries, including Spain, where it increased its activity, providing services to Enaire and Aena, as well as its institutional clients: Spain's Directorate General of Civil Aviation (DGAC) and the Spanish Aviation Safety and Security Agency (AESA). Over the course of a key

year for the company, against a backdrop of a changing economic tendency at home and of consolidation and expansion in the overseas market, Ineco tackled its objectives to breathe new life into business in the domestic market and stimulate and increase its activity in strategic regions abroad.

The results show just how positive Ineco's progress has been, which is reflected in its increase in revenue in the aviation sector, which totalled 46.2 million euros in 2014, compared with 44.7 in 2013, which represented over 15% of Ineco's international portfolio (annual average), worth more than 25 million euros.

Being able to count on a modern airport infrastructure which is appropriate to the anticipated volume of traffic and having the necessary equipment, procedures and systems for air navigation are vital components for efficient and safe air transport. In 2014 Ineco provided engineering and consultancy services in areas with great potential for growth, such as the Middle East and Latin America. In Brazil, Ineco continued its modernisation work on 50 regional airports; and in Peru it began supervising the greatest expansion the Lima airport has undergone to date, as well as the planning and pre-investment studies for the new airport in Chiclayo. In Colombia Ineco worked on airports in the country's main cities, such as the construction project to enlarge the airport

in Cali, where a new international terminal is being built; in the capital, Bogotá, monitoring the construction of the control tower in the Eldorado airport, which was another project Ineco was involved in; and various projects on the airport in Cartagena de Indias.

The Middle Eastern countries, in particular those around the Persian Gulf, are also fully committed to air transport. In 2014 Ineco reinforced its presence in the area with new contracts, such as the commissioning and Operational Readiness and Airport Transfer (ORAT) of the new terminal being constructed in the Abu Dhabi airport, won along with Aena. The company possesses the broad experience it amassed during the enlargement of major Spanish airports such as Madrid-Barajas, Barcelona, Málaga, Alicante and Gran Canaria. Ineco continued to make the very most of this experience throughout the year gone by, as it progressed with its ongoing projects, such as the project management of the expansion works of the airport in Kuwait, which began in 2011, and the design of flight procedures for the airports in Muscat and Salalah in the Sultanate of Oman (2013), as well as for Changi Airport in Singapore. It is also worth noting the progress made in another project which is already underway and predicted to be completed in 2015, Nepal's Civil Aviation Restructuring Plan, as well as the work carried out on airports in African countries such as Cape Verde, Uganda and Angola.

As well as its activity abroad, Ineco continued to work on Spanish airports in conjunction with its shareholders and Aena. This work includes transferring the new northern dyke and remodelling and improving Gran Canaria Airport's terminal building; the certification process; and drawing up an Energy Efficiency Plan for the 47 airports across the network.

With regard to air navigation, Ineco supported Enaire in projects such as its analysis into improving air-to-ground communication coverage in the central northern and eastern regions and the Canary Islands and the development of the new 4.1 version of the COVERCOM tool. In addition, Ineco carried out more than 170 radioelectric simulation studies to determine the effect caused by the presence of new obstacles and the application of software (MEDVSA) in order to automatically calculate radioelectric rights violations in CNS (Communication, Navigation and Surveillance) systems.

In the area of TMA operations management, Ineco continued to support the commissioning of the Santiago-Asturias free route (FRASAI) project which is part of the FAB (Functional Airspace Block) between Spain and Portugal; it was involved in implementing A-CDM (Airport Collaborative Decision Making) procedures in the Barcelona and Madrid airports; it conducted runway capacity studies for the Gran Canaria, Bilbao, Málaga, Palma de Mallorca and Barcelona airports; and it analysed the feasibility of altering the control sector's scope in the eastern part of Spain.

Ineco also carried out a number of different safety assessments: applying Eurocontrol's Safety Assessment Methodology (SAM) to the safety studies of the services





of En Route Communications and Surveillance and TM; to visual segment surface (VSS) evaluations in Las Palmas de Gran Canaria, Almería and Asturias; to situations in which contingency plans in various airports and control centres change; etc.

With regard to developing air navigation systems, Ineco conducted accelerated-time simulation studies into resectorising airspace in the TMAs of Madrid, the Gran Canaria airport and the Palma de Mallorca airport and it came up with a way of estimating CO<sub>2</sub> emissions based on the real trajectory. The company also estimated the operating capacity of the control tower's ATC positions in the Tenerife Sur, Málaga and Gran Canaria, and conducted simulation studies for the cost-benefit analysis of PBN manoeuvres for Almería airport (ACCEPTA project).

Other noteworthy projects Ineco carried out for Enaire included implementing the Radio Assistance Integration System SIRA (phases 1 and 2); lending engineering support for the improvement of radio, telephone, voice, etc. communications in the ACC and Madrid-Barajas airport; and adapting the Automated Air Traffic Control System (SACTA) to new functions.

In the field of satellite navigation, Ineco was involved in both projects in the European SESAR 1 programme and future SESAR 2020 projects, as well as the adaptation of the MCC (Mission Control Centre) facilities located in Spain for EGNOS use.

Furthermore, in 2014 Ineco worked in conjunction with Spain's Directorate General of Civil Aviation (DGAC) to draft the Airport Regulation Document (DORA) which will set out the regulatory

framework for airport service providers in Spain. The Spanish Aviation Safety and Security Agency (AESA) commissioned Ineco to conduct aviation inspections, such as those carried out in the Murcia-Corvera, Castellón and La Seu d'Urgell airports.

In the next financial year, 2015, Ineco is planning to increase its activity in all the aforementioned areas, both in Spain and overseas, with targets such as opening new markets –at the time of going to press it had already signed its first contract in Oceania– and succeed in becoming involved in large-scale international projects that consolidate and reinforce its position in strategic markets. Meanwhile, the company has approved and launched its innovation programme for 2015, as one of the foundations of its future business development, which includes projects such as a study of runway pavements and developing a specific tool for designing air navigation procedures.

46.2 million € revenue

11.75% domestic portfolio  
(annual average)

15.74% international portfolio  
(annual average)

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# Railways

Through 2014, Ineco continued to commit to the upkeep of the Spanish rail network -one of the best in the world- whilst strengthening its presence in the abroad market through its participation in relevant projects in Europe, Asia and Latin America.





## Better connected regions

From the very beginning, Ineco has had railways in its DNA. Over the course of more than four decades Ineco has been amassing experience through its involvement in the development and modernisation of the Spanish rail network. It is fair to say that this knowledge is now one of the company's strengths—expertise that encompasses all the phases of a railway project's lifecycle and is being made full use of in the international market. Armed with this wealth of knowledge, Ineco confronted the challenges that the 2014 financial year posed, such as the very complexity of its large projects abroad, and its commitment to maintaining a Spanish rail network that ranks among the best in the world.

The company's objectives for the railway department in 2014 were, on the one hand, to make progress with its considerable ongoing railway projects; and on the other, to play a greater role in the competitive international market. A key aim of Ineco's project management strategy—which is an essential service in the company's product catalogue—has been to develop more efficient and integrated work practices, which are vital in projects involving a large number of different companies. In this regard, Ineco has been enhancing the way it uses the advanced technological platforms and tools that enable information to be shared and a multitude of tasks to be coordinated.

From a business perspective, Ineco has continued to increase or maintain its presence in areas with particularly dynamic economies, such as Latin America and Asia, but also in mature markets such as Europe, unlocking the potential of the knowledge it has accumulated.

A good example of this is Ineco's contract with the European Commission, signed in December, to supervise the deployment of the European Rail Traffic Management System (ERTMS) across the continent. Ineco, as part of the consortium, will, among other things, oversee projects, coordinate all the bodies involved and manage the technical and financial aspects of the work until 2021. The ERTMS, which will enable rail traffic across the whole of Europe to be brought together by a "common language", will also equip the Dugo Selo–Novska line in Croatia, which is particularly important with respect to the country's connections to the international network, and it is being renovated and modernised under Ineco's technical leadership.



The company has also been in charge of the project management of another considerable international project since 2011: the contract for phase two of the high speed line between Mecca and Medina in Saudi Arabia, which includes the design, supply, installation, testing and commissioning of 450 kilometres of track and five stations. Throughout the year, Ineco has been moving forward with its track assembly work (which started in mid-2013). As well as heading up the project management tasks, Ineco has drawn up not only the drafts but the blueprints and constructive plans for the track, electrification, signalling, telecommunication, etc. The company has also been tasked with providing quality assurance, document management and general services.

The UK has been one of Ineco's main activity areas. High Speed Two Limited (HS2) is the company in charge of developing and promoting the new high speed rail network. Phase One will link London with Birmingham. Ineco, in conjunction with an English company, has been working on the preliminary design of the network's third section (the Country North section), which is a highly complex route with two



tunnels, 60 viaducts and three railway junctions. In 2014, Ineco also obtained rail design service supplier qualification in Achilles Link-up, the system that determines companies' suitability for working with the British rail sector's main clients.

In Turkey, work was completed on the central section of the Ankara-Istanbul line (158 km of track between İnönü and Köseköy). For three years, Ineco has been providing consultancy and supervising the high speed adaptation work on the existing infrastructure. Projects were also completed in other parts of the world, such as Ecuador, where signalling was carried out on 562 junctions and level crossings across 500 km of railway track

on the Quito-Durán and Otavalo-Salinas sections. As Brazil has embarked on a considerable transformation project on its railway model, Ineco has suggested they employ a common set of regulations within the framework of an agreement with EPL (*Empresa Pública de Planejamento e Logística*). Ineco, which has worked in the country for over two decades, continued to do so in 2014, supervising the design and commissioning of 26 new CAF trains for the São Paulo underground (which will continue until 2016). Ineco has also been carrying out the same type of work in Medellín, in Colombia, on three new trains from the same Spanish manufacturer. Another Latin American city that is modernising its suburban rolling stock is

Santiago de Chile, whose existing contract with Ineco has been broadened to the modernisation of 49 trains which were manufactured by Alstom in the 70s.

Somewhat more recently, also being updated is the fleet of 113 trams in the city of Pavlodar, in Kazakhstan, which have each been in service for an average of 30 years. Ineco is heading up the consortium that carried out the previous modernisation study in 2014, which was financed by the European Bank for Reconstruction and Development. Another feasibility study carried out in 2014 was that on the tram-train commuter system for the

metropolitan area of San José, the capital of Costa Rica, which is a small area with 2.6 million people –60% of the country's population– living there.

Meanwhile, in Spain, with the support of the Ministry of Public Works and the shareholders Adif and Renfe, Ineco continued to complete or progress with various high speed projects across the country, such as the Valladolid-León, Alicante-Murcia and Extremadura lines and the Mediterranean Corridor, as well as maintaining and improving the conventional network.

With regard to Adif, the functional studies that were carried out (Murcia, Jándiz, Alicante-Murcia); the platform projects (Elche, Loja bypass); the track assembly monitoring services in different sections; and various studies and specific projects in the Pajares tunnel are all worthy of note. Furthermore, Ineco has carried out construction projects, provided technical assistance on railway facilities and updated and improved signalling, telecommunications, ERTMS's, overhead contact lines, substations and remote control systems on both conventional and high speed lines. In addition, Ineco was also involved in the Independent Safety Assessments of the modifications to the conventional network's signalling. In the area of inspection, load tests were carried out on the Galician Atlantic Axis and on various other sections.

In 2014, Ineco also worked in conjunction with the public operator, Renfe, on its modernisation and expansion project. With regard to the architecture and civil work sectors, the projects that were drafted and the project management and technical assistance services that were provided certainly stand out. In the field of rolling stock, among other work, technical audits on maintenance, factory inspections and asset valuation were conducted and assistance was provided on train modification. In order to make Ineco's management and operations more efficient, ICT tools such as COPERINCO have continued to be developed for another year; and in the security domain, Ineco has remained working in conjunction with 24-hour regional centres on emergency management.

For 2015, Ineco's objectives for its railway department –which represents more than 60% of its international portfolio and 70% of its domestic portfolio– are to, on the one hand, meet the demanding targets set by its considerable international projects, such as the high speed line Mecca-Medina and HS2, as well as increase its overall turnover in the area, especially in high speed. Not forgetting the development of other underground and tram networks which will make cities easier to travel in, such as the metro in Medellin, where the company is supervising the manufacture and the commissioning of new trains.

Making the very most of the company's technical expertise with new markets and clients will be one of its aims for the next financial year. For instance, the partnership agreement signed at the start of 2015 with a British consultancy, to bid for railway projects in United Kingdom, is very much along these lines.

In Spain, meanwhile, Ineco will continue to work with its shareholders, Adif and Renfe, as well as with the Ministry of Public Works, to complete the work that is in progress on the high speed network and the renovation and improvement of the conventional network for commuter trains and freight, with particular emphasis on rail links in ports and logistical hubs. Improving rail safety and incorporating new technology –for both management and operations– will be key to Ineco's projects, both in Spain and abroad.



111.4 million € revenue

70.84% domestic portfolio  
(annual average)

62.14% international portfolio  
(annual average)

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## Roads and Intermodal

On its pledge to improve the mobility of the people, Ineco has undertaken through 2014 several projects related both with road network and also those that involve several modes of transport. Both areas of activity together have totaled the 17% of the domestic portfolio and 22% of the international portfolio (annual average).



## Efficient networks

Roads connect regions in order to make millions of people and a considerable quantity of goods more mobile. The network directly influences societies and is an essential part of regions' economies. Ineco's experience in developing this type of network, along with its team's technical expertise, enables the company to design, plan and become involved in building,

operating, maintaining and managing roads in all four corners of the globe. Even in those areas in which the level of mobility required demands various modes of transport to be linked together; when transportation by land, air and sea is united in order to break down barriers and enable efficient mobility.



# Roads

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In 2014, Ineco carried out new international projects and progressed with those already underway, meeting the deadlines and objectives set out for each one of them. With regard to the Spanish market, Ineco continued to support the Ministry of Public Works in their modernisation work on the current network, which is one of the largest in Europe.


The company pressed on with the first generation highway conditioning plan and began drawing up various projects to improve capacity and accessibility in various parts of the State Road Network of Spain. Also, in Madrid, Ineco is providing engineering services to design the remodelling work on the *Nudo de Eisenhower* on the A-2 highway's junction for the M-40.

In Torrelavega, Cantabria, the company took on the improvement work on the junction between the A-67 and A-8 highways, which was essential in order to connect traffic between inland and northern Spain. In Galicia, the Ordes bypass on the N-550 (in the province of A Coruña) will no longer go through a city centre which over 6,000 heavy vehicles pass through each day.

Ineco also proceeded with its monitoring and surveillance work on one of the last sections of the A-7 highway still to be under construction, in the area of Motril in the province of Granada. Planned to open in 2015, a high-capacity road will be commissioned, which will run along the Mediterranean coastal area of Spain, from the French border to the province of Cádiz.

Outside Spain, Ineco has been operating in various parts of the world, especially in Latin America. Over the last few years, countries such as Ecuador have invested significantly in its road network, which runs across an area whose regions have highly contrasting orography and natural environments. In 2014, one of Ineco's most important projects on Ecuadorian roads was drawing up definitive engineering projects on the Juján bypass and the Santo Domingo Ring Road which has been divided into two sections due to the sheer size of the area it covers. Ineco also drew up preliminary design studies for the highway between Santo Domingo and Quevedo, and Quevedo and Babahoyo, which is more than 200 km long. It also developed the financial





framework for its competitive bid to operate the road and develop the necessary additional work to build it, as well as its Conservation, Operation and Maintenance Plan.

Ineco was also active in Mexico, performing the role of Administrative Supervising Agent for the Guadalajara-Colima Highway. The company also progressed with another major project in Brazil, providing consultancy services to coordinate work on the final section –named Trecho Norte– which will complete the Rodoanel Mário Covas, the 177 km-long São Paulo ring road which encircles one of the largest metropolitan areas in the world, with more than 19 million inhabitants. During 2014, particularly significant advancements were made in the area of tunnels and viaducts.

In 2015, the main challenge Ineco's road projects will pose will be that of meeting the commitments it has taken on in the shape of the major international projects it is involved in. In Spain, which has an extensive, mature and appropriately sized road network, work will largely consist of maintenance and modernisation, in line with the Ministry of Public Works' strategic plan. The encouraging signs of progression in the global economy, the company's technical expertise and the experience it has amassed over the last few years from its competitive bids on roads are positive factors that indicate that the volume of contracts won by Ineco will increase once again.

# Intermodal

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The objectives that were set out for 2014 in the field of intermodal transport comprised of making the most of the company's know-how, both within and outside Spain, putting forward comprehensive and economically and environmentally efficient transport network proposals, designed with the real-world needs of each country, region and city very much in mind.

The Public Transport Master Plan for Muscat, the capital of the Sultanate of Oman, is an example of Ineco's intermodal planning. In January 2014 the Oman Ministry of Transport and Communications commissioned Ineco to develop the study, with the aim of planning both the infrastructure and the management of a new modern, efficient urban transport system for the city.

The archipelago of Malta, in the heart of the Mediterranean, has the highest population density in Europe, with the additional distinctive feature that it is an island. With all this in mind, Ineco began work in 2014 to develop a National Transport Model which will form part of the national plan the Maltese government is carrying out.

This financial year saw the conclusion of the consultancy service provided to Ecuador's Ministry of Transport and Public Works on the implementation of another major project developed by Ineco: the National Mobility and Transport Plan. In 2014, studies were conducted on the ports of Esmeraldas (legislation and management), Guayaquil (management) and Puerto Bolívar (legislation), as well as another study for the competitive bid to work on the country's main 20 fishing facilities.

Staying with Ecuador, in early 2014 Ineco submitted its enlargement project for the Port of Manta to the Ministry of Transport and Public Works; and it worked on optimising the design, as well as lending support for international competitive bidding, throughout the year.

Given Spain has the longest coastline in Europe, its ports are of utmost importance to the transport system. Grouped together in 28 port authorities, Spanish ports employ a landlord-style management model which affords them a high level of autonomy. Making regions better connected, in particular by rail, is one of the challenges they are working on, and which Ineco has been involved in over the last few years. In addition, in 2014, it continued to draw up access projects and provided rail consultancy services, as well as technical assistance for work on various Spanish ports.





In addition, it was involved in commissioning the Faros de España (Spanish Lighthouses) initiative for the public body that coordinates them, Puertos del Estado (Ports of the State), which consisted of analysing possible additional uses for the annexed facilities, such as accommodation, cultural activities, events and visits. The body also came up with a strategy to manage noise in the ports.

In the field of analysis and planning, a project that continued into 2014 was the work for Spain's Observatory for Transport and Logistics of the Ministry of Public Works, drawing up their final report (the second since it was commissioned in 2013) and expanding their database; as well as improving their search tool, incorporating geographical information and two new metropolitan transport and logistics models. Furthermore, Ineco continued to work alongside the Ministry of Public Works to put in place various development measures for Spain's Logistical Strategy, which was introduced by the Government in 2012 with the aim of boosting Spain's goods sector.

Lastly, in the field of construction, it is worth noting that Ineco managed the comprehensive remodelling work on the headquarters of the Ministry of Economy and Competitiveness and drew up two projects for rehabilitation work on the Ministry of Public Works' main headquarters.

In 2015, Ineco will press on with its ongoing international projects, whilst continuing to serve its clients in the Public Works Group. Before a likely more favourable economic backdrop, its main challenges for the next financial year will be to improve the efficiency and sustainability of its proposals, whilst committing to contribute to social and economic development, which is so closely linked to transport's intermodality.

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24.7 million € revenue

17.41% domestic portfolio  
(annual average)

22.12% international portfolio  
(annual average)

A large teal geometric shape, resembling a stylized 'L' or a corner, occupies the left and top portions of the page. It has a solid teal color and sharp edges.

## Projects in focus

The projects we develop are the best example of what we are: global engineering and consultancy leader in transport infrastructure, both in the national and international market.



# Peru

## Supervision of the expansion works on the Lima airport

In 2014, Ineco was awarded the tender to supervise the expansion programme for the Jorge Chávez airport in the capital of Peru, which is the most important airport in the country. The enlargement project will see the airport double in size. In 2013, it was used by almost 15 million passengers and it is managed by a private consortium.

Given that its traffic increases by 12% every year, the Lima airport simply has to grow. Therefore, an ambitious expansion programme has been drawn up, which includes, among other things, a second 3,500 m-long runway, new passenger and freight terminals and greater access roads.

The airport has been managed by private concessionaire LAP since 2001, under the leadership of the public Peruvian body, OSITRAN (Supervising Agency of Investment in Public Transport Infrastructure) which ran an international tender for the award to supervise the work. Ineco, as part of a consortium with a Peruvian engineering company, won the contract which lasts until 2021.



Enlargement of the airports' surface area from 3 to 7 million square metres

New passenger terminal in 2016

Second 3,500 m-long runway

23 million passengers in 2023, compared to current 14.9





# European Commission

## Support for the deployment of the ERTMS in the main European rail corridors

Since the 1990s, through ERTMS, Europe has been trying to unify the variety of signalling systems that complicate the flow of rail traffic in the Union. As a sign of its definitive backing to this vital initiative, the European Commission has contracted an Ineco-led consortium to supervise a vast ERTMS deployment programme over the next six years in the nine corridors of the European rail network.

The diversity in the rail signalling systems within Europe is a barrier for internationalisation in the sector. In 1996, the European Commission defined a strategy for the future development of the ERTMS, but in February 2014, it was noted that efforts were not sufficient to apply it generally.

As such, the Commission contracted an Ineco-led consortium to coordinate this task in the nine main European rail corridors, totalling more than 65,000 km, both from the political perspective and from the technical and financial perspectives. The project also includes the technical supervision of projects, the provision of economic-financial support, and various outreach activities aimed at all of the rail organisations involved: infrastructure administrators, operators, national safety authorities, etc.

Ineco has already developed the Strategic Action Plan that details the management system that will be applied, and a draft of the Deployment Programme structure. From 2015, there will be technical supervision of projects, an activity that Ineco had already performed in a previous contract.



- |                    |                              |                           |
|--------------------|------------------------------|---------------------------|
| ● Baltic-Adriatic  | ● Orient/East-Med            | ● Atlantic                |
| ● North Sea-Baltic | ● Scandinavian-Mediterranean | ● North Sea-Mediterranean |
| ● Mediterranean    | ● Rhine-Alpine               | ● Rhine-Danube            |



Deployment in more than  
65,000 km of European rail  
network

9 priority corridors

Duration of 6 years

# Ecuador

## Implementation of the National Strategic Mobility and Transport Plan

The starting point for Ecuador's National Strategic Mobility and Transport Plan is a devised plan with a multimodal approach. Between 2013 and 2014, Ineco, which was also involved in drawing it up, worked on carrying it out. The study analyses the needs of all the modes of transport's infrastructures, as well as management aspects, such as licensing models for roads, ports and airports.

Since 2007, Ecuador has been completely transforming its transport system by improving its infrastructure and reforming the rules and regulations that govern it. Therefore, between 2011 and 2012, the Ministry of Transport carried out the National Strategic Mobility and Transport Plan, which Ineco was actively involved in. The Plan set out a route map up to 2037 for the infrastructural development and structural reforms necessary to transform and improve land, sea and river transportation and their intermodality. Once it had been carried out, the start-up process was begun, which the company has also been involved in over the last financial year.

Ineco worked on, among other tasks, planning the various sections of the E-25 highway, which is one of the most important in the country. The company laid the foundations for the national port system, promoted the Manta deep-water port and set out the design criteria for fishing ports. With regard to airports, the state network management system was evaluated and the country's various domestic air corridors were analysed. In terms of land transport, size and weight regulations were reviewed and various lines of work were suggested. With regard to licensing, the models that apply to different infrastructures were also reviewed.



More than 800 km of road analysed  
4 international ports and 20 fishing ports  
25 airports  
Plan effective: 2012-2037



## Brazil

### Coordination of the Northern Stretch works of the São Paulo ring road

Since 2012, Ineco has coordinated the works of the final section of the largest road infrastructure in Brazil, the ring road known as Rodoanel Mário Covas, which has a total length of 177 km. Although almost the whole road is already in service, the north section, which is 44 km long, remains to be completed; around thirty companies participate in this project.

The section known as the Northern Stretch of the Rodoanel Mário Covas is the last section to be completed on this road. It was begun in 2002 and it is a toll highway divided into four concessions of 177 kilometres in total.

The section under construction is 44 kilometres long, in addition to another 3.6 km that provides access to the Guarulhos airport, and it is also the section with the most complex route. It is designed with a maximum speed of 100 km/h, it will have three or four lanes, depending on the area; it will also require the construction of seven tunnels and 111 bridges and viaducts. Since the end of 2012, amongst other activities, Ineco has coordinated the planning of the project, the expropriations, and the environmental actions. To monitor the progress of the works, it uses SIOS, a system developed by Ineco itself.

More than thirty companies participate in these works, which cover the municipalities of Guarulhos and Arujá, as well as São Paulo. The completion of the ring road will allow decongestion of the traffic of one of the largest metropolitan areas in the world, which has 19 million inhabitants. Currently, over 65,000 vehicles travel on the sections currently in service, many of which are heavy and long-haul.

This ambitious macroproject is the BID's (Inter-American Development Bank) most heavily financed project in South America and is part of the most complex roadworks in Brazil.

44 kilometres, in addition to another 3.6 km providing airport access

111 bridges and viaducts

7 tunnels

30 participant companies



# United Arab Emirates

## Operational Readiness and Airport Transfer (ORAT) of the new Abu Dhabi airport terminal

In 2014, Ineco, along with Aena, won the tender to carry out the Operational Readiness and Airport Transfer of the new Abu Dhabi airport terminal, planned for 2017. With over 15 million passengers in 2013, the new terminal will double its capacity.

Since 2001, Ineco has designed and successfully tested its methodology in Operational Readiness and Airport Transfer (ORAT) projects of expansions in over 20 Aena airports in Spain, amongst them, those of Madrid, Barcelona, Malaga, Alicante and Gran Canaria. The objective of this process, which begins much earlier than the date of entry into service, is to ensure that the installations function properly and in a timely manner, that there are no incidents at the start of operations, and that the level of service complies with the required standards.

In 2014, the proposal by Ineco and Aena won the international tender called by the manager ADAC, Abu Dhabi Airports Company, for the Operational Readiness and Airport Transfer of the new Midfield Terminal Complex (MTC). With 700,000 m<sup>2</sup> distributed over six levels, it will allow the current capacity to be doubled from 15 to more than 30 million passengers, when it becomes operational in 2017. With 65 positions for aircraft, the new terminal will have 3,000 parking spaces and a baggage handling system with a capacity for 19,000 suitcases/hour.

The ORAT project for Abu Dhabi uses the standard methodology but adapts it specifically for this airport. The services that are being provided include the development of the programme and the Concept of Operations, CONOPS (the description and initial evaluation of the main processes of the new airport, already conducted) and the implementation of the Airport Management Centre. The new operation, exploitation, and maintenance model will be determined, and advice will be given in the adaptation of operating procedures. Furthermore, the human resources and material needs will be identified, the spaces will be assigned, and the different types of tests will be designed. The transition process also covers familiarisation of staff and planning of the transfer to new facilities.

New terminal of 700.000 m<sup>2</sup>

Capacity for 30 million passengers

Operational in 2017



Photo courtesy of Kohn Pedersen Fox (KPF)



# United Kingdom

## HS2: London-Birmingham high speed line

Progress continues to be made on the United Kingdom's second high speed line –the first was the Eurostar in the Channel Tunnel-. It is expected to come into service in 2026. In 2014, Ineco, as part of a consortium with a British consultancy, continued working on the preliminary design for the civil engineering work on the northern section, which is around 75 km long. After the first phase of work, the line will be 220 kilometres long and it will connect the capital, London, with Birmingham, the country's second most populous city.

Over the course of 2014, Ineco continued its work on the HS2 project, the high speed network that, from 2026, will transform the British rail transport network. When the first phase is completed in 2026, it will link London with Birmingham, the country's second most populous city and one of its main economic and industrial hubs. The line's planned maximum speed is 400 km/h and the journey will take just 49 minutes. Then, in the second phase, the line will split into two branches, one towards Manchester and the other towards Leeds -some 340 km of international-gauge double track.

During the last financial year, Ineco worked on the preliminary and reference designs for the civil engineering work on the 75 km northern section (including two tunnels , 60 viaducts and three rail junctions), supported the application for the Hybrid Bill and composed the Environmental Statement. The company is currently drawing up a more detailed design for phase 1, with the aim of making a competitive bid for the project.

Proving that Ineco's hard work on the project has not gone unnoticed, the company's design for "HS2 Birmingham Delta Junction" was recognised by Bentley Systems' Be Inspired Awards 2013, winning the category "Innovation in Rail and Transit". This is international recognition for the excellent project carried out by Ineco's railway experts.

Length of phase 1, London-Birmingham:  
220 km

Northern section (Ineco): 75 km

Planned maximum speed: 400 km/h

Commercial speed: 360 km/h



# Brazil

## Support for the implementation of an open access railway model

Brazil has planned to construct 11,500 kilometres of new freight railway lines under an open access management model, in which the operation and management of the infrastructure are carried out by different companies. Ineco has been lending its support to implement it since 2014.

Brazil has a 28,200 km freight rail network, run as a concession, which transports 70% of all the rail cargo operators' freight from Latin America and the Caribbean. Between 1997, when the franchising system was first implemented, and 2012, freight traffic increased by 83%, according to data from the Inter-American Development Bank.

The management model used is that of "vertical" concessions; in other words, concessionaires are responsible for both operating and managing the infrastructure. In 2012, the Brazilian government launched their Logistics Investment Program (PIL), a far-reaching plan to construct 7,500 km of road and 11,500 km of new freight railway. The plan was to apply a different management model, known as "open access", to this new network, in which the infrastructure is operated and managed by different companies.

In 2014, within the framework of the bilateral partnership agreement between the Spanish and Brazilian governments, Ineco began to lend support to the public company Empresa de Planejamento e Logística (EPL, Brazilian Logistics and Planning Company), under the Ministry of Transport, to implement the new railway model. Tasks included carrying out international benchmarking studies and assisting the EPL in setting out their regulatory framework. Ineco also drew up proposals to regulate independent rail operators and safety measures and evaluated the signalling and interoperable rail communication systems which enable the network to be managed under an open access model both now as well as in the future.

11,500 kilometres of new railway lines planned

28,200 kilometre rail network

The Brazilian railway transports 70% of the total freight from Latin America and the Caribbean



## Kuwait

### Project management of the Kuwait International Airport's enlargement programme

In 2014, for a third consecutive year, the Kuwait International Airport continued with the most major expansion work in its entire history. This includes, among other tasks, a third runway, a new terminal for 25 million passengers per year and a second control tower. In order to tackle a challenge of this magnitude, Ineco developed a pioneering comprehensive management and monitoring system for the country, which will continue to be applied until the project is concluded in 2016.



In 2011, Kuwait's Directorate General of Civil Aviation (DGCA), the department of the Kuwait Government responsible for managing the international airport, hired Ineco and its local partner as project manager consultant for the implementation of the expansion projects set out in the Master Plan. This Plan was approved in 2005 and updated by Ineco in 2012 as part of a different agreement. In 2014, the company continued to employ its advanced control system for document management, costs and contract scope verification and fulfilment, which was developed specifically for this project. It is a pioneering system in the country and the client responded very positively to it.



The project management services provided for the Kuwait airport can be split into three categories: firstly, Ineco monitored and controlled the scheduling, costing and extent to which the terms of the contract had been met for the work (an airfield, a passenger terminal building and private investment projects to optimize their use). Secondly, the company coordinated the interfaces between the main work and the rest of the ongoing projects and operations, including the study into its impact on how the airport operates, anticipating it and minimising risks. And lastly, Ineco integrated the projects' scope, reviewing the planning, design and contractual documentation –as applicable– in order to guarantee each one was appropriate so projects' scopes did not overlap.

8,500 million euros invested in ten years

New terminal of over 700,000 m<sup>2</sup> built

Three code 4F runways: more than 800,000 m<sup>2</sup> of pavement

Two control towers, each approximately 70 metres tall

5 kilometres of tunnel under the runways, for air freight management



## Performance Based Navigation (PBN) with satellite technology and development of flight procedures

Throughout last year, Ineco once again provided its specialised services to Enaire, which manages Spanish air navigation, for major tasks such as the first phase of implementing Performance Based Navigation (PBN), driven by the ICAO. It was also involved in a whole host of projects concerning flight procedure development and airspace reorganization.

Ineco is assisting Enaire in the implementation of Performance Based Navigation (PBN) and the progressive use of satellite navigation, in accordance with ICAO directives. The main operations carried out in 2014 were to implement RNAV-5 in airways; RNAV-1 in TMAs; RNP APCH with all three minima lines and RNP AR APCH; develop A RNP, implement and develop the GBAS (Ground-Based Augmentation System), provide development support and GNSS services and guarantee GNSS performance in Spain. Implementing PBN in Spain will continue until 2020 and it is split into three stages. The first stage was finished in 2014 with the implementation of the most immediately beneficial PBN operations, such as RNP approaches in the Santander, Vigo, San Sebastian and Valencia airports and the modernization of terminal area procedures, such as the TMAs in the Canary Islands (east) and Almería.

Ineco also carried out a project to develop flight procedures for Enaire in 2014. Some of the most noteworthy services that Ineco provided include the development of PBN manoeuvres in the Almería airport and a viability study in the Valencia airport; RNAV 1 manoeuvres in the Canary Islands TMA and proposals for the Fuerteventura and Lanzarote airports; and a new STAR RNAV 1 manoeuvre from FORNO for the Santiago airport. In addition, two proposals were drawn up for the Murcia-San Javier airport as part of the ARIADNA project to design satellite-guided approach procedures for unmanned aircraft (drones) in airports with low volumes of traffic.

Ineco also took measures to guarantee the quality of the flight procedures developed (preparing and reviewing drafts of technical instructions, check lists, etc.), as well as new instrument approach manoeuvres in the Canary Islands, A Coruña, Madrid, Torrejón, Alicante and Barcelona airports. It worked on organizing and structuring airspace in the Seo de Urgel, Lanzarote, Fuerteventura and Castellón airports; it reviewed the new boundaries for the Tablas de Daimel National Park; and it developed the Air Traffic Control Surveillance Minimum Altitude Chart (ATCSMAC) with the new radar vectors for the Valencia TMA. In 2014 Ineco also conducted 118 operational incident studies across Spain into wind farms, new buildings, work in airports and surrounding areas, crane installation, advertisements at height, etc.



PBN implementation plan in Spain:  
3 phases, between 2014 and 2020

Design of flight procedures for  
more than 20 airports

118 operational incident studies  
throughout Spain



# Oman

## Public Transport Master Plan for Muscat

More than a quarter of the Sultanate of Oman's population –four million inhabitants– lives in its capital, Muscat. However, the city only has three bus routes, with taxis being the primary alternative. Therefore, the Ministry of Transport decided to draw up a multimodal plan to analyse the city's public transport needs and plan its development. In 2014, Ineco was hired to carry out this work.

Improving Oman's transport infrastructure is closely linked to promoting its fledgling tourism industry, a key component of the sultanate's economic diversification strategy. Within this framework, in January 2014 the Omani Ministry of Transport and Communications commissioned Ineco to draw up a Master Plan that would enable a new modern, efficient urban transport system to be planned for the capital, Muscat. The aim was to achieve a 25% modal share for public transport by 2040.

The Plan, which has now been completed, encompasses all modes of urban passenger public transport, both land (buses, minibuses, taxis and future rail systems) and sea (ferry). Taking this analysis as its starting point, the Plan sets out a series of action plans, suggesting that the private sector become involved and that modes of transport which are better for the environment are promoted.

One of the most relevant proposals is to create a sole transport authority, led by the Ministry, which the Muscat Council becomes heavily involved in. Progressive implementation of an urban bus network was also proposed, as well as the regulation and modernisation of the taxi sector (which consists of 13,400 taxis and minibuses for different services: airport, hotels, etc.), currently the main alternative to the 317,000 cars driven in the city. It was also suggested that planning should begin for some sort of light rail system – light railway, tram, etc. There was also a wide variety of proposals to promote the use of public transport and disincentivize the use of private vehicles. With regard to how quickly these measures could be implemented, three stages were suggested (with timescales of between 2 and 7 years).



Objective in 2040: 25% modal share for public transport

317,000 cars and 13,500 taxis and minibuses, versus 3 urban bus routes

Implementation over three phases



# Brazil

## Studies and projects for regional airports

The Brazilian government is modernising its regional airport network, and in 2014 Ineco began working with it on the first phase of the works. The work includes, among others, the preliminary studies, projects and geotechnical and pavement analyses for 65 aerodromes.

In 2013, the Civil Aviation Authority of Brazil (the Secretaria de Aviação Civil or SAC) launched an extensive logistical investment programme in airports in conjunction with the Banco do Brasil. Its first phase consists of modernising, newly constructing and enlarging 270 regional airports belonging to various states and municipalities. In 2014, Ineco and its local partner were awarded the tender to carry out preliminary and feasibility studies, preliminary and construction projects, as well as geological and pavement analyses, on 65 of these airports.

The country boasts 2,890 private aerodromes and 721 public airports (28 exclusively for military use), of which 10% are managed by their owner, Infraero, and the rest belong to states and municipalities.

Regional aviation is extremely important in Brazil due to the country's extensive land mass of more than 8.5 million square kilometres and the fact that more than half of it is covered by the Amazon rainforest, which means regional air transport is vital to economic development and mobility. In addition, Brazil has one of the largest government fleets in the world, only eclipsed by that of the USA, with approximately 2,100 aircraft and a strong aviation industry. Therefore, the International Air Transport Association (IATA) has calculated that by 2017 the domestic Brazilian aviation market will be the third largest in the world, with 122.4 million passengers.

270 regional airports included in the first phase of modernisation

Almost 3,000 private airports and more than 700 public airports across the country

2,100 aircraft for general aviation (second largest fleet in the world)

122.4 million passengers in 2017 in the regional aviation market



# Turkey

## Consultancy and construction supervision services for the high speed adaptation work on the Ankara-Istanbul line, İnönü-Köseköy section

In 2014, the Turkish rail authority concluded its remodelling work on the conventional former line between Ankara and Istanbul to adapt it to speeds of up to 250 km/h. Ineco provided consultancy and supervision services for the 158 km-long central section, the most complex part of a route which is 533 km long in total.

The line between Ankara and the historic metropolis of Istanbul is the most important passenger and freight corridor in Turkey. Built at the start of the 20th century, 75% of the route, which was originally 576 km long, was composed of just a single track, and the journey time was over six hours. The remodelling work to enable trains to run at maximum speeds of 250 km/h involved both renovating certain parts of the existing route and building new sections. The line is currently 533 km long in total and the journey time has been cut by half.

Turkish State Railways (TCDD) awarded Ineco and its local partner the supervision work of the 158 km-long central section between İnönü and Köseköy, which involved both reviewing the designs and supervising and monitoring the construction, documentation and procedures provided by the contractor, as well as the approval of the work.

Alterations were made to both the project design and the way the work was to be carried out in order to deal with the sheer complexity of the task. In 2008 the Turkish government decided to alter the original project plans in order to deal with problems such as landslides and soil liquefaction. The line which has been progressively coming into service since 2009 does not currently go right into the centre of Istanbul; rather the rail connection terminates under the Bosphorus Strait (Marmaray project).

158 kilometres of electrified double track: İnönü-Köseköy section

39 tunnels, 33 viaducts and two cut-and-cover tunnels

533 kilometres: current total length of the Ankara-Istanbul line

250 km/h: current maximum speed





## Study of the European Atlantic Corridor

The Atlantic Corridor is part of the European Union's core transport network. Starting in Portugal, it crosses the Iberian Peninsula, connecting roads, ports and airports, passing through France and finishing in Germany. In 2014, Ineco devised the work plan to study the Spanish section of this great trans-European axis.

Ineco, as a member of a consortium also involving Portugal and France, conducted the part of the Atlantic Corridor study related to Spain and its border with Portugal, in 2014. The European Union's new plan, approved in 2011, set out the nine great transport axes that would form the spine of the European Union, two of which were the Mediterranean and Atlantic corridors. The latter connects four countries: Portugal, Spain, France and Germany. It is not a linear axis, but consists of various branches that start from Portuguese ports and the port of Algeciras in the south of Spain, converging in the north and crossing the French border towards Germany.

The aim of the study was to develop the work plan for the section of the corridor that runs through Spain. With this in mind, comprehensive analysis was carried out on the transport network's main features and flows, both current and planned –up to 2030– including roads, railways, ports, airports, waterways, rail-road terminals and urban nodes. Approval and agreement was required from all the different parties involved: the Ministry of Public Works, Adif, Puertos del Estado (Ports of the State), various port authorities, Aena, certain autonomous communities, etc.

During the planning phase for the work on the corridor, information from official sources concerning the existing infrastructure and the planned projects was gathered and analysed. Furthermore, the participants were contacted and information was exchanged with them, bottlenecks were analysed and measures and operations were put forward to meet the core network's requirements set out in Regulation (EU) No. 1315/2013.



Crosses 4 countries (Portugal, Spain, France and Germany)

4,535 kilometres of road, with 2,043 in Spain

6,483 kilometres of railway, with 2,264 in Spain

Linking two ports, Algeciras and Bilbao, and two airports, Madrid and Bilbao



# Croatia

## Improvements and track doubling on the Dugo Selo – Novska line

Since 2011, Ineco, as part of a joint enterprise with several European companies, has been in charge of the technical management and renovation of the rail systems of the only section of the Croatian rail network that does not have a double track, between Dugo Selo, near the capital, Zagreb, and the town of Novska, 83 kilometres away. The line is of great importance to the country's rail communication with the rest of the European network.



As part of its process of incorporation into the European Union, which was completed in July 2013, Croatia has received financial support to modernise its transport, with a view to boosting its tourism and economic development in general. This is the context in which the project to renovate this railway line is taking place, which is very important for its connections with European corridors V, X and VII. In 2011, a consortium of several European companies won a contract lasting three years to renovate and double the line.

The 83 km-long Dugo Selo – Novska section runs from west to east in the centre of the country towards Serbia. It is electrified and, although it was designed for speeds of up to 130 km/h, the poor condition of the infrastructure reduces the real speed to between 60 and 80 km/h. The section, with a single track, has a



total of 19 stations and stops, which will also be remodelled; the two terminus stations will be completely rebuilt, as well as those of Ivanic Grad, Popovaca, and Kutina.

Ineco's work in the contract includes the technical management of the project and the implementation of rail systems: electrification, signalling, and communications. The work will cover the renovation of the current line (platform, structures, drainage, track, etc.), and the construction of a second track covering the whole section. A new 10 km-long bypass will also be built between the stations of Kutina and Lipovljani. The railway installations will be completely renovated, and the installation of ERTMS as a management system, in accordance with the European specifications for TEN-T corridors, is planned. All level crossings, a total of 38, will also be removed. Once the work has been completed, towards the end of 2016, the maximum speed will be 160 km/h.

Total length: 83 km

New 10 km bypass

Final maximum speed: 160 km/h

Total number of stations and stops: 19

Removal of 38 level crossings

# Spain

## Projects on Spanish high speed lines

In 2014, Ineco worked in conjunction with Adif to maintain and develop various service lines, such as Madrid-Sevilla, North-East (Madrid-Barcelona-French border) and East (Madrid-Castilla-La Mancha-Valencia-Alicante). The tasks carried out varied from providing maintenance services and drafting projects to managing and coordinating work in sections under construction, such as the Pajares bypass.

Maintenance is a critically important task for guaranteeing safety and circulation, passengers' comfort and the reliability of infrastructures, as well as prolonging their useful life. In the last financial year, Ineco provided Adif with its specialist services in this field for a number of the network's sections and lines: Madrid-Sevilla (471 km), and its La Sagra-Toledo branch (22 km); Córdoba-Málaga (154 km); and Madrid-Castilla-La Mancha-Valencia-Alicante (603 km). In total, this constituted a little over 2,000 km of preventative and corrective maintenance, on both tracks and facilities.

Based in their work bases which are spread across the entirety of the network, Ineco's teams, in conjunction with Adif's, inspect all the components of the rail infrastructure and superstructure, such as viaducts, bridges and tunnels, as well as the track equipment. They also write monitoring reports and devise projects when repair work is required, as well as supervising the spares inventory, drawing up facility renovation and improvement proposals and taking turns to be on call throughout the year.

Other notable work on the high speed network that Ineco carried out in 2014 is that undertaken on the Pajares bypass on the northern line (línea Norte) between Asturias and León. The company has worked in conjunction with Adif since 2011 on additional work on this section under construction, which runs along the entirety of the 25 km-long twin tunnels, the fifth longest in Europe. Once the platform had been completed in 2011, Ineco took charge of managing, monitoring and supervising the additional work (laying pavements, tunnel invert and channelling), which was necessary in order to be able to begin work on the superstructure and waterproof the tunnels. Various other projects had already been carried out on the section beforehand: a hydrogeological survey, monitoring assistance, environmental coordination and management for the platform work and commissioning the Information Centre for the Pajares Tunnels, among other things.





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Active participation in more than 2,000 kilometres of high speed line in 2014

13 work bases

Pajares bypass: two 24.6 km-long twin tunnels



# Mexico

## Management and supervision of the Guadalajara-Colima highway

In 2014, for the third year in a row, Ineco carried out its Administration Agent and Supervisor duties for the 148 km-long Guadalajara-Colima highway. Over the last financial year, enlargement work on the carriageway continued and two new toll points were opened. The company also oversaw the complex enlargement work on the so-called “mountain section”, near the Colima volcano, which will be completed in 2015.

During 2014, Ineco continued its work as the Administration Agent and Supervisor (AAS) of the Guadalajara-Colima highway, in line with the 14-year contract it won in 2011, as the head of a consortium of Spanish and Mexican companies. The 148 kilometre-long highway is located in the central western region of the country, and it is part of the Manzanillo-Tampico route that runs right across Mexico. Banobras (Mexico’s National Works and Public Services Bank), the road’s licensee, implemented a new management model, in which a supervisor coordinates the route’s “operation” and “maintenance”, which are both carried out by different companies.

One of Ineco’s most notable projects in 2014 was managing the 4-lane enlargement work on the so-called “mountain section”, between the 103.5 and 122.2 km marks, which began in 2013. It is a particularly mountainous section –running near the Colima volcano– which will be negotiated with the help of 22 large bridges and viaducts. A second 16 km alignment is also being built, separate from the current one, so eventually there will be two highway parts, one for each direction. The work is due to be completed in 2015.

Furthermore, Ineco reviewed and supervised the work to enlarge the highway to allow space for six lanes as opposed to its original four between the 134 and 148 km marks. The company also carried out 17 conservation projects, as well as projects on the operational area. Another important project involved opening two toll stations in Acatlán II and San Marcos, which came into service on 30 June and 30 November.

It is worth underlining the fact that since the AAS contract started, and thanks to the improvement work, the volume of vehicles on the route has increased (8,462 per day in 2014), but the number of accidents and emergency response time, which went from 20 to 8 minutes, have both reduced. Complaints from users are also down by 63%.



148 km of highway

8,462 vehicles per day in 2014

Enlarging the “mountain section” to four lanes: new 16.5 km alignment and 22 structures

2 new toll points commissioned



# The European Commission

## The Galileo Service Centre

Towards the end of 2014, Ineco won the four-year contract to commission the Galileo Service Centre, located in Torrejón de Ardoz, Madrid. The centre is part of the European Galileo satellite system the European Commission is launching, which provides services with a number of different uses.

The European Commission is launching the Galileo navigation system, which consists of a constellation of satellites (there are currently 8 of them and there will be 30 by 2020) and various facilities on Earth. In September 2014, the Galileo Service Centre was opened in Torrejón de Ardoz (Madrid), and Ineco, as part of a European consortium, won the framework contract to commission it.

The contract, which lasts four years, covers the development of the concept of operations, as well as the initial operations procedure and hosting services. Ineco is coordinating two other contracts and acting as an intermediary with its client, the European Global Navigation Satellite Systems Agency (GSA). Thanks to an agreement between the Spanish Government and the European Commission, the Centre is being housed in the National Institute of Aerospace Technology's (INTA) facilities whilst another building is being equipped for their purposes, which is expected to be ready in 2015. The Centre mainly acts as an interface between the system and those who use these open and commercial services.

There are five types of Galileo service: open and free of charge, for all types of user; commercial, for a fee and with better, multi-use features; for critical applications, in other words those where safety is of utmost importance, such as air navigation and rail

applications; the public regulated service, such as police and customs; and search and rescue.



Galileo is the first ever high-performance satellite navigation system for civilian use and it will afford Europe a greater degree of technological independence with regard to the current navigation systems, GPS (USA) and GLONASS (Russia), whilst also complementing and being compatible with them.

30 satellites in 2020, 8 of which are already in orbit

4-year contract

5 types of Galileo service:  
open, commercial, for critical applications, for public regulated use and search and rescue



## Colombia

### Supervision of the manufacture and commissioning of new trains for the Medellín metro

The Medellín metro has been renovating its rolling stock since 2010. Since then, Ineco has been supervising the design, manufacture and track tests of the new trains, which were manufactured in Spain. The company continued with the work into 2014 and it will last until 2016.

Ineco is undertaking the supervision and technical management of the design, manufacture and fine-tuning of three new units manufactured by the Spanish company CAF for the Medellín metro in Colombia. The city is the country's second most populous urban centre and it opened its suburban train in 1995, which consists of three conventional metro lines and three "metrocables" (gondola lifts).

In 2010, renovation work began on the fleet –currently consisting of 42 units– with 13 new trains, also from CAF. Ineco was also responsible for the supervision and technical management of the design, manufacture and fine-tuning of these units, as well as the signalling equipment (ATC) for 26 driver's cabs. The Medellín metro hired the company's services once again in 2014 for the delivery of a second batch of 3 new trains.

The first phase of the work is to approve the design, ensuring that any contractual requirements and technical specifications are met. During manufacture all the equipment along with the assembly process were examined, as well as the initial tests; the units were then shipped to Colombia where their transfer to the Medellín metro's facilities was supervised. Lastly, track tests were conducted and the units were fine-tuned in preparation for coming into service.

The new units were designed with the features of those already in operation in mind, so they would be similar to operate and drive. The new trains are made up of three carriages each and can carry up to 1,145 passengers. Their planned speed is 100 km/h, although their operating speed will be 80 km/h, and they are equipped with the latest technology.



16 new trains supervised since 2011

Each can carry more than 1,100 passengers

Commercial speed: 80 km/h



# Spain

## Studies and projects for the Mediterranean Corridor

The work on this corridor, part of the Trans-European Transport Networks, aims to improve rail freight traffic along the entirety of the Mediterranean coast of Spain. In 2014, Ineco supported the Ministry of Public Works to draw up worldwide studies and adaptation projects that will make the Spanish rail network interoperable with the rest of Europe.

Almost half the population of the country and 45% of its industrial activity –in particular automotive and chemical sectors– have all gathered along the Spanish Mediterranean coastline. The country's main ports, Algeciras and Valencia, among others, are also situated along the 556 kilometre-long strip. The Mediterranean Corridor, together with the Atlantic, is part of the Trans-European Transport Network (TEN-T) and the Ministry of Public Works has been undertaking the necessary work to implement the standard or international gauge throughout the axle, which runs from Castellbisbal in Barcelona to Cartagena in Murcia.

The aim is to make it interoperable with the European network, as well as increase trains' capacity. Trains could be up to 750 metres long, which would reduce costs. It is a very technically and operationally complex procedure; the work has to be carried out without interfering with the high volume, varied passenger and freight rail traffic that uses the Iberian-gauge corridor: commuter, long-distance and freight trains (whose final destination is within the Iberian Peninsula), etc.

Ineco has conducted a total of 5 (functional and economic-financial) planning studies and 30 construction projects, which can be categorised into four types of operation: implementing a "mixed" gauge (with a third rail); changing the gauge from 'Iberian' to standard; adapting sidings for trains up to 750 m long and converting the gauge to the interoperable European standard; and, lastly, adapting the electrification, safety and signalling installations and, when required, carrying out new electrification.



556 kilometres long

45% of Spain's GDP is generated in its surrounding area

30 projects and 5 of its studies

Timescale: 30 months



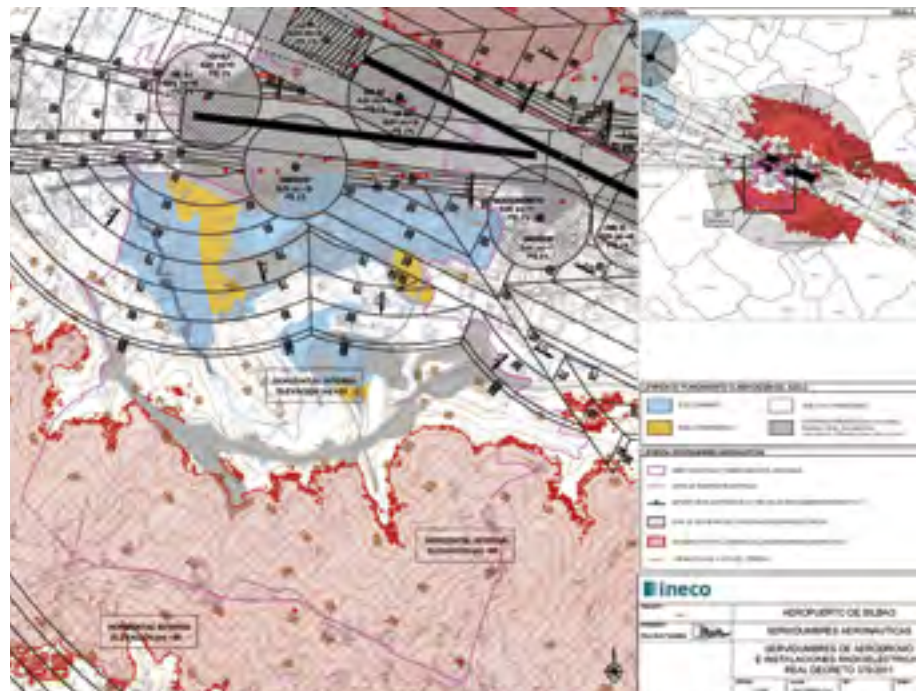
# Spain

## Study of the impact of urban planning on airports

DGAC, the civil aviation authority in Spain, must ensure that urban development around airports does not interfere with operations and that it complies with the regulations. During 2014, Ineco provided support in this task.

The functions of the Directorate General of Civil Aviation (DGAC), as the highest Spanish aviation authority, include ensuring compatibility between the urban planning of airport surroundings and the requirements of its master plans. Furthermore, it is responsible for regulating the aviation sector, and modifying and adapting Spanish technical regulations to international regulations, as well as civil aviation policy.

In 2014, Ineco provided the DGAC with specialised technical support in legal matters, airport and strategic planning, and urban planning. The main tasks were the preparation of documentation and drafts for mandatory urban planning reports, support in the processing of master plans, follow-up of the process of a declaration of general interest in future or planned emerging airports, development of proposed regulations, revision of proposals of new easements, and follow-up of the Aviation Sector's Development Plan, amongst others.



The work carried out in the preparation of documents for the DGAC's mandatory reports is particularly notable, as well as the adaptation of spatial and urban planning for over 310 municipalities. Fourteen spatial plans were analysed to study potential incompatibilities with airport development. Ineco also collaborated in the setting up of the Airport Coordination Committees of Castilla y León, the Basque Country, Valencia, Andalusia, Aragón, the Balearic Islands, the Canary Islands, Galicia, Murcia, Navarra, Catalonia, Extremadura, Ceuta, Melilla, and Cantabria.

Furthermore, it participated in the technical evaluation of acoustic easements in Bilbao airport, as well as aviation easements in Logroño, Girona, Almería, Ibiza and Granada-Jaén airports, and it has carried out different studies and developed technical notes on the proposal of the Master Plan for Huelva-Cristóbal Colón airport.

Adaptation of town planning in 310 municipalities

Study of 14 spatial plans

Support in the implementation of 16 Airport Coordination Committees



# Spain

## Drafting road routing and construction projects

In December 2014, the Directorate General of Roads of the Ministry of Public Works hired Ineco in order to draft five road transport projects for different points in the country. All these sections suffer from heavy traffic, which the planned work will help to alleviate.

In Madrid, the remodelling work on the so-called "Eisenhower junction" on the A-2 highway will consist of restructuring the exits onto the M14, which have to withstand a great deal of traffic, resulting in frequent jams. The junction is located along the section between Arturo Soria street and the M-50 ring road, which is often congested.

There are two ongoing projects in Galicia, on two sections of the new A-76 highway between Ponferrada and Ourense and on the Ordes bypass in the province of A Coruña.

The first of these projects is to develop the N-120 route that connects Ponferrada and Ourense, which is considered the main link between Galicia and the Meseta. To this end, two construction projects were drafted for the sections between

Villamartin de la Abadía (junction for the A-6 highway) and Requejo, and between A Veiga and O Barco de Valdeorras.

Additionally, the construction of the Ordes bypass on the N-550 road will mean heavy traffic will no longer pass through the centre of the town as it has had to up to this point. The N-550 has a high traffic volume, given that 75% of the total population of the region lives in the area around it.

In Cantabria, the Ministry of Public Works has constructed and commissioned the A-67 highway in the last few years and work on the section of the A-8 highway between Solares and Torrelavega is being carried out at present. These two highways overlap along the north-eastern stretch of the Ronda de Torrelavega (Torrelavega Ring Road), between the Torrelavega and Sierrapando junctions, resulting in a capacity problem in the section. To counter this, current road operation conditions on the highway, the Sierrapando-Barreda auxiliary route and the Sierrapando, Barreda and Torrelavega junctions will be improved.

All these routing and construction projects will take 18 months to draft.

Projects on 7 routes across 3 autonomous regions

5 projects currently being drafted









# — Integrity and transparency

*"At Ineco, the relationship with our stakeholders is based on transparency, always sticking to the professional ethics that defines our integrity."*

*Ignacio Fernández Cuenca, Corporate Managing Director*











Ineco's values are based on two key corporate concepts: transparency for all its stakeholders and integrity as a key principle for operation and professional ethics.

The company has a firm commitment to the environment, and since 2008 it has adhered to the Ten Principles of the United Nations Global Compact, based on respect and promotion of human, labour, and environmental rights, and the fight against corruption. These ten principles are part of Ineco's corporate culture, and they are applied in its daily activity and integrated into the services provided by the company.

## Regulatory framework

## Integrity standards

In its commitment to sustainability, Ineco's activities are based on three main pillars: the economy, society, and the environment. These aspects are determining factors in terms of its relationship with its environment and they ensure that the company strictly monitors its management model. It is not only a question of complying with the regulations in force in each country in which it operates, but also of preventing, promoting, facilitating, correcting, and supervising, in order that Ineco and all of its professionals act in accordance with the main international standards, the legal framework, corporate values, and the topical social requirements.

As such, Ineco has Integrity, Transparency and Commitment Standards that include

all of the policies and standards that govern the ethical behaviour of the company with its stakeholders:

- Corporate Responsibility Policy
- Code of Conduct
- Environmental and Quality Policy
- Zero Tolerance to Corruption Policy
- Information Truthfulness and Transparency Policy
- Harassment Policy
- Comprehensive Safety Policy

These Standards also include all of the applicable operating methods and procedures to ensure that Ineco's activity is consistent with its values.

The Ethics Committee is the body responsible for monitoring that they are complied with. The organisation also displays the Standards on its corporate intranet and through other channels such as Welcoming Sessions for new employees.

# Corporate Responsibility Policy

Ineco contributes to the development and improvement of the society in which it operates, integrating social, labour, and environmental concerns into its strategy and management.

Integrity, transparency, and commitment are the principles that govern the company's activity and are the pillars on which the relationship between Ineco and all of its stakeholders are founded.

## Commitments

### Clients

#### Outstanding service

Quality and service excellence.  
Commitment to long-term success.  
Ongoing dialogue and trust relationship.  
Confidentiality and objectivity.  
Clear commitment to innovation.

### Environment

#### Preventive approach

Priority given to environmental aspects upon drafting projects and rendering services.  
Responsible use of resources.  
Adequate management of our waste.  
Demanding practices for our employees and suppliers.

### Employees

#### Attractive corporate project

Increase in welfare and progress.  
Clear commitment to innovation, research and dissemination of knowledge:

- Quality employment.
- Merit and skill.
- Professional development and training.
- Equal opportunities, reconciliation.
- Safety and health in all positions.
- Teamwork, communication and involvement.

### Shareholders

#### Sustainable results

Creation of sustained and sustainable value.  
Efficient management.  
Profitability and transparency.

### Suppliers

#### Trust and transparency

Advertising, competition, non-discrimination.  
Confidentiality.  
Mutual benefits and trust.  
Objectivity.  
Promotion of Corporate Responsibility principles.

### Society

#### Cultural, social and economic development

Inclusion of people with disabilities.  
Increase in welfare and progress.  
Cultural, social and economic development.  
Innovation, research and dissemination of knowledge.  
Cooperation with other companies of the sector.  
Promotion of corporate responsibility among employees.

# Code of Conduct

Ineco has a set of behaviour standards that define the corporate culture, the adherence to and application of which contributes to ethical and responsible management in the development of the services and products that it offers, and in the relationships that it establishes with the different stakeholders.

The Code of Conduct is based on respecting the Ten Principles of the United Nations Global Compact, which are aimed at respect for human, labour, and environmental rights, and the fight against corruption. It is mandatory for all employees to abide by these principles in the exercising of their roles and responsibilities, in all of the professional spheres in which they represent the company.

## Principles

### Loyalty to the organisation

Reputation and loyalty to the company.

Respect for confidentiality.

Efficient and responsible involvement.

Non-competition with other companies.

Appropriate use of the company's resources.

Compliance with environmental, health and safety measures.

### Structure personnel, managers, and administrators

Knowledge and communication: responsible and ethical professional performance.

Respect for and promotion of the workers' fundamental rights.

Professionalism and subordination of one's own interests to the company's interests.

Truthfulness, accuracy, and honesty in economic, and financial management.

Application of merit and skills principles in hiring new employees.

Fostering the professional promotion and training of personnel objectively.

Enabling and promotion of labour integration and reconciliation.

### Relationship of professionals with the stakeholders

Relationship with clients: excellence, confidentiality, objectivity, and trust.

Relationship with suppliers and collaborating companies: trust and mutual benefit, transparency, and impartiality.

Relationship with the international environment: respect for legislation, culture and customs.

Strict compliance with regulations.

Transparency and truthfulness of the information: clarity, accuracy, and verifiability.

Rejection of gifts, compensation, and bribes.

### Relationship between professionals

Respect for others.

Non-discrimination.

Cooperation and collaboration.



## Zero tolerance to corruption

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In order to ensure transparency and integrity in the pursuit of its corporate goals, Ineco expresses that it rejects all forms of corruption –both direct and indirect– in its Zero Tolerance to Corruption Policy.

## Transparency and truthfulness of information

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Ineco has a commitment of transparent management to its stakeholders, and as such, it works to always provide them with information that is accurate and transparent.

In 2014, the organisation implemented Law 19/2013 of 9 December on Transparency, Access to Public Information and Good Governance, whose objective is to extend and reinforce the transparency of public activity, regulate and guarantee the right of access to information relating to that activity, and establish the obligations of good governance that the public officials must comply with.

As such, it adapted its corporate website in order to accommodate the contents required by the aforementioned Law and possess the mechanisms necessary to put into operation access to public information, through an e-mail account as well as a specific communications channel for enquiries relating to issues of information transparency.

As a result, Ineco has an inbox and a specific procedure for exercising the right to information, both physical (at the corporate headquarters) and online (through the corporate website <http://www.ineco.com/webineco/transparencia/contacto-transparencia>).

In terms of financial control, Ineco applies policies that are documented, implemented, and accessible, both for its staff and its collaborators. As such, it allows the following to be ensured:

- Effective and reasonable management of the risks associated with the projects.
- That the financial statement figures are presented in accordance with criteria of truthfulness, integration, and transparency, in compliance with nationally and internationally accepted accounting principles.

Furthermore, Ineco is subject to dual external financial control, the first in application of private legislation, and the second for its integration into the Spanish public sector. All of the above implies that the financial statements submitted by Ineco are an accurate reflection of the assets and financial position of the company, in compliance with the commerce regulations in force and the applicable national and international accounting standards.

## Compliance Programme

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As a global reference in transport engineering and consultancy, Ineco adopts Corporate Compliance as an essential part of its corporate culture. As such, and through adapting to the model already consolidated in Europe, the company has created an effective programme that guarantees surveillance and security, implementing a global and specific penal prevention model.

The company is working on a Compliance Programme that includes all of the procedures, operation policies, action policies, standards, and internal controls for detecting and managing risks of breaches of internal and external regulatory obligations, mitigating the possibility of the criminal prosecution of Ineco, as well as to prevent risks of penalties and/or losses resulting from failures to comply with the Law.

The body competent in monitoring Compliance must be independent and autonomous with respect to the Management team of the company.





## Governance model

Ineco has the governing bodies necessary for ensuring that its values and the management model reach all areas and disciplines of the company. The governance model is determined by the current organisation and strategy, in accordance with the company's needs.

The Chairman of Ineco is the chief officer of the Board of Directors, the Management Committee, and the Ethics Committee.

# Board of Directors

Ineco's Board of Directors is the body in charge of making decisions and agreements on strategic issues, preparing the financial statements, and approving budgets and other proposals raised by the chairman. It likewise monitors the company's activity.

The Board meets on at least four occasions throughout the financial year and it must include a minimum of five and a maximum of fifteen directors. It also has a non-board member secretary, appointed by the Board of Directors.

## Composition of the Board as of December 2014

Chairman	
Mr. Jesús Silva Fernández	Chairman of Ineco.
Directors	
Mr. Gonzalo Jorge Ferre Moltó	Chairman. Adif.
Mr. Javier Marín San Andrés	Director General of Spanish Airports. Aena.
Ms. Belén Bada de Cominges	Legislation Deputy Director-General. Technical Secretariat. Ministry of Public Works.
Mr. Mariano Navas Gutiérrez	Director General. Cedex.
Ms. Alejandra Sánchez Yáñez	Advisor to the Technical Department. Economic Affairs Department of the President's Office.
Mr. Alberto Sanz Serrano	European Union Deputy Director-General of Commercial Policy and International Trade of Industrial Products. Ministry of Economy and Competitiveness.
Mr. Manuel Martínez Cepeda	Treasury Manager. Adif.
Ms. Violeta González Aleñar	Director of Cabinet and Administrative Management. Adif.
Mr. Luis Izquierdo Labella	Director of Communication of the Cabinet of the Minister of Public Works. Ministry of Public Works.
Mr. Ignacio González Sánchez	Air Navigation Director. Enaire.
Mr. Ignacio Garay Zabala	Director of Communication and External Relations. Adif.
Mr. Rodrigo Marabini Ruiz	Director General. Aena Internacional.
Ms. Carmen Sánchez Sanz	Deputy Director General of Conservation. Department of Roads. Ministry of Public Works.
Mr. Pablo Vázquez Vega	Chairman. Renfe Operadora.
Secretary non member	
Ms. Almudena de la Peña Robles	Director of Legal Affairs. Ineco.





## Dismissals and appointments during 2014

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### Shareholders' Meeting of 15 July 2014

Dismissals: Mr. Sergio Pérez Saiz, Mr. Luis María Pérez Fabregat and Mr. Luis Fernando López Ruiz.

Appointments: Mr. Alberto Sanz Serrano, Mr. Manuel Martínez Cepeda and Mr. Carlos Díez Arroyo.

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### Board of Directors of 15 July 2014

Dismissal: as Secretary of the Board, Mr. Carlos Hugo Cea Pinilla.

Appointment: as new Secretary of the Board, Ms Berta Barrero Vázquez.

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### Shareholders' Meeting of 14 November 2014

Dismissal: Ms. María García Capa.

Resignations: Mr. José Manuel Vargas Gómez, Mr. Julio Gómez-Pomar Rodríguez.

Appointments: Mr. Jesús Silva Fernández and Mr. Luis Izquierdo Labella.

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### Board of Directors of 14 November 2014

Resignation: Mr. Pablo Vázquez Vega (as Chairman).

Dismissal: Ms. Berta Barrero Vázquez (as Secretary).

Appointments: Mr. Jesús Silva Fernández (as the new Chairman) and Ms. Almudena de la Peña Robles (as the new Secretary).

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### Board of Directors of 18 December 2014

Appointment: Mr. Ignacio González Sánchez, through the co-option system.

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## Shareholders' Meeting

The Company's deliberative body is the Shareholders' Meeting. Its legitimately adopted agreements are binding upon the Company and all of its shareholders.

The Regular Shareholders' Meeting must be held once a year, in the first six months of the financial year to evaluate the management of the company, approve the accounts for the previous year, and decide upon the year's budget.

Likewise, the Board of Directors may call Special Shareholders' Meetings when it is necessary to approve matters pertaining to the interests of the Company.

## Audit and Control Commission

The main role of the Audit and Control Commission is to support the Board of Directors in its supervisory functions. It consists of four directors, three of which are executives, appointed by the Board from amongst the directors by simple majority. The secretary of the aforementioned Board of Directors acts as the secretary of this commission.

## Management Committee

The Management Committee is the highest internal decision body of the company. It meets weekly and it is responsible for the implementation and development of the strategic guidelines approved in the Board of Directors meeting.

Member	Position
Jesús Silva	Chairman
Ignacio Fernández-Cuenca	Corporate Managing Director
Ana Rojo	Engineering and Services Managing Director
José Manuel Tejera	Infrastructures and Transport Managing Director



## Ethics Committee

The Ethics Committee is responsible for the supervision of compliance with the standards of corporate integrity, the proposal of preventive or corrective actions in relation to a breach of these standards, investigation of the case when applicable, and the updating and internal dissemination of the Code of Conduct, as well as its interpretation in cases of doubt.

It consists of the Chairman of Ineco, the Corporate Managing Director, another Director appointed by the Chairman (from the ten most senior Ineco directors) for a period of no greater than two years, and the Secretary General. Furthermore, when the subjects at hand require it, it may include other directors of the company and/or be supported by the professionals and experts that are deemed necessary.

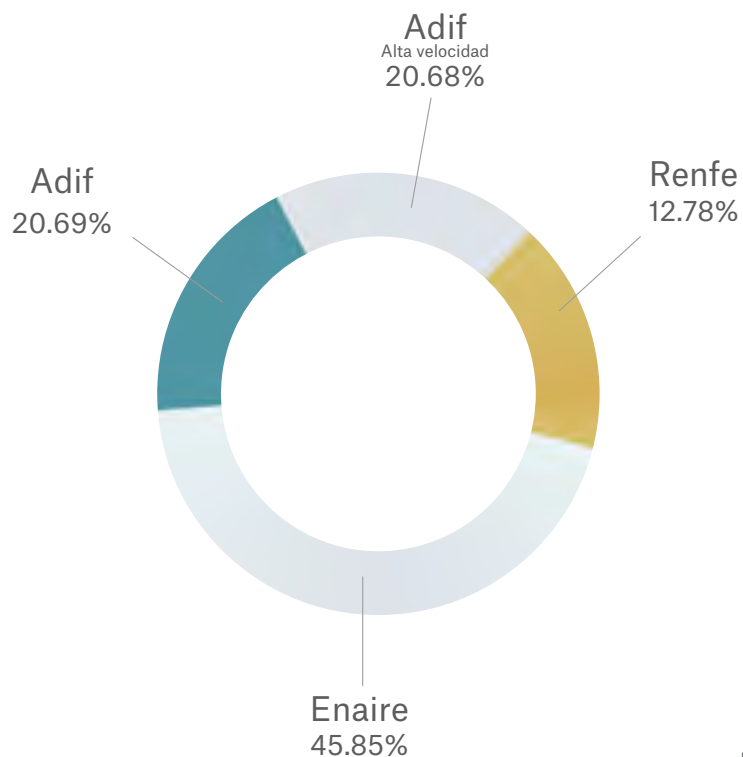
Any collective body or employee of Ineco that considers that there has been a breach of the Code of Conduct or of any of the Standards of Integrity, Transparency, and Commitment, may report it to this Committee, which will undertake resolve it.

## Other bodies

Furthermore, Ineco has other company communication and management bodies, such as the Human Resources Committee, the Commercial Committee, the Innovation and Product Committee, the Quality Committee and the Knowledge Committee, amongst others. The objective of the company is to create working groups based on subjects of special interest and comprehensively monitor the approved plans and initiatives.

## Profile of the organisation

Ineco is a State-owned Trading Company under the Ministry of Public Works through its shareholders:



December 2014





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# Commitments

"Our business activity is defined by the firm commitment we keep with our clients and providers, our team, society and the environment. This is how we think and this is how we act."

*Jesús Silva, Chairman*



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# Committed to our clients

Ineco's strategy focuses on client satisfaction. The company's goal is the clients reaching success, and that is why each day it endeavours to maintain excellence and efficiency in the services that it provides.

This commitment is materialised in a model based on mutual trust, actively listening to clients' needs, the application of the highest standards of quality, and value creation through innovative and cutting-edge solutions.



# Innovation. Creating the future of infrastructure

Innovation is the strategic tool that Ineco uses to respond to the needs of its clients. It is not only a question of improving the solutions that it provides, but also turning its innovations into a competitive advantage for the global challenges that the infrastructure sector is facing. As such, in 2014, the company

allocated 2% of its turnover to R&D+i. This consisted of around 4 million euros and a human effort that contribute added value to its services, improve its productivity, and develop the socioeconomic development of society.

R&D+i  
effort

€ 3.886 M

Percentage of  
turnover

2.13%

34 innovation  
projects

20

internal projects

During 2014, Ineco strengthened its Innovation Management Model, which is based on three main aspects: alignment with the company's strategy, close collaboration between all stakeholders, including clients, and return on investment.

14

collaborative projects in  
a consortium



13

international collaborative  
projects

5

collaborative projects led:  
FILGAPP, ACCEPTA, Satisfied,  
OPTA-IN and MinoxStreet



# Innovation applied to projects in 2014

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The implementation of innovation projects developed in the previous tax year is evidence of Ineco's commitment to innovation in the pursuit of excellence. Ineco applied these projects to different works carried out during 2014. Notable amongst them are:

- **PEIF:** our tool for the generation and use of rail signalling plans, applied to the works that Ineco carries out for the high speed line between Mecca and Medina in Saudi Arabia.
- **Spring:** signal generator used in the Mecca-Medina high speed project for measuring the GSM-R coverage of the solution designed.
- **PINK:** this consists of calculating the dynamic behaviour of the overhead line and the interaction with pantographs, a tool that allowed us to define one of the solutions proposed in the preparation of an offer that Ineco presented for a project in Denmark.
- **SADA:** low-cost solution for the geometric inspection of the track, used in measuring the rail gradient for the works that Ineco is carrying out for TMB (Transports Metropolitans de Barcelona) that Ineco develops in projects in Barcelona.

## Collaborative projects

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Ineco is committed to open innovation models and is carrying out collaborative projects with other companies nationally and internationally. In our country, we highlight the active participation in the **ININTERCONECTA** programme with the **Arid-Lap** project, which consists of studying solutions that allow rail infrastructure to better adapt to adverse weather conditions, thus optimising the operation and maintenance phases.

In line with its international focus, the company has continued its involvement in the European projects of the **Seventh Framework Programme** (FP7) and **Horizon 2020** (H2020), notable amongst which are:

- In the aeronautical sector: participation in SESAR, INTERACTION, FILGAPP, Opta-in and Satisfied. Furthermore, during 2014, we participated in the BEYOND project, whose purpose is to extend the use of GNSS to different applications, particularly aeronautical applications, in Mediterranean countries and Eastern Europe.

- In the railway sector: participation in Capacity4Rail and NGTC. We also participated in the IN2RAIL project, which is considered to be a precursor of the Shift2Rail initiative. This project will establish the foundations for some of the main future railway developments (junctions and tracks, new energy systems, and the future generation of traffic management systems).

Furthermore, Ineco is preparing to participate in the SESAR 2020 initiatives, which will identify the new challenges and solutions of air navigation, involving the defining of the new operation of air traffic management in Europe over the coming decades, and Shift2Rail, which will establish the foundations of the technology and standards for operating and using European rail in the future.

## Internal projects

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Aware of the need to invest in the development of its own innovation projects to maintain the quality of its products and services, and contribute added value to them, Ineco worked on the following initiatives during 2014:

- **Sirag:** development of Google Glass technology for supervising the construction of structures and infrastructure with augmented reality, integrated into a comprehensive georeferencing management system.
- **Drones:** new drone applications for the inspection of structures and infrastructure that is difficult to access, compatible with the regulatory framework in force.
- **SIMA:** Comprehensive System for the Management of Rail Maintenance on mobile devices, which combines asset management and maintenance management through tablets that facilitate and improve the field tasks of workers.
- **NavTools:** set of tools for calculating radio and radio navigation coverage (coverage studies based on conventional radio navigation systems, satellite coverage studies (GPS/EGNOS), route and procedure managers, GSM-R coverage in tunnels, etc.) for the provision of consultancy services to aeronautical service providers with the possibility of selling the product to clients.
- **Gestrol:** tool for the management of the airport airfield pavements. As such, analysis and decision-making is facilitated, on the basis of results, through test information management, use, international standards, and quality levels of the airport operator.
- **Monitoring:** ICT tool for the continuous real-time analysis and supervision of track inspection in tunnels for the control of issues and conditions in the structures in construction and maintenance phases.

## Quality as a sign of identity

Maintaining the highest level of quality in its products and services is essential for Ineco in its relationship with its clients. As such, it has a management system whose key component is quality, and which involves the whole organisation. The cohesion of teams, the improvement in work practices, the sustainability of the system, and the focus on processes and procedures are the keys to achieving technical excellence in our work.

## Certifications

Ineco has an integrated environmental management and quality system, certified by SGS, based, respectively, on Standards UNE-EN ISO 14001:2004 and UNE-EN ISO 9001:2008, which covers practically all of the company's activities.

It also has an environmental health and safety management system, in accordance with OHSAS Standard 18001:2007, certified since 2012.

In the rail area, Ineco is certified by ENAC (Entidad Nacional de Acreditación – National Accreditation Entity) as a Rail Rolling Stock Inspection Organisation (Type C) and as an Independent Rail Applications Safety Evaluation Organisation (Type C), in accordance with the criteria of the standard UNE-EN ISO/IEC 17020:2004.

**Ineco was the first and is currently the only organisation that has these accreditations in Spain**



Furthermore, Ineco is certified as a supplier in LINL-UP ACHILLES QUALIFIED SUPPLIER (Qualified via Audit), Nº 095054 for the products: *Electrification Consultancy, Development&Review Electrification Standars, Telephone Exchanges (Including Switching Equipment), Transmission Systems, Telecomm Cabling (Multiple Pair Copper), Telecomm Cabling (Fibre), Radio Systems, Wireless Services, Masts (Including Earthing&Ligthening Protection), Wiring, Earthing&Bonding, Switching, Substations/Switching Stations/Track Paralleling Huts, DC Cabling,Trackside Equipment, Main Steelwork, Small Part Steelwork, Support System, Traction SCADA and Non-Traction SCADA.*

In projects, Ineco also has the following accreditations or certifications:

- Software Development
  - CMMI-Maturity Level 2. Management of Consultancy and Management Systems.
- Industrial Area Inspection:
  - Accreditation 76/EI058 Rail Rolling Material/Independent Safety Evaluation. Attached Accreditation 76/EI058.
- Air Navigation Services:
  - "Design of instrumental flight procedures" accreditation (Public Authority for Civil Aviation. Sultanate of Oman).
  - Certified as an Organisation that provides Air Navigation Services (PSNA-0002), granted by the State Air Safety Agency – Ministry of Public Works, in accordance with the requirements of Regulation (EC) no. 2096/2005.
  - Certified as a provider of air traffic control training (PF-ATC-0001), granted by the State Air Safety Agency – Ministry of Public Works, in accordance with Royal Decree 1516/2009.

Amongst the challenges, in terms of quality, that the company will face in 2015 is the updating of its Quality and Environmental System certification to the new version of ISO Standards 9001:2015 and ISO 14001:2015, the certification of the project "Managing Agent and Supervisor (AAS) for the 358 Guadalajara – Colima road section trust" (110056) in Mexico with Standard ISO 9001, and the design, documenting, and implementation of Standard BS11000 "Framework for commercial collaboration relationships".

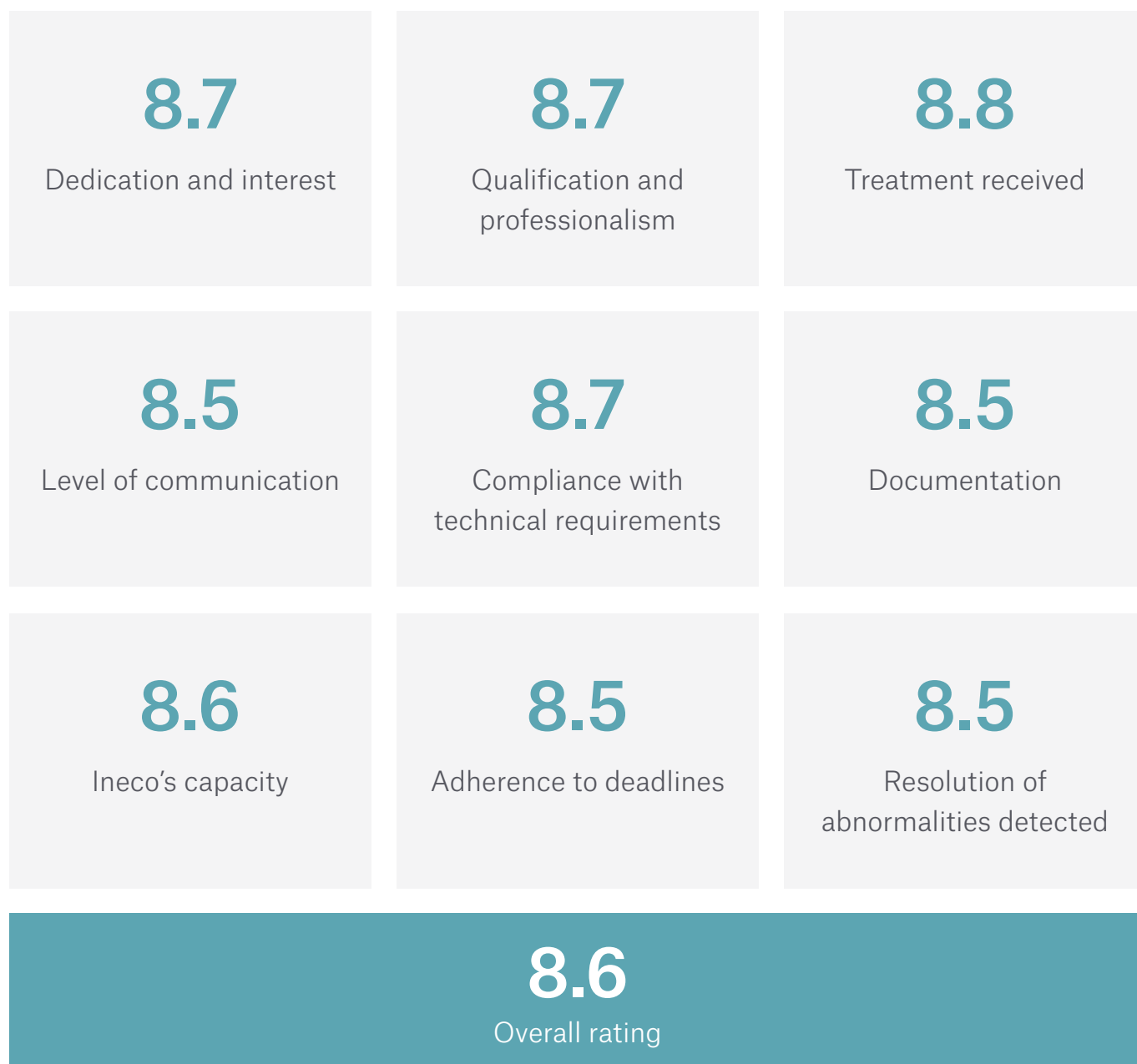


## The value of client opinions

As a result of this effort for improvement, in the year ending in 2014, Ineco clients rated their satisfaction with the services provided by the company, with a score of 8.6 out of 10. The company also increased its response rate in this survey by 20%.

This result shows that the high level of Ineco client satisfaction is maintained. The overall rating of services provided by Ineco in 2014 was 8.6.

### Overall average rating for 2014



The response percentage in 2014 was 44%.

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# Committed to our team

People are Ineco's most valuable resource. The company knows that its professionals make the difference and, as such, it is committed to promoting and creating a working environment that is increasingly enriched, challenging, effective, and flexible, as well as motivating and involving its employees in the path to success in a changing and increasingly competitive context.

Ineco's talent management model, in line with the company's strategy, is based on three basic pillars: the identification of talent, its development, and the management of commitment to the organisation.

# Talent identification

One of the keys to successfully negotiating the adaptation of the company to the challenges and new scenarios proposed by the market is to have the best profiles. As such, in 2014, Ineco focused its recruitment and selection process on increasing its channels for seeking candidates to social networks, fostering premium selection to attract the best qualified professionals who meet the needs of the company.

Achieving better positioning in terms of the company's branding amongst young people, through collaborations with the best reference universities, is key to making Ineco known as a reference transport engineering company to future sector professionals. For this reason, the company encourages participation in career fairs and forums in order to strengthen its image as an employer.

As such, and aware of the importance of having a pool of new employees, Ineco has prepared its Grant Scheme, identifying specific training programmes of interest and the national and international universities with which to establish new agreements. The company incorporated 94 interns, converting 26.5% of trainees into employees.

Ineco's commitment to being a socially responsible company was demonstrated with the awarding of 14 grants, as part of the Grant Programme "Opportunity for Talent" for the academic year 2014-2015 to undergraduate and postgraduate students, both nationally and internationally. Furthermore, the organisation participated in the International Congress of University and Disability, in which it had the opportunity to establish contacts with social agents and universities to recruit individuals with disabilities.

In this regard, Ineco aims to drive forward new collaborations with foundations dedicated to the professional integration of this group with the objective of increasing the number of new recruits in the company and the participation of employees in social and volunteering actions.







## Development of talent

### New strategic processes

Ineco understands the professional development of its employees to be the evolution process that they experience throughout their professional career. This personal and professional development occurs in different directions: at the same level, in one position through movements between professional careers, and at a higher level (promotion).

With the aim of meeting the professional growth expectations of its employees and aligning them with the organisation's business strategy, Ineco has designed two professional career models, one based on technical specialisation, and the other on management (either of people or of projects).

Furthermore, the company has defined its two strategic processes for talent management, in order to improve performance and support the professional development of its employees:

- **Management by Objectives (GpO, in Spanish)**

Management by Objectives (MBO), implemented in 2014, is aimed at Ineco staff with variable remuneration. Its objective is to ensure the efficiency, profitability, growth, and quality of the organisation, through three main variables: evaluation of the result, the employee's performance, and their commitment. In 2014, the model was applied to 42% of the staff.

- **Evaluation of Development (EdD, in Spanish)**

By creating the Evaluation of Development (EOD) in 2014 (a process that will be implemented in 2015) the aim is to detect the skills, abilities, and specialties of all employees, as well as their potential for development, and their interests and motivations. Furthermore, this programme will allow the training needs to be detected, and individual development plans to be designed, linking them to remuneration plans, in order to foster the commitment of Ineco's human capital.

# Training

At Ineco, training is one of the main strategic lines for achieving the highest level of quality in the services provided to clients, and its team is considered to be a key value in the company's activity.

The **2014 Training Plan** focused on boosting the technical specialisation of the professionals of the company, sharing work models and processes, increasing the training of the organisation and its professionals through the development of critical skills for the different roles, as well as developing languages as a key tool for Ineco's globalisation process. As such, the following programmes have been created:

- **Language Programme:** it includes all training actions aimed at developing the language skills of employees and improving the company's level of English.
- **Certifications and Technical Methodologies Programme:** this includes the courses aimed at the certification and training of employees in internationally prestigious organisations and the management of reference methodologies in the sector.
- **Technical Specialisation Programme:** this covers training aimed at providing the organisation with the expertise necessary to achieve its strategic objectives and update its technical knowledge.
- **Work Processes and Models Programme:** it includes the courses focused on sharing the organisational processes and models, as well as the company's key processes.
- **Skills Programme:** it covers the training actions aimed at developing the skills and competences necessary to face the challenges of the organisation.

Furthermore, and with the aim of addressing the individual training and development concerns of employees, we have established the **Up Grading Programme**, which provides help and support for carrying out training not covered in the Training Plan.



98,025  
Hours of training



€2,024,047  
Investment in training



939  
Training initiatives carried out



1,777  
Individuals trained,  
representing  
77%  
of staff



During 2014, different initiatives aimed at sharing the knowledge and experience of the company's professionals were implemented, as well as training in processes and procedures. We highlight:

- **The Internal Training School:** its objective is to have a team of trainers who are certified and highly qualified in their job, and who transfer their knowledge and experience to the rest of the organisation, as well as to create training programmes on the permanent

responsibilities of each position/role. In 2014, the School gave training on construction management, and project and regions management.

- **Training in work processes and models:** one of the main aspects of the 2014 Training Plan is to give courses on the new procedures applied in the company. As such, last year, we carried out training sessions on the Business Management process and on Project Management.

To facilitate the company's internationalisation process, Ineco held International Mobility Seminars aimed at individuals who work in other countries, with content on sociocultural and economic-political aspects, and on the daily life of the country of destination, thus helping the employee to adapt to the new context.

## Average hours of training per year per employee and gender, broken down by employee category:

Group by level	Total no. of hours - men	Total no. of hours - women	Total no. of hours	Average no. of hours - men	Average no. of hours - women	Average no. of hours
Directors	1,021	304	<b>1,325</b>	78.53	76.10	<b>77.96</b>
Management	9,852	2,722	<b>12,574</b>	68.42	75.61	<b>69.86</b>
Technical	46,354	27,190	<b>73,544</b>	42.64	42.02	<b>42.41</b>
Support	4,296	6,285	<b>10,581</b>	22.03	26.19	<b>24.33</b>
<b>Total</b>	<b>61,524</b>	<b>36,501</b>	<b>98,025</b>	<b>42.75</b>	<b>39.38</b>	<b>41.43</b>

In its desire to continue showing its commitment to its team, Ineco is working on new programmes designed for and adapted to the needs of its employees for 2015. In this regard, we highlight the **Leadership Programme**, which aims to establish a leadership model based on a participative methodology, and the **Client Management Programme**, whose objective is to create a sales model for the company's business development team.



# Management of commitment

It is very important to identify the best professionals and develop their careers, as well as offering them a quality business project, which consolidates their commitment to the organisation. Aspects such as equal opportunities, work-family life balance, opportunities for the growth and development of employees, and an attractive flexible social benefits package are key to creating a good working environment that is positive and stimulating, where employees can give the best of themselves.

In its commitment to transparency in communication with its employees, Ineco has different channels for improving corporate culture, such as the internal digital journal *Sobre la Marcha*, which rounds up the main organisational news every month, and provides important information about the development of projects and their main milestones. There are also tools, such as the "suggestion box", blogs, and forums, so that the flow of communication is two-directional and as participative as possible.

In line with this corporate culture, Ineco works to maintain organisational and remunerative coherence, as well as matching profiles to the right positions in order to guarantee that all employees are treated equally. Furthermore, in 2014, it continued with the programmes that were implemented a few years ago with the aim of promoting social benefits, the integration of groups at risk of exclusion, and raising awareness about diversity:

- **Más Programme**

Ineco offers its employees a social benefits package that they can receive in different forms in line with their preferences: food vouchers, nursery allowance, health insurance, or a combination of these benefits. Ineco employees also receive life insurance with coverage in the event of death or permanent disability, as well as a Social Security benefits supplement in the event of temporary disability.

- **Integra Plan**

This is Ineco's plan for integrating disabled people or those who are at risk of social exclusion, thus contributing to improving their employability and promoting social awareness in this regard. It establishes specific measures for access to employment through organisations for the recruitment and improvement in employability; these measures are aimed at disabled employees and victims of domestic violence, financial aid, adaptation of the workplace, a care service, etc. and measures aimed at employees with family members who are dependent on their role, such as paternity/maternity leave extensions, leave of absence, flexibility of holidays, etc.

Furthermore, Ineco has been working with the Norte Joven Foundation for several years to promote the integration of young people at risk of social exclusion, through workshops aimed at showing them how to successfully complete a recruitment process and giving them a first look at the business world.

- **Equality Plan**

Ineco is implementing initiatives aimed at promoting gender equality, work-family life balance, and the prevention of sexual and gender-based harassment. As such, it develops awareness-raising and training programmes in diversity management, anti-discrimination tools and control mechanisms, support groups and specific work-life balance policies. Furthermore, the company has an action protocol for channelling possible cases of sexual harassment through the figure of a mediator, who provides information and manages these cases, where appropriate, guaranteeing the necessary levels of confidentiality.

In 2014, an extension of Ineco's Collective Agreement was signed between the employees' representation and the company, for two years, from 1 January 2015 to 31 December 2016, with the possibility of it being extended for another two years.

This important agreement will allow the current working conditions to be maintained for the staff, thus providing stability and continuity to the improvements achieved with respect to the sectorial collective agreement and personal, family, and work life balance. 97.1% of the total staff is covered by the Collective Agreement.

Through its commitment to its employees, and in order to continue to make progress in terms of equality, for 2015, the company has prepared an update of the measures plan aimed at encouraging work-life balance, which will focus on 4 areas of action: management of working hours; leave, absences and breaks; social benefits; personal and professional development.

## Composition of corporate governance and staff bodies, broken down by gender and age group:

2014 Data	Total no.	Gender		Age		
		Males	Females	< 30	30 - 50	> 50
Director structure	15	73.3%	26.7%	0.0%	66.7%	33.3%
Management structure	182	80.2%	19.8%	0.0%	77.5%	22.5%
Management structure	197	79.7%	20.3%	0.0%	76.6%	23.4%
Technical structure	538	68.6%	31.4%	0.2%	88.5%	11.3%
Support structure	1.631	56.0%	44.0%	9.9%	82.5%	7.6%
Contract staff	2.169	59.1%	40.9%	7.5%	84.0%	8.5%
<b>Total staff</b>	<b>2.366</b>	<b>60.8%</b>	<b>39.2%</b>	<b>6.8%</b>	<b>83.4%</b>	<b>9.8%</b>

# We are international

Ineco's current strategy, which focuses much of its effort on consolidating its internationalisation process, requires the organisation not only to adapt to the new situations that arise, but also to meet future needs. In line with these criteria, the company has adapted its organisation to the needs of its employees, creating specific management dedicated to reinforcing the capacities of the organisation and management of individuals in the international sphere.

The Human Resources programmes and policies of the company are aimed, precisely, at strengthening the management of its international team:

- **International Assignment Compensation Policy** which defines the international transfer conditions of Ineco employees. Its main objectives are to facilitate the process of incorporation into the destination country, ensure a homogeneous, clear, and effective procedure, establish conditions that guarantee internal equality and external competitiveness, and cooperate to ensure that international assignments are conducted safely.
- **Global Mobility Center** (accessible from the Intranet) to support employees in issues related to mobility and the management of spaces and services within the international sphere.
- **Individual meetings**, given by the Global Mobility Center, before the transfer of staff to foreign countries, in which they are given detailed explanations about the following aspects: security and prevention, training, insurance, and services, labour relations, and immigration advice.
- **Ineco Passport**: practical guidelines for employees who have been transferred outside of Spain, with specific information about the destination country, important corporate information for international transfers and a list of steps to take before, during, and at the end of their transfer.

The company is currently working to develop the international experience of its professionals. Amongst other challenges, Ineco is committed to increasing the interest of employees in projects beyond our borders through the implementation of international career plans in the near future.

In this line, it also aims to carry out specific actions such as the creation of a repatriation programme to ensure the proper reintegration of professionals who are returning to Ineco in Spain or the formation of a Virtual Expatriates Office. The company is also working on the implementation of international scholarship and internship programmes with the goal of promoting a reserve of promising, highly qualified young professionals and in this way, foster professional development through specialisation in the field of transport engineering among an international and multi-cultural environment.

## Individuals by geographic region:

	Total	H	M
<b>Europe</b>	<b>2,277</b>	1,367	910
Spain	2,264	1,358	906
<b>America</b>	<b>29</b>	23	6
<b>Africa</b>	<b>1</b>	1	0
<b>Asia</b>	<b>59</b>	48	11





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## Prevention and Safety

Ineco has an Occupational Hazards Prevention Policy, demonstrating its firm commitment to the health and safety of its workers in all parts of the world.

Within this framework, in 2014, the company carried out, amongst other actions, the evaluation of psychosocial risks, the implementation of the Prevention Management System in the international sphere, the updating of emergency plans, and the renewal of the OHSAS 18001 certification.

During 2014, Ineco began the road down to the consolidation of a risk management system capable of protecting the company from threats against its assets, giving it a strategic focus and adjusting it to the company's current international expansion.

Furthermore, actions were carried out aimed at providing training on, and raising awareness about data protection.



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# Committed to society

Infrastructure has a direct impact on the economy and the development of society. Aware of this ability to influence the positive transformation of its environment, Ineco is committed to improving the situation of the communities in which it operates.

As a sign of this commitment, the company also implements professional volunteer projects in developing countries, in order to contribute to improving the living conditions of families with fewer resources.

# A spirit of solidarity and collaboration

The company encourages the participation and involvement of its professionals in charity initiatives to achieve a more just and egalitarian society. It has a social work platform, iSolidaria, which is focused on the management of corporate volunteering. Here, the initiatives of the company in this field can be consulted, experiences can be shared, and Ineco's current social work projects can be viewed. These types of voluntary activities are evaluated both by the Non-Governmental Organisation with which Ineco is collaborating, and by the employees who participate through satisfaction surveys, with there being a continuous follow-up of the results. In 2014, the overall degree of satisfaction of volunteers who participated in volunteering activities was 4.75 out of 5.

In accordance with its spirit of solidarity, in 2014, the company renewed the collaboration agreement whereby it is established as a friend entity of the Lealtad Foundation. Through this agreement, Lealtad Foundation shares knowledge and advises Ineco on the assigning and selection of companies with which to establish agreements, thus guaranteeing the highest level of transparency and objectivity in the company's participation in the different social work activities and programmes.

Furthermore, as a global company leader in transport engineering and consultancy, Ineco promotes cooperation between national engineering companies, and it is a member of various associations and organisations, both national and international. The objective is to contribute to enriching and strengthening the synergies between all sector agents. In this regard, during 2014, Ineco was a member of the following organisations:

## Tecniberia Asince

Asociación de Usuarios de SAP, AUSAPE (SAP users association of Spain)

European Rail Research Network of Excellence (EURNEX)

Plataforma Tecnológica Ferroviaria Española, PTFE (Spanish technological railway platform)

European ATM Research and Development Association (EATRADA)

Plataforma Tecnológica de la Carretera, PTC (Spanish technological road platform)

Club de la Innovación y el Conocimiento (innovation and knowledge club)

Asociación para el Progreso de la Dirección, APD (association for management progress)

Fundación Lealtad (Lealtad Foundation)

Asociación Latinoamericana de Metros y Subterráneos, ALAMYS (Latin American train and underground association)

Asociación Española de Fabricantes Exportadores de Material, Equipos y Servicios Ferroviarios, MAFEX (Spanish association of railway services, equipment and material exporters)

Airports Council International (ACI)

International Association of Public Transport (UITP)

Civil Air Navigation Services Organization (CANSO)

Madrid Chamber of Commerce

Asociación Española de la Carretera (Spanish road association)

Asociación Técnica de Carreteras, ATC (technical road association)

Asociación Nacional de Auscultación y Sistemas de Gestión Técnica de Infraestructuras, AUSIGETI (national association of auscultation and technical infrastructure management systems)

Asociación Española de Túneles y Obras, AETOS (Spanish association of tunnels and works)

Asociación Científico-Química del Hormigón Estructural, ACHE (scientific and chemical structural concrete association)

## GALILEO SERVICES

Asociación de Acción Ferroviaria, CETREN (railway action association)

Asociación Española de la Calidad, AEC (Spanish association for Quality)

Foro Español de Expatriados, FEEX (Spanish Expatriate Forum)

Asociación de Reparación, Refuerzo y Protección del Hormigón, ARPHO (Spanish association for the repair, reinforcement, and protection of concrete)

Asociación del Foro de la Contratación Pública socialmente responsable, AFCPSR (association of the socially responsible public procurement forum)

Asociación Mexicana de Ferrocarriles, AMF (Mexican Association of Railroads)

## Initiatives in 2014

Every year, Ineco prepares its Social Work Plan, which is part of the company's Corporate Responsibility Plan, and which includes actions to be carried out in collaboration with the independent non-profit organisations with which the company

conducts different kinds of activities, including corporate volunteering. This programme has been well received and highly rated by Ineco employees.



*Volunteers from Ineco who participated in "Ineco en Ruta" programme with the local team.*



Below, we outline the initiatives implemented in 2014:

## En Ruta: Professional corporate volunteer programme of Ineco in Peru

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For another year, and with the conviction of the benefits of previous campaigns both to society and to employees and the company, Ineco implemented a new professional volunteering project called “Ineco en Ruta” in collaboration with the Codespa foundation, in which 8 Ineco volunteers participated.

On this occasion, the project was carried out in the Sacred Valley of the Incas (Peru), a deprived part of the country where the Codespa foundation works to improve the living conditions of families through the development of rural tourism. Despite the great cultural wealth of the area and the abundant flow of tourists, the roads are inadequate, and in the rainy season, tourist access is impractical, resulting in a loss of income for the indigenous people in the region.

Ineco’s volunteers collaborated with the project by developing a study for the maintenance, improvement, and restoration of access roads, as well as training local teams in this field, such that, after the volunteering project finished, the local stakeholders had acquired the knowledge necessary for putting the improvements into practice. Codespa presented this study as a technical endorsement to the Municipality of Cusco and, through it, we expect the City Council to allocate a budget item to improving road maintenance, which will allow better access for tourists.





# Euro Solidario Campaign

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This is a solidarity campaign in which employees donate a percentage of their monthly pay to funding a specific project. The company is committed to doubling the contributions of its employees, up to a determined maximum level.

In September 2013, we implemented the 5th Euro Solidario Campaign, active until September 2014. This campaign was linked to Ineco's professional corporate volunteer project "Ineco en Ruta", which was carried out during 2013 in the province of Imbabura (Ecuador), in collaboration with the Codespa foundation, with a total of €21,832 being collected.

The initiative consisted of providing training to the indigenous people in order to increase their income through capitalising

on the tourism created by the recent restoration of the Ibarra-Salinas railway line. Activating the economy and trade of the area by providing complementary rail services to tourists has increased the quality of life of the populations affected by this activity, mostly communities consisting of economically disadvantaged families.

Ineco also participated in the project, through its professional corporate volunteer programme, by improving the safety of the line and its installations, as well as through a training programme for the employees of the Empresa Pública de Ferrocarriles (FEEP) (national railway company of Ecuador), which allowed it to improve its competitiveness and the levels of safety in rail operations.

## "Hacia el Empleo" Programme. Training for young people at risk of social exclusion

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Ineco is committed to improving the training and employability of young people at risk of social exclusion, thus improving their entrance into the labour market. As such, it makes the knowledge and skills of its professionals available for this type of educational project.

For another year, in 2014, the company collaborated with the Norte Joven Foundation. The team of a selection of staff organised the training through group dynamics, along with individual mock interviews by Ineco volunteers with young people, with the aim of helping them to have better success in their first job interview.

Economic and Financial Department also taught a module on the basics of finance, which is useful for their professional career.



## Operación Kilo: “one kilo of food, one million thank yous”

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At the end of the year, Ineco implemented a new Operación Kilo for the Food Bank of Madrid. Ineco employees were involved in this initiative and contributed around 350kg of non-perishable products.

## The Three Wise Men Campaign

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For another year, the Three Wise Men visited Ineco's offices to collect the letters of the children and grandchildren of the employees and give them a gift, which on this occasion benefitted the Centro Especial de Empleo Motiva (Special Work Centre of Motiva). The children collaborated by donating children's books to a public children's hospital in Madrid.

## Commitment to disabled people

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In the framework of the Social Work Plan, Ineco assumes the challenge of promoting actions aimed at improving the employability and labour conditions of disabled individuals and raising social awareness about this situation. As such, in 2014 we organised a Christmas card competition in collaboration with the Randstad foundation, for the children and grandchildren of employees.

Likewise, Ineco has collaborated with other non-profit organisations to contribute to the social and labour integration of individuals with disabilities, such as the Prodis foundation, the Aspanias Burgos association, Avante 3, DAU, FEAPS MADRID, the Deporte y Desafío (Sport and Challenge) foundation, the Esclerosis Múltiple (Multiple Sclerosis) foundation – FEM, the Síndrome de Down (Down's Syndrome) foundation of Madrid, the Juan XXIII foundation, the Once foundation, Famma, Prevent, and Inserta.

Finally, as stated on the 'Talent Identification' section, Ineco takes part in different initiatives to recruit people with impairments and to improve these workers' hiring ratio within the company – one further example of the commitment that the company has with this collective.



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# Committed to the environment

Ineco is committed to a future in which environmental sustainability is a reality. As such, it is committed to adopting, supporting, and promoting fundamental values in the area of the environment, in accordance with the principles governing the United Nations Global Compact.

The company contributes to sustainable development through its environmentally responsible behaviour, thus minimising the environmental impacts resulting from its activity.



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## Environmental management system

Ineco has a certified environmental management system in accordance with UNE-EN ISO 14001:2004 Standard, based on three basic aspects: prevention of pollution, compliance with environmental legal requirements, and the continuous improvement of the company's treatment of the environment.

In addition to carrying out the control, follow-up, and measurement of

environmental performance, the company works to share with the whole organisation the measures to improve the use of resources, reduce the fuel consumption of employees' vehicles in the performance of their activities, identify environmental aspects resulting from international activity and promote the responsible use of resources.



## Responsible use of resources

Ineco's commitment to improving competitiveness and sustainability means that it carries out specific initiatives aimed at mitigating negative environmental impacts. In this regard, the company has different energy efficiency and resource-optimising devices and launches awareness-raising campaigns for the proper use of resources (encouraging the recycling of paper, reduced printer use, submitting documents digitally, etc.).

As a responsible organisation that is aware of the importance of involving everybody in the respect for nature, the company also shares best environmental practices with its employees, as well as the results of environmental management. As such, it makes the Environmental Thermometer available to the organisation, through its corporate intranet. Updated quarterly, its objective is to present data related to total electricity consumption, fuel consumption both by vehicles and heating, paper consumption, the energy efficiency of vehicles, and data on waste and emissions.

### **Ineco has implemented the following initiatives aimed at a more efficient use of resources:**

- Installation of light sensors in the meeting rooms and LED lighting fixtures in Ineco's central headquarters.
- Installation of electrical switches and timers on each floor of the Egeo Building.
- Use of water-saving devices: dual-flush devices in cisterns, motion sensors and timers in taps.
- Photovoltaic electrical production in the installation in the roof of Ineco's central headquarters at Pº Habana of 74 GJ (20,429 kWh) and maintenance of solar panels for the production of domestic hot water.
- Supervision of the use of the building's air conditioning system, with the aim of optimising its consumption of resources.
- Limitation of the temperature to that established in the implementing regulations (do not exceed 21°C in winter, when use of heating is necessary).
- Displaying of informative signs in all floors of the central headquarters, indicating the legal temperature limits in air-conditioned areas.
- Installation of water, energy, and heating oil consumption meters in the heating facility of Pº de la Habana in order to evaluate its energy efficiency.
- Implementation, for employees, of the Carpooling tool to reduce the effects of Ineco's carbon footprint.
- Publication of a vehicles policy that, amongst other conditions:
  - Encourages the use of public transport and shared vehicle use.
  - Establishes criteria for purchasing vehicles in which consumption and the environmental impact takes precedence, as well as the cost.
  - Promotes the progressive incorporation of green vehicles.
- Progressive replacement of the fleet of vehicles by others of lower consumption (all vehicles must have an energy label and, wherever possible, they should be class A or B).
- Relocation of staff to central and temporary offices to optimise space.
- Broadcasting of awareness campaigns developed in recent years (encouraging the recycling of paper, a reduction in the printing of documents, and digital submission of documents to clients, savings in light and water consumption, and efficient driving). Publication of best environmental practices through the intranet.
- Installation and promotion of video-conference systems and online meetings.

As a result, the company has achieved the following:

Savings of 5% in the water consumption of the central headquarters

Savings in paper consumption of 14%  
(4% reduction in paper consumption per employee)

58% reduction in toner cartridges

18% decrease in electricity consumption

18% reduction in heating fuel consumption

19% reduction in fuel consumption

10% reduction in flight distances

14% reduction in air-equivalent CO<sub>2</sub> emissions

# Consumption data

## WATER

Water consumption in the central headquarters (total in P<sup>o</sup> Habana)

### YEAR / WATER CONSUMPTION (M<sup>3</sup>)



Average water consumption in the main offices (m<sup>3</sup>/employee)

### AVERAGE WATER CONSUMPTION IN THE MAIN OFFICES (M<sup>3</sup>/EMPLOYEE)

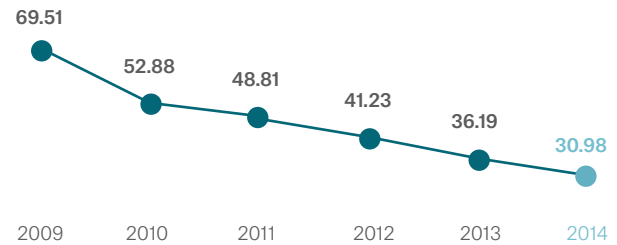


\* Main offices in Madrid

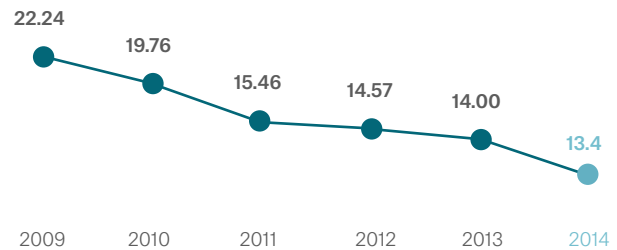
## PAPER

Paper consumption (in total)

### PAPER CONSUMPTION (T)



### AVERAGE PAPER CONSUMPTION PER PERSON (KG)



## TONER

Toner consumption (total)

### TONER CONSUMPTION (TOTAL)



\* 2010 to 2012 data are displayed in units and not kg (2010, 1004 units; 2011, 814 units; 2012, 907 units)

## ELECTRICAL ENERGY

Electrical energy consumption (total in Ineco headquarters)

### YEAR/ ELECTRICITY CONSUMPTION (GJ)



## HEATING FUEL

Total consumption of heating fuel in the central headquarters

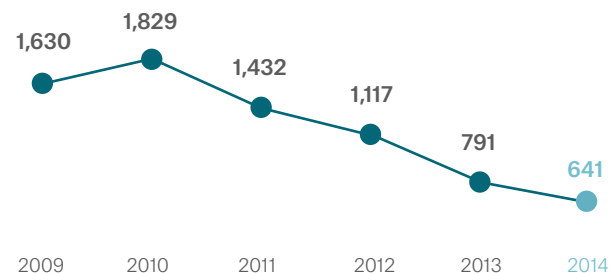
### HEATING OIL CONSUMPTION (LITRES)



## VEHICLE FUEL

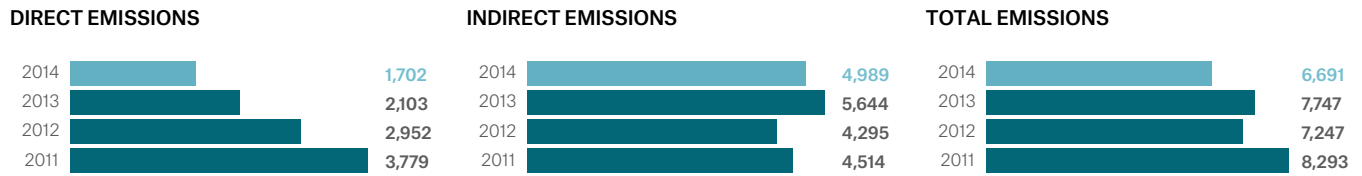
Consumption of vehicle fuel

### VEHICLE FUEL CONSUMPTION (THOUSANDS OF LITRES)



## TOTAL DIRECT AND INDIRECT EMISSIONS

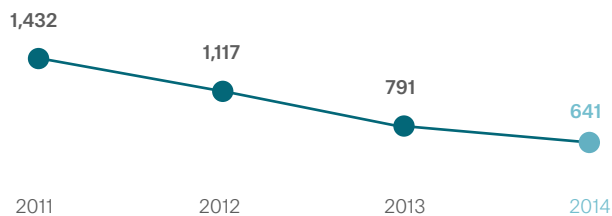
Total direct and indirect emissions of greenhouse gases



## WASTE

Total weight of (hazardous and non-hazardous) waste generated

### AMOUNT OF HAZARDOUS WASTE MANAGED (KG)



### AMOUNT OF NON-HAZARDOUS WASTE (KG)

#### DOMESTIC



#### CONTAINERS



#### PAPER AND CARDBOARD



\* Values of the headquarters (Egeo Bull and P Habana)

## INDIRECT ENERGY CONSUMPTION

Flights and train journeys

### ✈ TOTAL KM TRAVELLED BY PLANE



### ✈ TOTAL KM TRAVELLED / PERSON BY PLANE



### 🚆 TOTAL KM TRAVELLED BY TRAIN



### 🚆 TOTAL KM TRAVELLED / PERSON BY TRAIN







## Respect for the environment in all of our solutions

In its projects, Ineco also incorporates environmental criteria through its support for the initiatives linked to the responsible management of the environment.

In this regard, the company has Best Environmental Practice Guidelines that it expanded in 2014, as well as an action procedure that defines the preventive measures necessary to avoid environmental accidents, and the steps to follow if they occur.

Furthermore, in its commitment to innovation in developing solutions that respect the environment, the company's participation in R&D projects related to sustainable development is notable. These projects have a positive impact on climate change:

- **SONIC BOOM:** the sonic boom effect associated with the Doppler effect in high speed rail tunnels.
- **SESAR** (Single European Sky ATM Research): implementation, by 2020, of a high performance European ATM network.
- **MINOXSTREET:** in the framework of the Life programme with the European Commission. Its objective is to achieve the efficiency of catalytic technologies to reduce levels of nitrogen oxide in urban environments.
- **ARID-LAP:** development of technological solutions that minimise or prevent the impact of arid climates on high performance rail infrastructure.
- **SATISFIED** (SAT Improved Use of Flight Corridor for Emissions Reduction): evaluation, through test flights, of the benefits obtained from the planning of flexible routes in the EUR/SAM corridor by airlines.
- **OPTA-IN** (Optimized Profile Descent Approach-Implementing Windows): improvement, implementation, and dissemination of the continuous descent approach solutions that can be developed in the ATM operating environment.
- **SMART** (Shared Monitoring Alert and Reaction Tracking – Oceanic): evaluation of the reduction of CO<sub>2</sub> emissions as the result of optimising the use of weather information, and the position and integration of flight plans.

Infrastructure consultancy and engineering necessarily include environmental, water, and waste solutions. Ineco provides sustainability and environmental impact studies, consultancy services for waste management, the implementation, maintenance, and auditing of environmental management systems, acoustic insulation and air pollution reduction plans and projects, landscaping, environmental and geographic information systems, environmental engineering and management, environmental follow-up and surveillance in works, as well as environmental management.

A large teal graphic on the left side of the page, consisting of a large triangle pointing downwards and a smaller rectangle to its right.

## Committed to our suppliers

Suppliers play a vital role in good business management due to the impact they have on the quality of the products and services a company provides. Therefore, in line with its mission to make its processes more efficient, Ineco has a mutually beneficial relationship with its suppliers, based on confidence and respect, through fluid, constant, efficient communication.

The company ensures its suppliers meet the conditions set out in its agreements and that they operate in line with its Corporate Responsibility Policy and Integrity, Transparency and Commitment Standards.

# Communication, equality and transparency

The principles that govern Ineco's internal procurement standards are as follows:

- **Principle of advertising:** Ineco publishes competitive bids on its website. In addition, Ineco's procurement processes are published on the State Procurement Platform, regardless of other additional advertising media specified in the case of contracting arising from management requests.
- **Principle of concurrence, equality and non-discrimination:** the company guarantees free access to its procurement process for all companies; the description of the subject matter of its agreements will be non-discriminatory; equal access for all the economic operators of all European Union member states; mutual recognition of degrees, certificates and other diplomas; and the prohibition of providing information in a discriminatory manner, which could give certain bidders an advantage over others.
- **Principle of transparency:**
  - All participants will have prior access to the terms and conditions of the agreement they are bidding for.
  - The bid submission deadlines set should be sufficient to allow companies to assess and make their bids.
  - The objective criteria that bids will be evaluated on will be set out accurately in advance.
  - The body tasked with making the award proposal and the body with the authority to award the agreement will be made clear in advance.
  - The agreement will be granted to the most economically advantageous bid, in accordance with the objective assessment criteria set out.

- **Principle of confidentiality:** The terms and conditions of Ineco's agreements include a confidentiality clause that suppliers are required to adhere to.

## **Procurement of works, supplies and services in 2014:**

The total procurement outlay in 2014 came to € 59,654,881.19. However, Ineco is fully committed to contracting local suppliers in an effort to have a positive impact on the economy of the areas in which it carries out its projects. Indeed, on an international level, Ineco's outlay on subcontracting came to € 5,580,223.07 in 2014 14,38% of its total subcontracting outlay.









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# Annex I

Balance sheet

<b>Assets</b>	<b>2014</b>	<b>2013</b>
<b>Intangible fixed assets</b>	<b>€ 680,951</b>	<b>€ 540,010</b>
IT applications	€ 680,951	€ 540,010
<b>Tangible fixed assets</b>	<b>€ 9,124,918</b>	<b>€ 10,280,225</b>
Land and buildings	€ 7,019,404	€ 7,409,216
Technical installations, machinery, tools, furniture and other tangible assets	€ 2,105,514	€ 2,871,009
<b>Long-term investments in Group and other related companies</b>	<b>€ 1,508,925</b>	<b>€ 1,414,864</b>
Equity instruments	€ 1,508,925	€ 1,414,864
<b>Long-term financial investments</b>	<b>€ 841,441</b>	<b>€ 1,012,539</b>
Derivatives	-	€ 25,090
Other financial assets	€ 841,441	€ 987,449
<b>Deferred tax assets</b>	<b>€ 5,382,782</b>	<b>€ 7,583,506</b>
Total non-current assets	€ 17,539,017	€ 20,831,144
<b>Inventories</b>	<b>€ 73,831</b>	<b>€ 59,164</b>
Advance payments to suppliers	€ 73,831	€ 59,164
<b>Trade debtors and other accounts receivable</b>	<b>€ 101,857,699</b>	<b>€ 80,997,088</b>
Clients for sales and services rendered	€ 70,625,360	€ 45,206,843
Clients, Group and other related companies	€ 27,137,223	€ 34,037,377
Sundry receivables	€ 611,765	€ 274,346
Payroll	€ 104,182	-
Current tax assets	€ 3,379,169	€ 1,478,522
<b>Short-term investments in Group and other related companies</b>	<b>€ 32,491</b>	<b>€ 30,369</b>
Other financial assets	€ 32,491	€ 30,369
<b>Short-term financial investments</b>	<b>€ 546,401</b>	<b>€ 1,051,545</b>
Credits to companies	€ 378,305	€ 152,661
Debt securities	€ 22,667	€ 112,748
Derivatives	€ 124,752	€ 69,007
Other financial assets	€ 20,677	€ 717,129
Short-term accruals and deferred income	-	€ 105,188
<b>Cash and cash equivalents</b>	<b>€ 48,768,088</b>	<b>€ 55,799,194</b>
Cash	€ 38,768,088	€ 40,825,018
Cash equivalents	€ 10,000,000	€ 14,974,176
Total current assets	€ 151,278,510	€ 138,042,548
<b>Total assets</b>	<b>€ 168,817,527</b>	<b>€ 158,873,692</b>

Equity and liabilities	2014	2013
<b>Shareholders' equity</b>	<b>€ 83,521,735</b>	<b>€ 82,705,389</b>
<b>Capital</b>	<b>€ 8,250,660</b>	<b>€ 8,250,660</b>
Subscribed capital	€ 8,250,660	€ 8,250,660
<b>Share premium</b>	<b>€ 12,857,007</b>	<b>€ 12,857,007</b>
<b>Reserves</b>	<b>€ 58,045,121</b>	<b>€ 58,045,121</b>
Legal and statutory	€ 1,650,132	€ 1,650,132
Other reserves	€ 56,394,989	€ 56,394,989
<b>Profit for the year</b>	<b>€ 4,368,947</b>	<b>€ 3,552,601</b>
<b>Grants, donations and bequests received</b>	<b>€ 64,848</b>	<b>€ 146,435</b>
Total equity	€ 83,586,583	€ 82,851,824
<b>Long-term provisions</b>	<b>€ 1,553,455</b>	<b>€ 1,735,694</b>
Other provisions	€ 1,553,455	€ 1,735,694
<b>Long-term payables</b>	<b>€ 372,543</b>	<b>€ 739,377</b>
Other financial liabilities	€ 372,543	€ 739,377
<b>Deferred tax liabilities</b>	<b>€ 154,232</b>	<b>€ 205,897</b>
Total non-current liabilities	€ 2,080,230	€ 2,680,968
<b>Short-term provisions</b>	<b>€ 10,881,039</b>	<b>€ 10,604,443</b>
<b>Short-term payables</b>	<b>€ 461,798</b>	<b>€ 116,477</b>
Derivatives	€ 292,729	€ 12,735
Other financial liabilities	€ 169,069	€ 103,742
<b>Short-term payables to Group companies and associates</b>	<b>€ 36,018</b>	<b>-</b>
<b>Trade creditors and other payables</b>	<b>€ 71,771,859</b>	<b>€ 62,619,980</b>
Suppliers	€ 13,417,562	€ 9,787,456
Suppliers, Group and other related companies	€ 62,064	€ 82,708
Sundry payables	€ 19,006	€ 36,961
Payroll (accrued salaries and wages)	€ 4,657,023	€ 2,823,486
Other taxes payable	€ 7,610,472	€ 7,427,356
Advance payments from clients	€ 46,005,732	€ 42,462,013
Short-term accruals and deferred income	-	-
Total current liabilities	€ 83,150,714	€ 73,340,900
<b>Total equity and liabilities</b>	<b>€ 168,817,527</b>	<b>€ 158,873,692</b>

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## Annex II

Profit and loss account



Continuing operations	2014	2013
<b>Net revenue</b>	<b>€ 182,460,787</b>	<b>€ 187,455,885</b>
Sales	€ 182,357,000	€ 187,347,017
<b>Services rendered</b>	<b>€ 103,787</b>	<b>€ 108,868</b>
<b>Raw materials and consumables</b>	<b>(€ 34,984,582)</b>	<b>(€ 33,967,523)</b>
Subcontracted works	(€ 34,984,582)	(€ 33,967,523)
<b>Other operating revenue</b>	<b>€ 1,483,569</b>	<b>€ 1,249,007</b>
Non-core and other current operating revenues	€ 562,557	€ 362,092
Operating grants released to income for the year	€ 921,012	€ 886,915
<b>Payroll expenses</b>	<b>(€ 119,690,102)</b>	<b>(€ 125,666,727)</b>
Salaries, wages and other similar items	(€ 84,742,913)	(€ 89,541,830)
Employee benefits	(€ 33,278,739)	(€ 35,236,160)
Provisions	(€ 1,668,450)	(€ 888,737)
<b>Other operating expenses</b>	<b>(20,993,946)</b>	<b>(20,776,360)</b>
External services	(€ 18,558,835)	(€ 18,158,036)
Taxes	(€ 1,752,857)	(€ 967,819)
Losses, impairment and changes in trade provisions	(€ 682,254)	(€ 1,554,387)
Other operating losses	-	(€ 96,118)
<b>Fixed assets depreciation and amortization</b>	<b>(€ 1,597,598)</b>	<b>(€ 1,810,879)</b>
Impairment losses and gains/losses on disposal of non current assets	-	(€ 26,319)
Impairment and losses	-	(€ 26,319)
<b>Other profits</b>	<b>€ 208,444</b>	<b>-</b>
Operating income	€ 6,886,572	€ 6,457,084
<b>Financial income</b>	<b>€ 717,206</b>	<b>€ 857,330</b>
From interest in equity instruments		
In Group and other related companies	€ 3,119	€ 2,152
From negotiable instruments and loans on fixed assets		
From third parties	€ 714,087	€ 855,178
<b>Financial expenses</b>	<b>(€ 116,551)</b>	<b>(€ 165,521)</b>
From payables to third parties	(€ 116,551)	(€ 165,521)
<b>Changes in the fair value of financial instruments</b>	<b>(€ 249,340)</b>	<b>€ 81,362</b>
Trading book and others	(€ 249,340)	€ 81,362
Exchange differences	€ 973,357	(€ 1,630,436)
Financial (expense) income	€ 1,324,672	(€ 857,265)
Profit before taxes	€ 8,211,244	€ 5,599,819
Corporate income tax	(€ 3,842,297)	(€ 2,047,218)
Profit for the year from continuing operations	€ 4,368,947	€ 3,552,601
<b>Profit</b>	<b>€ 4,368,947</b>	<b>€ 3,552,601</b>



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