We in business group GMV believe that behind each new need, behind each new problem, lie a challenge and a chance to innovate. Technology is not an end in itself; it is the means to make something new or make something old better. In GMV we draw on our existing range of products and services or, if need be, we develop completely new ones to meet the specific and singular needs of our clients, furnishing tailor-made innovation and technology. We take on our clients’ challenges as our own, spurring us on to new heights of innovation.

GMV goes even beyond the requisites of its clients, exploring their real needs with a total readiness to seek solutions. This allows us to come up with the right response, often imaginative, sometimes unique and always honest.
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In 2007 GMV kept up a similar growth rate to previous years. Turnover increased to over 77 million euros, a 16% rise on the previous year. EBITDA grew by almost 20%, reflecting GMV’s fine performance in all its activity sectors. It also bears out the success of its three-pronged growth strategy: firstly, ongoing improvement of our products and services in current business sectors; secondly, diversification by developing groundbreaking products for new sectors, tapping into our technological skills and know-how; thirdly, breaking into new worldwide markets.

Crucial to the success of this whole strategy is the GMV brand. This year we made a special effort to promote it, not only among our clients, who know us well and judge us from the products and services we furnish them with, but also among the public at large. Mindful that GMV’s growth is driven by the work, talent and ideas of our staff, we have held courses and competitions in collaboration with universities and other science- and technology-related organizations, all with the aim of making ourselves better known among the engineers of the future and youngsters interested in the world of technology.

GMV is a company that invests heavily in R&D, enabling us to keep abreast of market trends, pinpoint new business opportunities and anticipate the emerging technology needs of our clients. We are thus able to develop new solutions and products in a great variety of sectors, whose common denominator is cutting-edge technology. Examples of new developments undertaken or continued this year include the following: insightArthroVR®, our arthroscopy surgery simulator; the osmógrafo (osmograph), a system to determine the olfactory range of sniffer dogs in K9 search and rescue teams; services based on tracking and mobile communications, as precursors of the systems that every driver will have in the future under the MARTA project; and atlas, a BlackBerry free push email system using the Linux operating system, to mention only a few. Nor should we forget the ongoing development of our satellite-control products, which continued to win over new clients worldwide in 2007.
Another aspect of our growth strategy is the takeover and integration of firms developing technology complementary to GMV’s and possessing a similar business philosophy based on the pursuit of excellence. In 2007, for example, we purchased a controlling stake in Masisconvi S.A., Spain’s leading company in electronic fare collection and passenger-control systems. This year we also completed the purchase of the shares of Skysoft, our Portuguese subsidiary, now wholly owned.

By the end of 2007 GMV boasted a 900-strong staff in all the subsidiaries and offices spread around Spain, Portugal and the USA, all working towards the uninterrupted growth of GMV. In Spain we have opened a new office in Valencia and, very recently, another in León, while extension work undertaken in our head offices in Tres Cantos, Madrid, to be opened in July 2008, will house new and modern facilities and provide an attractive working environment for our ever-growing staff.

In 2008 we intend to continue working towards the goal of making GMV an increasingly global business group, attracting and stimulating the best professionals, working with our partners and collaborators to meet and excel the expectations of our clients.

Thanks for accompanying us in this endeavor,

Mónica Martínez
LETTER FROM THE CEO
LUIS MAYO

In 2007, as in previous years, GMV’s overriding aim was client satisfaction. In pursuit of this aim we provided them with an ever widening range of products to meet their needs in our areas of specialization. On the strength of this ongoing effort we clocked up a 12% turnover growth; this organic company growth was rounded out with the incorporation of Masisconvi’s particular product range into our portfolio after purchasing a controlling stake in this company. Total company growth thus topped 16%. Furthermore, profit margins have held steady, resulting in an 11% rise in consolidated net profit.

Nonetheless, the really eye-catching feature of the year, in my view, was not so much the company’s upbeat profit trend but rather the successful effort to offer our clients a fissureless, across-the-board service by continually broadening our product range. In the transport sector, for example, the takeover of Masisconvi added its line of electronic fare-collection systems to our range of solutions for passenger transport operators, while our fleet-management products have been adapted to the railway world, with notable success to judge from the contracts awarded to the company by the Spanish railway network, Renfe. In the ICT sector the development of new products such as atlas opens up new possibilities in our collaboration with Vodafone, while our expertise has also been spread further afield to the media sector with our work for Havas Group. In the defense and security sector we have opened new lines of business with a promising future, such as the development of sniper detection systems for the European Defence Agency (EDA) or the development of the osmograph, a potentially life-saving technology in the aftermath of major catastrophes. In the space sector special mention must be made of the first ever award to GMV of a complete ground control system for a commercial telecommunications satellite, Brasilsat’s StarOne, including not only the TT&C station but also the control center. GMV’s R&D outlay increased sharply in 2007, by nearly 50% on the previous year. This shows that, despite the year’s excellent results, we have refused to rest on our laurels and have tried to lay down the bases of sustainable growth in the future.

We have also kept up the ongoing effort to internationalize our business. The subsidiaries in Portugal and the USA continue to thrive while GMV has also successfully broken into the Southeast Asia market, where we have won important contracts in Malaysia for a coastal network of DGPS stations and for the control center of the Measat operator. Neither should we forget the handover of the electronic fare collection systems and initial fleet management system in Montevideo or the aforementioned contract award by Brasilsat.

We are convinced that the effort to develop new technologies and products and the increase of the company’s worldwide profile are crucial to GMV’s future prospects. In 2008 we have therefore continued to work on both these fronts, continually challenging our staff to come up with groundbreaking solutions to our clients’ problems and anticipating the up-and-coming demands of all the sectors we trade in, while remaining on the lookout for new opportunities in the worldwide market. It is therefore our intention to keep up the R&D investment levels. In 2008 we will also reinforce our team by designating a professional to handle our business
in the markets of Central and Eastern Europe. In the coming years these countries are likely to be a seedbed of business opportunities as they strive to bring their development into line with their new European partners. This will present us with chances to sell our products and also provide us with a nursery of new professionals to keep pace with GMV’s expected growth rate.

In 2008 we will continue to be a knowledge-intensive company whose main resource is its personnel. We will therefore keep up our effort to find and recruit the best personnel wherever they may be while continuing to develop and extend our training programs. With the best technicians and executive teams behind us, we are confident of being able to ride out any economic storms that might be looming this year.

Lastly, I cannot pass up this chance to thank everyone for their collaboration, including not only our employees but also our partners, suppliers and clients and all other related organizations and persons. We are convinced that the firm must continue to play a social role over and beyond the duty to its shareholders. Ever mindful of our debt to society, we are determined, with the collaboration of all concerned, to spread the benefits of our activity further afield and repay society for all we receive from it.

For yet another year, many thanks to all concerned.

Luis Mayo
GMV was born in 1984 as fruit of the business initiative of Professor Dr. Juan José Martínez García. From the word go GMV centered on the space and defense sector, taking its first steps in fields like mission analysis, flight dynamics, control centers, satellite navigation or simulation, all areas in which GMV is nowadays a leading light internationally. It started out with a small group of engineers that won a contract for ESA’s European Space Operations Centre (ESOC) in an open international tender. GMV then went from strength to strength, growing into a solid firm boasting a 100-strong staff by the late eighties. It participated actively in ESA’s first space missions and provided highly specialized services for the main international satellite manufacturers and operators. In a few short years the sheer quality of its work won GMV a cast-iron reputation in the European space sector. In 1988 it was declared to be a Center of Excellence in Orbital Mechanics by the European Space Agency.
In the early nineties GMV decided to branch out into other sectors by way of technology transfer. This gave rise to new business lines in the transport and telecommunication sectors and in the application of information technologies for the public sector and companies in general. By breaking into these new areas GMV became a trailblazer in fields like internet or satellite navigation applications, still in their infancy in those days. GMV installed the first computer firewall system in Spain and set up Spain’s first SMS-Internet gateway. In the transport field GMV became a pioneer in Spain in intelligent transport systems with the development of the first GPS-based fleet tracking and management systems. The company thus began to transfer to other markets the experience built up in the space sector in control centers, geographic information systems (GIS), satellite navigation, telecommunications and data networks. It was also during the nineties that GMV consolidated its position in the defense market, especially in the fields of command and control systems, military applications of satellite navigation systems and simulation.

By the end of the nineties GMV’s diversification process had been successfully negotiated and its staff had built up to almost 300. The turnover now topped 20 million euros, of which about 50% came from sectors like transport, telecommunications and information technologies.

In 2001 the founder and president of GMV, Professor Juan José Martínez García, passed away. This led to a change in the executive structure of the business group GMV. The presidency of the group was taken on by Dr. Mónica Martínez Walter while Luis A. Mayo Muñiz took over the responsibility for general executive management.

In the following years GMV entered upon a new stage with a twofold objective: firstly to maintain its business independence and secondly to develop a future plan that would guarantee ongoing profitable growth both in its traditional areas and the new ones. A big investment was therefore made in the development of new products and solutions in space, defense, transport and information technologies; the decision was also taken to break into new sectors and an ambitious program was unfurled for internationalizing the long-standing business lines.

As a result of this international expansion policy GMV took a crucial step forwards in 2004 with the creation of its US-based subsidiary, thus becoming a company trading in two continents. The new subsidiary focused on the US aerospace market with the aim of carving itself out a niche as a tried and trusted supplier of the US industry and institutions of the sector.

In May 2005 the business group GMV confirmed its strategy of international growth and development with the purchase of a 58% stake in Skysoft, a Portuguese firm with business lines and target markets very similar to those of GMV.

GMV’s new corporate identity was officially launched in September 2006, to bring it into line with the actual situation of the business group GMV. The group had by now broken into many new sectors and expanded its business internationally. To make sure the corporate brand did not lag behind this new situation we decided to carry out a thoroughgoing overhaul of the group’s identity, unifying all the corporate brands under a single denomination. All the subsidiaries now have the new GMV brand as a single corporate identity.

In June 2007, GMV completed the purchase of a 66% stake in Masisconvi, S.A., a company specializing in the design, development, manufacture and marketing of electronic fare collection systems, using cutting-edge technology. This gave it effective control of the company and ensured its right to purchase the rest of the company’s capital. The inclusion of Masisconvi’s ticket-issuing and -processing technology allowed GMV to round out its range of passenger transport telematics, traditionally focused on fleet management systems.

In 2007 GMV also completed the 100% purchase of Skysoft, enabling it to knit the firm’s operations more closely into the group structure.

Our track record bears us out: with nearly 25 years of history behind it, GMV has evolved from a small aerospace engineering company into a business group with a 1000-strong staff trading in various hi-tech sectors and boasting a healthy international client portfolio.
Our goal is to support our client’s processes by dint of technologically advanced solutions, providing integrated systems, specialized products and services covering the whole life cycle. These range from consultancy and engineering services up to the development of software and hardware, the integration of turnkey systems and operational backup.

Technological development is now accelerating at breakneck speed and change has become the byword of modern life. The institutions and companies making up our markets are therefore obliged to innovate continually to cater for these changes and rise continually to new challenges. New needs for improvement, new processes or operational problems crop up every day. Innovation, the incorporation of new technologies, is no longer just an opportunity to stand out from the pack; it has now become a must to avoid slipping back in the race.

In GMV we are firmly of the belief that behind every new need, behind every new problem, lie a challenge and a chance to innovate. Technology is not an end in itself; it is the means for making something new or something old better. In GMV we draw on our range of existing products and services or, if necessary, we develop completely new ones to meet the specific and singular needs of our clients, furnishing tailor-made innovation and technology. We take on our clients’ challenges as our own, spurring us on to new heights of innovation.
A NEW FORWARD-LOOKING BRAND

GMV has recently broken into many new sectors and expanded its business internationally. To make sure the corporate brand did not lag behind this new reality GMV decided in 2006 to revamp the whole group’s corporate image. The new image captures the essence of our range of products and services and conveys the image of a well-knit multinational business group working in many different technological sectors, all pulling together towards the same forward-looking aim of onward growth. The new image draws on this common denominator to create a unified image in keeping with the strategy, culture and common roots of the whole group: continual innovation, unstinting desire to improve, keenness for challenge and leadership in technological excellence.

Throughout 2007 an ambitious communication and marketing campaign plan was carried out to set up the new corporate image, with publicity in specialized media of the sectors GMV trades in and widespread participation in trade fairs, congresses and award schemes, etc. Furthermore, no effort was spared to up its profile in the conventional and digital media.

Worthy of particular mention here is GMV’s membership of the Leading Brands of Spain Forum (Foro de Marcas Renombradas Españolas) to join another eighty outstanding Spanish brands.
GENERAL DEVELOPMENT AND TRENDS

In 2007 the business group GMV posted a turnover of 77 million euros, a 16% increase on 2006. Twelve percentage points of this growth came from within the present structure, without allowing for GMV’s takeover of the Masisconvi company. This increase in GMV’s turnover is the result of joint growth in all the business lines in which GMV’s various subsidiaries operate. All these subsidiaries outstripped their turnover growth forecasts for the year.

Despite GMV’s expansion into other sectors, the space sector continues to account for the biggest share of its turnover (47%) and net profits. In 2007 GMV held onto its ranking as the world’s second biggest supplier of satellite control systems. By the end of 2007 over 100 satellites of the world’s main manufacturers were basing their operations on GMV-supplied systems. In this year GMV signed supply contracts with telecommunication satellite giants such as INTELSAT, SES Astra and Globalstar; this means that GMV now boasts an enviable portfolio of clients including all the major international space agencies and operators, with systems deployed in 15 countries and 5 continents. GMV kept up its healthy contract-winning rate of the previous year, holding onto its position as third biggest participator in the development of the Galileo system and the biggest in Spain. GMV is also responsible for developing the critical systems of the ground segment. In the previous year GMV’s US subsidiary’s won contracts with clients as important as NASA and Lockheed Martin. After these landmark successes GMV became the only European firm whose flight-dynamics and satellite-control systems are being simultaneously used in Europe and in the USA: in Europe at the operations center of ESA, EUMETSAT and CNES and in the USA at NASA’s Goddard Space Flight Center. To these feats must now be added the supply contract of the complete ground control segment of BrasilSat’s StarOne 1C. At the same time GMV made further significant progress in the ESA’s main exploration and advanced technology programs, such as Aurora, CSTS, Exomars, IXV, Proba-3, and NEXT.

In the defense sector GMV pulled off a significant international feat by winning its first contract with the European Defence Agency (EDA) for developing a groundbreaking sniper detection and localization system. In the national arena GMV, as benchmark supplier of Spain’s armed forces, continued its outstanding development work on diverse
command and control systems, electronic warfare and information technologies. Pride of place here goes to the development of Spain’s Future Combat System (Combatiente del Futuro) and the successful handover of the crucial I*NET project for supplying the secure internet access node for the Spanish Ministry of Defense.

In the aeronautics sector GMV is going from strength to strength, especially under the aegis of its collaboration with EADS-CASA, for which it has been one of the preferred suppliers of on-board software since the previous year. In terms of future prospects, special mention must go to GMV’s participation in the inflight refueling system of the Airbus A-330 MRTT (“Multi Role Tanker Transport Aircraft”), which took its maiden flight in December.

It is without doubt the transport sector that has chalked up the biggest growth in 2007. This is due not only to the strategic acquisition of a controlling stake in the company Masisconvi but also to the winning of many important contracts in road- rail- and sea-transport. Especially important here were the two major contracts won with Renfe for the supply of train-management and passenger-information systems for its long-haul and goods railway systems. Both contract awards are important not only in terms of sheer size and scope but also because they give GMV a much firmer footing in railway transport telematics, won in the face of fierce open competition. Moreover the ongoing internationalization efforts in this sector are now bearing fruit. Quite part from the higher international profile given the firm by Masisconvi’s sales in South America and North Africa, GMV itself was selected late in the year, together with its Malaysian partner ATSB, for supplying a network of DGPS stations in Malaysia.

In the sector of information and communication technologies (ICTs) GMV has traditionally been supplying advanced solutions and services in the areas of information security, ICT integration and mobility solutions for the public sector, large corporations, banks, insurance companies and telecommunications operators, but it is now managing to widen its customer base significantly. New customers as important as Havas Group have now been added to GMV’s portfolio, greatly enhancing its international projection. GMV has also continued to increase its business for the public sector, carrying out eyecatching projects in the development and setting up of email platforms and portals for diverse government authorities, including the Ministry of the Interior, the Regional Council of Andalusia, the Regional Council of Castilla y León and the Instituto Cervantes. Neither has there been any flagging in the investment effort to develop new products. Past successes here included the ATM security hardening product, checker®. In 2007 the company managed to build on this success by developing the product called “Atlas”, which provides push email on Blackberry handhelds supported by open source servers. GMV achieved a promising exclusive sales agreement for this product in Spain with Vodafone.
In the healthcare sector GMV obtained the first important sales of its arthroscopy surgery training simulator insightArthroVR®; great strides were also made in the international distribution of this product. The worldwide insightArthroVR®-distribution agreement reached between GMV and Immersion Medical Inc, world leader in the marketing of medical simulation products, bodes well for the future in this field. Investment in upgrading this product was also stepped up this year, while other highly promising products were also brought on line, such as the intraoperative radiotherapy planner.

Taken as a whole, the business group GMV once more recorded a sharp growth rate in 2007 in all the sectors it trades in and continues to reap the fruits of its product-development investments in recent years. GMV has not only grown but has also improved its competitive position across the board. It has made further inroads abroad and continues its strategy of permanent expansion of its business lines and products on the back of its R&D policy. Moreover, the upbeat 2007 results show that its strategic decision taken the previous year to establish a single strong brand has fuelled a significant growth in all the business lines of group GMV and looks likely to continue to do so in the future.

Besides the appreciable organic growth of all GMV’s business lines, there has also been notable takeover-fuelled growth in 2007. The purchase of a controlling stake in Masisconvi has broadened GMV’s telematic transport range with the addition of electronic fare collection systems. This will allow GMV to offer an across-the-board service in the transport market. It also completed the 100% takeover of Skysoft after taking a controlling stake in this company in 2005, enabling it to integrate its operations more fully with those of the rest of GMV’s companies.

**MAIN FIGURES**

- Turnover: 77 M€
- EBITDA: 8,1 M€
- EBIT: 5,6 M€
- Net profit: 3,7 M€
- Number of employees: 901
GMV provides integrated systems, specialized hi-tech products and services. Its activities take in the whole life cycle of the system, ranging from consultancy and engineering services up to the development of software and hardware, the integration of turnkey systems and operational backup. These products and services are supplied through its various subsidiaries to eight different sectors: Aeronautics, Defense, Space, Healthcare, Security, Information Technologies for the Public Sector and Large Corporations, Telecommunications and Transport.
GMV works for the main manufacturers of the aeronautics sector as well as organizations like AENA (Spanish Airport and Air-Navigation Authority) and Eurocontrol as a specialist in engineering, development of aeronautics software and systems under the strictest quality standards. The most important areas of activity for the aeronautics sector are the following:

- Development of safety-critical systems and software under the standard RTCA DO-178
- Development of onboard software for certifiable avionics systems
- Development of experimental systems and equipment
- Integration of flight testing platforms
- Navigation systems
- GNSS Infrastructure (SBAS, GBAS, LAAS)
- Backup systems for air traffic control
- Simulators
- Testbeds
- Aeronautics telecommunications
In 2007 GMV consolidated its relation with Eurocontrol. The start of the year saw the final handover of the GNSS NOTAM project. This GMV-led project has defined the requisites of the future European system for generating NOTAMs associated with the use of GPS+EGNOS-based landing and approach procedures. At the end of the year Eurocontrol awarded the EURONOTAM contract to a GMV-led consortium, as a continuation of the abovementioned project. This latter contract is of great importance because it is the precursor of the operational tool to be used by Eurocontrol in the future for Europe-wide generation of NOTAMS and it also allows GMV to work and liaise with GroupEAD, the company in charge of providing the aeronautical information service to the whole of Europe through the EAD database ("European Aeronautical Information Services Database").

At the start of the year the DIANA project kicked off ("Distributed equipment Independent environment for Advanced avioNic Applications"), a project financed within the European Commission’s 6th Framework Programme and carried out by a consortium of companies led by GMV’s Portuguese subsidiary, Skysoft, bringing together several of the main worldwide stakeholders in the area of modular integrated avionics. The project represents the first step taken at world level towards the creation of an improved integrated modular electronics (IME) platform to offer secure execution and distribution in virtual machines for avionics applications.

In May GMV’s Portuguese subsidiary, Skysoft, presented in ESTEC the results of the AIR project within the European Space Agency’s “Innovative Triangle” initiative. The aim of the Skysoft-led project is to study the feasibility of real-time space and time partitioning of the operating system RTEMS ("Real-Time Executive for Multiprocessor Systems") using the approach adopted in the standard ARINC 653. This project is proof of the degree of maturity and experience built up by GMV in ARINC 653 systems of modular avionics and in the real time operating system RTEMS.

NOTAMs (Notice to Airmen) are informative notes sent by the air-navigation services provider of each state (AENA in the Spanish case) to alert all airspace users of any potential flight security threat, such as the unavailability of a GPS+EGNOS-based approach and landing procedure due to a problem in the system.
In 2006 GMV was officially listed by EADS-CASA as preferred supplier of onboard software, after several years of providing this service on an ad-hoc basis. This enabled it to step up its development of aeronautical safety-critical software in 2007. In particular, GMV is developing safety-critical software for the EADS-CASA air-to-air refueling control unit (“Tail Boom”) for the Airbus A-330 MRTT (“Multi Role Tanker Transport Aircraft”). This software has been developed with the strictest standards, such as RTCA DO-178B, with some parts in Level A, and applying the most advanced IMA (Integrated Modular Avionics) concepts and the standard ARINC 653. December saw the maiden flight of this tanker aircraft, on which GMV is working on the flight control laws (FCL) and designing and implementing the Boom Control Computing System (BCCS). It has also developed modules for the engineering and training simulators.

Further collaboration with EADS-CASA came in the context of the supply of C-295 type VIMAR aircrafts for the Portuguese Airforce. GMV’s Portuguese subsidiary began working on the development and integration of diverse subsystems both in the ground and flight segment of this aircraft’s Fully Integrated Tactical System (FITS).

As part of GMV’s ongoing collaboration with EADS’s Integrated Logistic Support, GMV developed this year a trainer of different multifunction displays of the F-18 combat aircraft. In fact GMV has been working for EADS-CASA for some years on the development of components for the simulators of other aircraft, such as the Eurofighter (ASTA simulator - Aircrew Synthetic Training Aid, and Interim Training), CN-235, C-295, etc, and also on the development of specific system trainers for some of these aircraft.
In 2007 GMV continued to work on two of the star programs of the armed forces: the Tiger attack helicopter and A400M transport aircraft.

For the A400M, under a contract with EADS-CASA, GMV is developing several simulation models for the landing gear and other aircraft systems. In the Tiger program, under a contract with Eurocopter, GMV is providing the software design, development and testing for the mission and attack computer AMCSG (Armament and Mission Computer and Symbol Generator). December saw the maiden flight of the Tiger’s HAD version (Hélicoptère d’Appui Destruction / Support Destruction Helicopter), representing a great step forward in the development of this helicopter.

In cooperation with the Spanish navy, GMV is continuing to develop SISCAR in keeping with the PAPS (“Phase Armaments Programming System”) methodology. SISCAR is a groundbreaking GPS-based instrumental approach system for use on aircraft carriers and unprepared landing strips.

In 2007 GMV also continued to participate in various international groups for aeronautical standardization and specification of approach and landing systems, the UAVs, system security and development of the standard RTCA DO-178B.

Mention must finally be made of the company’s continuing strategic investment in several aeronautical research projects. Work was completed this year on the SAFEE security project, involving a new generation of onboard threat-detection systems.
ACTIVITIES IN 2007

SPACE

GMV has won itself a position as one of the main suppliers of the international space organizations and agencies and also of the main satellite constructors and operators.

With a track record of almost 25 years behind it, GMV is one of the world’s top two suppliers of satellite control centers and one of ESA’s main contractors in this field, playing a key role in most of its space missions. GMV supplies all the following:

- Satellite control centers
- Flight dynamics systems
- Ground infrastructure of global satellite navigation systems (EGNOS and Galileo)
- Mission planning systems
- Data processing centers of earth observation satellites
- Scientific satellite operation centers
- Engineering, guidance, navigation and control
- Mission analysis services and tools
- Onboard software
- Simulator development
- Development of space applications
The various contracts won throughout 2007 consolidate GMV’s position as the world’s second biggest supplier of satellite control centers and flight dynamics systems. By the end of 2007 over 100 satellites of the world’s main manufacturers, operated by the main commercial agencies and operators, were being controlled with systems developed and supplied by GMV. In 2007 GMV signed three contracts with INTELSAT, the world’s biggest telecommunication satellite operator, for the supply of the flight dynamic system for some of its most advanced satellites. These contracts, the first ever signed with this operator, raise GMV to a new position in the worldwide ranking. GMV’s client portfolio now includes all the major operators of commercial satellites and also a host of small and medium-sized operators around the world. GMV will supply the backup software for the operations of station keeping, calibration and maneuver planning as well as the engineering, software development and maintenance for INTELSAT’s fleet of Boeing 702 satellites. At the end of the year GMV began to provide INTELSAT with orbital operations backup on its Washington D.C. site.

 Throughout 2007 GMV’s clutch of products for satellite control and monitoring (hifly®), flight dynamics (focusSuite), communications payload management (smart rings) and mission planning (flexplan) have all helped to swell its client portfolio.

In 2007 GMV became one of the main suppliers of control systems for the communication satellite operator SES Astra, winning the contract for developing the hifly®-based control system for the new satellites ASTRA 3B and NSS-12. Another key moment came mid year when the satellite control system developed by GMV for the ASTRA A1M and A2B successfully passed its acceptance tests.

GMV and SES Sirius (a company of the SES Astra group) also signed a contract for the supply of a payload management system for the Sirius-4 satellite based on GMV’s smart rings product. The system was installed at the end of the year in the Kiruna satellite tracking and control station, from where the satellite, launched in November, is being operated.

Another keynote success came in 2007 with the selection of GMV for the supply of the flight dynamics system for Globalstar’s low earth orbit (LEO) constellation of telecommunication satellites, providing mobile telephony services. The contract includes the supply of diverse components of the focusSuite product line, including focusCn, the flight dynamics system for satellite constellations, Autofocus, for automation of operations, and Visualfocus, for 2D and 3D display.
Midway through the year Eutelsat, for whom GMV has supplied the control system for its complete fleet, awarded GMV the contract for the Neo-54K project, with the remit of enlarging the Neo-SCS control system so that it can take in operations of the Spacebus 4000 family of satellites. As well as general backup of the Spacebus 4000 platform, the project involves implementation of the system for two new satellites, W2A and W7. During the year GMV also consolidated its position as the main and almost sole supplier of flight dynamics software for Eutelsat, signing a contract for the supply of a flight dynamics system for the Launch and Early Orbit Phase (LEOP). Under this contract GMV will supply and adapt the focusLEOP product for at least four of Eutelsat’s launches: HOT BIRDTM 9, W2A, HOT BIRDTM 10 and W7.

GMV successfully installed focusGEO, operational flight dynamics software for geostationary satellites, in the control center of the Malaysian satellite operator Measat. This installation, the first ever in South East Asia, provides the operational station-keeping and flight-dynamics functions for the Measat-1R satellite.

In 2007 GMV’s US subsidiary pulled off a real coup by successfully installing GMV’s flexplan product in NASA’s Goddard space station in Maryland. The flexplan product has been adapted and personalized on this occasion for use in NASA’s Lunar Reconnaissance Orbiter, LRO. This is the first ever flexplan installation in the USA, the first ever installation of operations software for NASA and the first ever contract with Honeywell, the mission coordinating firm.

Shortly afterwards focusLEO, GMV’s flight dynamics software for low-earth orbit satellites, was successfully installed in NASA’s satellite control center OCO (Orbiting Carbon Observatory) for the NASA JPL mission to be operated by Orbital Sciences Corporation. This was another first-ever installation in the US.

As fruit of the close collaboration between the personnel of Spain and USA, GMV won a new contract for adapting the flight dynamics system, focusGEO, to Telenor’s new T-6 satellite. Under this project GMV will also provide the smart rings product for managing the satellite’s payload. In this same year GMV completed the development of the flight dynamics system of the Thor-5 satellite.

GMV signed a license contract with Raytheon Co. for migrating the software backup services of the satellite ground systems, originally supplied by Raytheon for controlling Boeing satellites. Under this
agreement GMV will supply operational software and backup services for over 150 satellites of commercial operators around the world.

Throughout 2007 GMV worked steadily on the development of the operational flight dynamics systems of the complex ATV mission, culminating in the formal “ready for launch” declaration of the GMV-developed systems. In the year diverse FDS software versions were delivered and a start was made on the preparation of operations for the first Jules Verne mission.

For some time now GMV has maintained close relations with ESA’s European Space Astronomy Centre (ESAC). Through its Spanish and Portuguese subsidiaries GMV is now working on the framework science contract signed between ESTEC and GMV, taking in all the agency’s ESAC activities. GMV personnel have been posted to ESAC’s site to work on missions that are already underway (XMM-Newton) and others that are still in the pipeline (Herschel). Apart from this contract GMV’s also installed the systems developed within the SMOS mission center.

In 2007 GMV continued to forge its longstanding relationship with the European Space Agency (ESA) now dating back to 1984, taking an active part in many of ESA’s programs. Especially noteworthy here are the framework contracts of mission analysis, flight dynamics, ground data-processing systems, operations and engineering. All this has made GMV one of ESA’s prime suppliers of operational systems. GMV has also been working busily on technology development programs, spawning a good number of projects in the areas of algorithms and maneuver optimization, space system engineering, simulation, autonomy, etc.

At the same time GMV has reinforced its position in ESA’s main programs of exploration and advanced technology, such as Aurora, CSTS, Exomars, IXV, Proba-3 and NEXT. In 2007 GMV participated in the definition phases of the CSTS (“Crew Space Transportation System”) program for developing a manned vehicle for making low-earth-orbit flights to the International Space Station and the moon.

GMV, ever keen to play a leading role in advanced technologies, took part in many ESA studies in 2007, with particular stress on the application of groundbreaking space-system technologies. Witness the award in late 2007 of a project for assessing the feasibility of using deployable rotor systems for entry, descent and landing on Mars and other planets with an atmosphere. The study included a mock up to be tested in wind tunnels.
GMV also led another ESA project to study the feasibility of including antennae in the parachutes during the entry, descent and landing stages of exploration missions to improve the communication system and data capture.

GMV continued to provide backup services for the frontline maintenance and operations teams of the COROT Mission Centre (CMC) in Toulouse, as well as developing the Mission Center itself. The aim of this mission is to detect Earth-like planets and probe the inner structures of stars themselves. In 2007 it detected a new planet outside the solar system, 1.8 times bigger than Jupiter.

GMV also took part in the development of a trailblazing testbed to be used on future formation-flying missions such as Proba-3, IBDM or Xeus. This bed serves as a validation framework for various formation-flying aspects, such as multiple spacecraft, distributed software and ISL, and it will enable GMV to maintain its leadership position in one of the key technologies for future space missions.

As part of its activities within the development of real-time flight software, GMV is working in PRISMA, a technology demonstration mission for the in-flight validation of sensor technologies and guidance/navigation strategies for spacecraft formation flying and rendezvous, involving the participation of several European countries. The GMV-developed NPU (Navigational Processor Unit), to be integrated into the mission’s formation flying radio frequency (FFRF) sensor, successfully passed the preliminary design review.

In 2007 GMV’s Portuguese subsidiary, as part of its specialization in the EGSE area (Electronic Ground Support Equipment), worked on the integration of the central software - CCS (Central Checkout System) - of ESA’s GAIA mission.

In 2007 GMV’s Portuguese subsidiary, Skysoft, continued to fine tune its SANTA solution (Satellite Network Transport System) as a benchmark protocol for satellite communications. A thoroughgoing series of tests was carried out on Hispasat’s AmerHis platform using the DVB-RCS standard (Digital Video Broadcasting Return Channel via Satellite) to prioritize the connection between Spain and South America, optimizing the use capacity of available communications. SANTA has been successfully used for transmitting meteorological information to aircraft in the FLYSAFE project and in ESA’s DECISION project, in the context of the security of satellite communications for use in civil protection.
In the area of earth observation a particularly noteworthy development was the installation in GMV of a station for receiving images and meteorological products broadcast by EUMETSAT’s EUMETCast service. This station will enable GMV to receive directly a series of images and derivative products that will favor earth investigation projects, one of GMV’s longstanding activities.

Within this same area GMV is continuing to give backup to the State Meteorology Agency (Agencia Estatal de Meteorología: AEMET), formerly the National Meteorology Institute (Instituto Nacional Meteorología: INM) for the maintenance of operational systems and data processing chains. This includes all the following: the nowcasting aid based on images from the Meteosat Second Generation (MSG) satellite, the National Radar system to provide rainfall information, documentation of the implementation of the numerical weather-prediction model of the national HIRLAM system, the early flashflood warning system in the River Júcar set up as part of ESA’s RiskEOS project and the management system for the incorporation and operational broadcasting of the data from meteorological and oceanographic buoys under the standards of the World Meteorological Organization (WMO).

GMV, through its subsidiaries in Spain and Portugal, is taking an increasingly active role in the major European program GMES as part of its ongoing support of endeavors that are conducive to planet sustainability. This program, focusing on the global monitoring of the environment and security, is jointly brokered by the European Commission (service component) and the European Space Agency (space component).

Within the service component of the GMES program, GMV is investing heavily in diverse projects for the use and working up of remote sensing data to enhance the services provided for national and European authorities in the fields of the environment (GSEFM), civil protection (Risk-EOS), humanitarian aid (RESPOND), maritime security (MARISS), critical infrastructure and border surveillance (LIMES), etc.

In 2007, and within the GMES space component the development phase of the Sentinel-2 observation satellite began. Here GMV has been responsible for developing a mission behavior simulator and for mission analysis activities.

GMV also forms part of a consortium selected to conduct one of two parallel studies for Phase-A analysis for the ground segment of the
Meteosat Third Generation (MTG), a European satellite program to replace the current second generation. GMV will take on responsibility for flight dynamic analysis, payload and service-element data processing, with the aim of pinpointing the main limitations and factors that might impinge on the system architecture and the budget.

GMV is also involved in the development of the data processing chain of the MIRAS instrument of ESA’s SMOS (“Soil Moisture and Ocean Salinity”) mission. In 2007 the first version of MIRAS’s level 1 and level 2 processors was handed over, while work is still underway on the level 3 and 4 processors. GMV’s participation in the SMOS mission is not limited to the development of processors but also takes in the development of key elements of the ground segment, such as the SMOS Plan Generation Facility (SPGF) and the Payload Operations and Programming Center (PLPC), as well as other elements of the calibration center.

As regards the ENVISAT observation satellite, GMV’s Portuguese subsidiary signed a contract with ESRIN, the ESA Centre for Earth Observation, for adapting the MERISA tool to Linux and optimizing algorithms to improve their performance in the processing chain.

GMV is one of the main industrial providers in the field of satellite navigation. This was borne out in 2006 with the award of 5 Galileo projects worth 40 million euros. This made GMV the top Spanish supplier of Galileo and the third biggest in Europe, behind only Thales-Alenia Space and EADS-Astrium. Work continued on these contracts in 2007, with GMV leading the development of four of Galileo’s main ground segment systems, two of which are critical for final system performance. This in particular is the case of the OSPF, the veritable brain of the Galileo system, which is responsible for precision calculation of satellite orbits and the synchronization parameters of all system clocks. After passing its Functional Qualification Review (FQR), this system then successfully passed its Critical Design Review (CDR) at the end of the year. This marked the end of the design and specification phase and the start of the integration and validation phase of its various components.

Under the overall Galileo support contract (GARMIS, “Galileo Reference Mission Support”) of the European Commission’s FP6, a GMV-led consortium carried out the EDAS project (EGNOS Data Access System), the main objective of which is to provide an interface through which service providers can obtain EGNOS navigation data in real time, with specific guarantees of performance and security.
Within the field of satellite navigation it is also worthy of note that GMV is participating actively in five projects within ESA’s GNSS development program, whose objective is to lead research aspects related to technologies, development and verification in the GNSS field.

In 2007 GMV’s Portuguese subsidiary, Skysoft, signed a contract with the European Space Agency for assessing and testing the commercial-off-the-shelf (COTS) software installed in six of the main applications with maximum security and safety-critical requisites of the EGNOS ground segment. This contract is bound to make a substantial contribution towards the EGNOS certification process for use of the system in safety-critical applications such as civil aviation.

Finally, within the field of satellite navigation, ESTEC awarded a contract to a GMV-led consortium also involving the participation of its Portuguese subsidiary Skysoft. The contract is for the development of technology for navigation inside buildings and other closed environments such as parking lots or tunnels, using a combination of GNSS signals with other technologies such as mobile telephony, WiFi, DWB or UWB. The project has the brightest prospects for the future, since it places GMV at the head of research and development into new technologies enabling systems such as GPS to be used even inside buildings. This will open up GNSS use to other professional markets and also mass consumption.
ACTIVITIES IN 2007

DEFENSE

GMV is a tried and trusted supplier of the armed forces and international defense organizations. Its activities in this field take in the engineering, design, development, integration and maintenance of defense systems covering their whole life cycle.

The products provided in this area are capable of meeting the most demanding needs and are developed under strict quality standards. They cover the following areas:

- Engineering, development and integration of command, control and communication systems (C3I)
- Processing of data and signals, intelligence systems
- Training, operational research and R+D simulators
- Development of military systems based on GPS, EGNOS and Galileo
- Onboard equipment, avionics software and testbeds
- Logistic and maintenance services for systems and software
- Military space applications
- Physical and logical security systems and engineering
- Engineering and development of multimedia training tools
- Demilitarization and humanitarian demining applications and services
One of the red-letter events of 2007 was the award by the European Defence Agency (EDA) to a GMV-led consortium of the contract for developing the MUSAS project (“Multi Sensor Anti Sniper System”). This is a 5.7-million-euro, 30-month research project looking into the best ways of detecting and locating snipers before they fire the first shot, using a mixed bag of technologies to do so: acoustic and radar sensors, image processing, honing of detection techniques by fusion of data from information services, human-machine interfaces, etc. This contract, the first R&D contract won from EDA, consolidates GMV’s leadership in the development and integration of command and control systems and gives the company an even firmer foothold in the international defense market.

In 2007 GMV formed part of the UTE (joint venture) that won the contract from the Weapons Systems Directorate of the Spanish army’s Logistic Support Command for supplying a field hospital. The field hospital is a single-unit health facility of modular composition. It is a fundamental part of health backup in the third scale of operations, capable of providing medical-surgical and specialized treatment wherever the army is deployed. Within the project GMV will supply a set of components that make up a complete and completely-operational field hospital, together with the documentation compiled in a set of managerial and integrated-logistic-support deliverables.

GMV is also continuing its work on the R+D program “Future Combat System” (“Combatiene del Futuro”: COMFUT) under a contract awarded by the Directorate General of Armaments and Material (Dirección General de Armamento y Material: DGAM) of the Spanish Ministry of Defense to a consortium led by EADS-CASA. GMV has a key role, being responsible for the design and development of the command and control system and also the information and communications system (ICS), the veritable heart of the system, which provides soldiers with all necessary information for carrying out their mission. A key feature here is “situational awareness”. In late 2007 the first 12 prototypes were delivered to the Ministry of Defense; these will then be put through their paces in 2008. In light of the results of this assessment the necessary modifications will be made for the next delivery of 24 additional systems.

GMV has also continued its work in developing artillery command and control systems, for campaign purposes (the Campaign Artillery Group Control and Command Post - PCGACA in Spanish initials) and the anti-aircraft artillery (CIO/CPL system - Operation and Information Center / Personnel and Logistic Post, in Spanish initials - as part of the COAAAS program). In 2006 the PCGACA was topped up with an
In 2007 GMV fine tuned the system in light of the feedback reports received from the operational personnel of the units in which it has been installed (currently in the GACA [campaign artillery group] of the Parachute Brigade and in GACA XII based at Goloso).

In late 2006 GMV won the contract for developing the PAFAD project for the Spanish Navy Marines. PAFAD stands in Spanish for Firing Support Prototype for Artillery Landing (Prototipo de Apoyo de Fuegos para la Artillería de Desembarco); it is a command and control system that aims to help in the tactical planning of firing support within an amphibious operation. Under this contract GMV developed in 2007 the technical subsystem to solve the ballistic firing problems when using artillery howitzers of the PAFAD system. In December 2007 military maneuvers were held with the Parachute Brigade of the Spanish Army and with the Artillery Landing Group of the Spanish Navy Marines. GMV attended the maneuvers to give backup to the units and check the proper working of the system and the supporting communications.

In 2007 GMV also continued to work for the DGAM on the complete development of a Landing Craft Control System for the Naval Group, to be fitted on the amphibious assault ships Galicia and Castilla and on the LCMs of the Spanish Navy. The aim of this groundbreaking project is to allow crew members in the assault ship’s Combat Information Center (CIC) to control the landing craft during the assault phase of an amphibious operation.

Within the technological development program of the Future Ground Combat System (FSCT in Spanish initials), GMV continued to work on two demonstration programs. The first falls within the sphere of satellite navigation systems and their military applications; it involves the development of advanced GNSS navigation equipment (GPS and EGNOS) in built-up environments. Within this program September 2007 saw successful completion of algorithm definition and design of architecture and detail. The second program tackles the development of a complete demonstrator of DDS (Data Distribution Service) technology for real time systems. This is publication/subscription middleware for distributed systems, developed in response to the limitations of CORBA in systems of this type. The demonstrator was developed and verified throughout 2007.
At the end of the year the DGAM of the Spanish Ministry of Defense awarded GMV the contract for carrying out the Mobile ISTAR Operating system, called “SEISMO” after its Spanish initials: “Sistema de Explotación ISTAR Móvil”. The SEISMO program, part and parcel of Spanish participation in the multinational MAJIIC program (“Multi-sensor Aerospace-Ground Joint ISR Interoperability Coalition”), consists in the design, development and commissioning of an ISTAR (Intelligence, Surveillance, Target Acquisition and Reconnaissance) data operating system for processing and working up the various kinds of information and products.

In 2007 GMV continued its longstanding work on the development of evaluation stations as part of the electronic warfare program of The Spanish Defense Staff (EMAD), the Spanish Chief of Staff’s support and command body in charge of defining and developing military strategy and planning and running military operations. In 2007 GMV in fact won several new contracts within this program.

2007 also saw completion of the setting-up phase of the infrastructure and communications services of the I*Net Model that GMV has developed for the Spanish Ministry of Defense to provide this ministry with a secure internet access node. This model falls within the Plan Avanza, aiming to develop public digital services in the interests of improving government-provided services, enhancing the citizens’ quality of life and increasing the efficiency of companies. After deployment and commissioning of the net it moved on to its 7x24 backup phase, which is also included in the contract that GMV won in 2006, in the face of fierce competition from elsewhere.

Finally, as already pointed out in the aeronautics section, in 2007 GMV continued to work on two of the star programs of the armed forces: the Tiger attack helicopter and A400M transport aircraft. Moreover, in collaboration with EADS it is also working on a trainer for the F-18 combat aircraft and on the FITS system of the C295.
Information and telecommunication technologies, virtual-reality simulation and digital-image processing are all new arrows in the quiver of healthcare professionals, giving them a whole new set of techniques and resources to work with. GMV draws on the technologies developed for the defense and aerospace sectors to create groundbreaking healthcare products:

- Surgical training simulators based on virtual reality
- Planning/simulation systems in aid of diagnosis and treatment
- Anatomical modeling
- Telemedicine and telenursing systems
- Mobility solutions
- Vehicle management and tracking systems
- Aid systems for disabled people
In 2007 GMV stepped up its investment in the minimally invasive surgery simulator, phasing in new and important functions and substantially upgrading its performance features. International patent applications have been made to protect some of these technological developments.

In 2007 there was also a more systematic promotion campaign of the arthroscopy surgery training simulator (insightArthroVR®). Many presentations of the product were given and it was also taken to congresses, courses and workshops in hospitals, medical organizations and institutions in Europe, America and Asia.

These promotion activities, together with recognition of insightArthroVR® as a useful teaching tool by prestigious institutions, have prompted many hospitals and clinics in Spain and abroad to set up permanent insightArthroVR® facilities in 2007. Witness Barcelona’s Hospital Quirón or diverse FREMAP centers in Spain. Other clients, such as Depuy Mitek, have conducted regular virtual practice sessions with insightArthroVR®.

Moreover, GMV has signed a framework contract with the Fundación ICOMEM of the Madrid Physician’s Association (Ilustre Colegio de Médicos de Madrid) for promoting teaching and training activities in the medical field to pinpoint new needs in continual medical education and investigate them from different perspectives, offering hands-on virtual surgery workshops on a regular basis. GMV has also continued to collaborate with the arthroscopy courses organized by the Spanish Arthroscopy Association (Asociación Española de Artroscopia) throughout the year.
In 2007 GMV reached a worldwide *insightArthroVR®*-distribution agreement with Immersion Medical Inc. in an effort to break into new international markets. Immersion Medical Inc. is the world leader in marketing surgery simulation equipment, so the agreement greatly enhances GMV’s commercial and customer-support capacity.

The sizeable investments made in surgery simulation systems are now bearing fruit in terms of the company’s growing capacity in medical imaging and anatomy simulation. This has enabled it to tackle new diagnosis- and therapy-support products. In 2007, for example, GMV developed an intraoperative radiotherapy planner, which it will now promote and market from 2008 onwards. This system is a real trailblazer, guaranteeing better radiotherapy planning, especially the dosimetric study required under Spanish law and also improved documentation of the whole therapy.

As regards the application of new technologies in the management of healthcare emergencies, GMV is responsible for the design and integration of SAFE, a Europe-wide early warning system of epidemiological outbreaks. The project is being carried out in close collaboration with experts of the World Health Organization. Preoperational demonstrations will test its potential for managing epidemiological outbreaks, natural disasters and terrorist attacks. Real-scale demonstrations were carried out in late 2007 in Crete, in an earthquake scenario involving the participation of over 200 people. These exercises demonstrated the usefulness of satellite communications for public health surveillance purposes.

GMV is also playing a key role in GlobAer, a project for measuring the air concentration of aerosols throughout the world. The first phase was successively completed in 2007, with development of aerosol processors and validation of the products, and now the second phase begins, in which 40 Tbytes of earth observation data will be analyzed to obtain daily aerosol readings from several onboard satellite
instruments. This information will be passed on to users for pollution control and healthcare purposes; it will also be used in atmospheric and meteorological chemical models for improving the forecasting of atmospheric phenomena.

Finally, GMV has developed for the Environment and Prevention Service of Universidad Autónoma de Barcelona (UAB) a tool for calculating the carbon footprint of university events. This tool enables users to calculate carbon dioxide emissions related to the use of different university areas or emissions due to overland and airborne transport to get to the university.
GMV has been Spanish leader in the development of network security services and technologies and information systems for over 12 years now. GMV provides engineering products and integrated solutions for security, intelligence centers, emergency management and crisis management:

- Engineering, security services and solutions for information networks and systems
- Security auditing
- Security planning
- Unified user management
- Implementation of security management systems
- Security hardening of platforms, networks and services
- Security services (monitoring, detection of vulnerabilities, etc.)
- Backup centers
- Perimeter surveillance and access control systems
- Advanced security systems incorporating new technologies
- Emergency and crisis management systems, “112” emergency call centers
- Monitoring and management systems for security forces’ vehicles and personnel and dealing with emergencies
- Onboard security and video-surveillance systems for passenger transport companies.
A Security Operations Center (SOC) has now been set up in GMV with the aim of providing the company with a technological platform to back up the functions included in our managed security services. GMV’s SOC furnishes clients with a qualified center for managing the security of their information systems in a trustworthy way, heading off problems and immediately dealing with any incidents. A further differentiating value of this system is the provision of intelligent 7x24 monitoring services (with integrated mobile messaging services), based mainly on GMV’s gestvu® and termes® solutions.

Within the PROFIT program GMV continued to work in 2007 on two important projects subsidized by the Ministry of Industry, Tourism and Trade (Ministerio de Industria, Turismo y Comercio) in information system security matters: Seguridad 2020 and €-Confidencial.

The remit of Seguridad 2020 is to come up with a global solution for the definition and hardening of digital territories in intelligent environments, taking into account such factors as interoperability, standardization, social and legislative aspects. The aim is to establish a reference framework for confidence in the information systems, comprising methods, architecture, models and guides to ensure an advance in the actual state of the art in this matter. As a result diverse demonstrators are being developed for such areas as banking, transport and government.

The aim of the €-Confidencial project is to develop a platform for the security hardening of sensitive applications such as internet voting or banking operations. The platform being developed will ensure trustworthy performance of the most delicate operations, such as authentication, data encryption and management and passwords.

In early 2007 GMV completed its project for security hardening of Mahou San Miguel’s network infrastructure. GMV fitted a firewall system to increase perimeter security and also intrusion-detection and -prevention mechanisms. The VPN services set up offer the possibility of accessing the company’s information from external and unsecure networks guaranteeing the control, confidentiality, integrity and security of communications.

GMV is setting up an email solution for the Andalusian Radio and Television Channel (Radio Televisión de Andalucía: RTVA), based on free
software and designed to work in tandem with RTVA’s current tool. The solution allows secure connection between users and their mailboxes and the service also features a centralized authentication system topped up with antivirus and antispam products always based on free distribution products.

In 2007 GMV also gave support to the Cadastre Directorate General (Dirección General del Catastro), a dependent body of the Ministry of Economics and Finance (Ministerio de Economía y Hacienda) in the operational management of the security infrastructure set up the previous year. The project takes in the different technologies of firewalls, intrusion-detection systems, antivirus, bandwidth management and centralization of events.

To complete our account of the most important activities in the area of information systems security, GMV is collaborating with the Subdirectorate General of Information and Communications of the Ministry of Economy and Finance in the area of IT security. GMV is providing high-level on-site technical support to the internet access security facilities as well as technical advice on how to harden and optimize its systems. Security system management work is also being carried out (antivirus, firewalls, IPS, etc.) which help to detect and eliminate faults such as bottlenecks and security incidents.

In the area of access control GMV is working for the Ministry of Defense on an important contract for the supply and integration of all the equipment (turnstile, surveillance cameras, card readers, biometric sensors, license plate readers, etc.) for controlling access of visitors and staff to a series of the ministry’s buildings, including the main ministry building. The whole system is managed with a GMV application that implements all the functions required of systems of this type.

In 2007 GMV won a contract from Prosegur for developing and implementing a security surveillance management system for Metro de Madrid to manage the set of surveillance patrols and shifts carried out by security officers throughout the capital’s whole underground network. The implemented platform monitors the surveillance patrols and gives real time information on any anomalous behavior.

Within the area of emergency and disaster management, GMV’s Portuguese subsidiary, Skysoft, signed a contract with ESA, in collaboration with Infoterra (France), for developing satellite services for
civil protection activities with the aim of enhancing interoperability on missions outside Europe. In this project, called DECISION, GMV’s participation centers on IP-based satellite solutions for connecting up the various organizations, to meet the communication needs of all participants in on-the-spot operations.

In this same area, in 2007, GMV continued its development work on a groundbreaking system called osmógrafo (osmograph), which involves fitting a positioning device to sniffer dogs in search operations to find people buried under rubble after a catastrophe. The device sends its information, picked up by a GPS receiver, to a central unit that in turn receives information from the local meteorological station. By processing the position- and wind-readings the system determines the dog’s scent trail. The input of this information makes the search operations safer and more efficient and ensures that the area is not abandoned until it has been thoroughly searched. In 2007 the system obtained its European patent and won the prize for the Best Safety, Emergencies and Road Safety Product” in the National Security and Emergencies Award, held this year for the second time.

GMV is playing a key role in several projects of the European security project GMES (“Global Monitoring for Environment and Security”) such as MARISS, LIMES, MARCOAST, PROMOTE and RiskEOS.

In the MARISS project GMV is in charge of providing maritime security services for Puertos del Estado (Spanish Seaports Authority) and the Guardia Civil and also in providing the service to final Portuguese users, including the Portuguese Navy and the authorities of the islands of Madeira and Azores. In 2007 the first phase of the project was completed, fulfilling its remit of initial deployment of the services for the users, demonstrations thereof and analysis of the results. The Spanish Navy was also brought into the fold of users and the system was enlarged to cover the Canaries, the Strait of Gibraltar, Galicia, Azores and Madeira.

The object of the LIMES project is to define and develop pre-operational services based on space technology to back up EU security management in the various areas of interest. In 2007 there was close, ongoing liaison with the various system users to identify needs and requisites and also to establish the services to be provided in what will be the first security services within the European Commission’s GMES program.
The aim of the RiskEOS project is to provide early-warning services to improve risk management in various areas, including floods and spates in high-risk areas. In 2007 GMV developed the flash flood early warning service for the River Jucar catchment area, in collaboration with Météo France, the National Meteorology Institute and the Júcar Water Board. The first demonstration of the service showed highly promising flood warning levels in the various rivers of the Júcar catchment area, giving several hours warning of the risk.

Lastly, within the GMES projects, GMV’s Portuguese subsidiary has continued its work under MARCOAST to offer a service for the detection of illegal discharges and the tracking and identification of offending ships, while the PROMOTE service takes in a series of atmospheric services offered in collaboration with the Portuguese and Spanish meteorological services.

Within the National Security Program 2006 of the Ministry of Industry, Tourism and Trade GMV conducted this year a feasibility study of an integrated port security system. This preliminary study will lead to the development of a security center prototype, integrating the surveillance of the various sectors of interest for security purposes, contingency plans for various emergencies and a system for data and voice communication with existing security items.

GMV is playing a key role in several projects of the Preparatory Action Security Research (PASR) of the European Commission and security-related Framework Programmes such as: ASTRO+ (demonstration of the possibilities of using Space facilities - earth observation, telecommunications and navigation - in Homeland Security applications), SOBCAH (research into the surveillance of border coastlines and harbors in Europe), ISCAPS (real time reduction of the risk of malicious events in crowds of people), GEOCREW (development of a global architecture for the use of geospatial data to improve crisis situations) and WINTSEC (development of secure wireless communications).

Within the 6th Framework Programme GMV is working on the Harmless project, whose aim is to encourage the more widespread use of EGNOS and Galileo for emergency and disaster management, humanitarian aid and law enforcement. The project, run by a GMV-coordinated consortium of eleven companies, includes analysis of technical aspects and demonstration and identification of the most promising applications. In 2007 three of the four scheduled demonstrations were carried out and
an analysis was made of the top-priority applications, thus bringing the implementation phase to an end and launching the final review phase.

Also in 2007 the MAGES project kicked off, with the aim of analyzing the use of Galileo for emergency management purposes. Through its Spanish and Portuguese subsidiaries GMV is working on a series of demonstrations of the system in diverse emergency scenarios.

In the area of security-forces’ fleet and personnel management systems GMV won the contract in 2007 for enlarging the fleet management system for the local police force of Málaga. This contract includes GMV’s fleet management server, hegeo® and 14 operator posts spread throughout the various districts.

To wind up this account of security business, the WIN project was successfully completed in 2007. This is an ambitious European Commission project that aims to contribute towards the design, development and validation of a European risk management information infrastructure, specifically oil spills and other discharges, fires and floods. WIN has managed to improve the interconnection of the various data systems, globalizing and standardizing existing systems. GMV has run the system’s application layer, which is based on recognized technology, open standards and frameworks that facilitate the use of WIN and ensure fluid relations and transactions between all its users.
GMV has consolidated its position as one of the trailblazing firms in Spain in designing, manufacturing and installing Intelligent Transport Systems based on GPS technology. From the traditional market of fleet management systems it has now branched out with new spinoff developments for the maritime sector (AIS systems) and the railway sector (Railway Fleet Management Systems: SAE-R®). GMV’s solutions in this field are designed to streamline operations and increase service quality:

- Passenger-transport fleet management systems
- Electronic fare collection systems
- Backup systems for the management of on-demand passenger transport
- Fleet management systems for railway transport
- Software tools for transport services planning
- Specialist fleet management products and services; municipal services, emergencies, etc.
- Electronic tolling systems
- Public-thoroughfare parking-management systems
- AIS/VTS systems for maritime transport
- DGPS coastal systems for navigational aid
In 2007 GMV rounded out its range of telematic transport services with the takeover of a majority stake (66%) in the Masisconvi company, whose specialist business is the design, manufacture and marketing of electronic fare collection systems. Bringing Masisconvi into the fold enhances GMV’s competitive capacity in some segments of the transport market, where the current trend is towards the integration of fleet management systems (where GMV is national leader) and electronic fare collection systems. On an international level it will enable GMV to break into emerging markets where Masisconvi is already present, offering lower-cost systems with better performance features.

Madrid’s Municipal Transport Company (Empresa Municipal de Transportes: EMT) awarded GMV the contract for the design, development and implementation of a new IT system based on GIS technology. The project will provide EMT personnel with a new system for managing the public transport of Madrid, furnishing a series of specific functions based on a service oriented architecture.

GMV won the contract for the fleet management system of the León city of Ponferrada. The contract involves equipping 15 buses and setting up 10 roadside passenger information panels, with real time web access to the fleet management information.

GMV also won the contract for the GPRS-based fleet management system for Ibiza’s interurban transport. GMV will provide the system for a 43-bus fleet of the bus companies San Antonio and El Guacho, concessionaires of most of Ibiza’s interurban transport. The supply includes onboard mini fleet management equipment, detection of open doors and incorporation of Masisconvi’s inhouse electronic fare-payment system.

In 2007 GMV was awarded several contracts for supplying fleet management systems to various operators of Grupo Sarbús. Autobuses de Lleida purchased GMV’s fleet management system on the strength of its tried and tested dependability, with the system open to future phase-ins and enlargements. Transports Ciutat Comtal, for its part, bought GMV’s fleet management system as a response to the need of setting up a complete technical solution in the whole fleet providing a service in Vilanova. One of the most important features of both systems is the possibility of making enquiries and sending information in a uniform way that is compatible with the Information System of the Metropolitan Transport Authority (Autoritat del Transport Metropolità: ATM), which runs the transport network throughout the whole metropolitan region of Barcelona.

The Cabildo Insular (Island Council) of La Palma awarded GMV the contract for the island’s all-in road-passenger transport management system. The system will integrate the management of the public means of transport, buses and taxis, in La Palma. The project involves equipping both buses and taxis with a fare collection system and fleet management system. The taxi control center will be run by GMV’s operative management platform, hegeo®.
Likewise, GMV has developed other hegeo®-based specialist fleet tracking systems for diverse clients. One of the most important of these was the mobile-resources management system of the company ASCAN-TORRABONAF (UTE ADEJE), concessionaire of the road-cleansing service of the Canary Island town council (ayuntamiento) of Adeje. Another important contract along the same lines was the fleet management system for the official vehicles of the Provincial Council (Diputación Provincial) of Málaga, involving the supply of 30 onboard appliances and a server and hegeo® operator post for running the whole fleet. A link to the Moviloc® service was also provided for obtaining web-based information. In Seville GMV also supplied and installed a hegeo® server and 6 operator posts for running the council fleets and the emergency fleet of Seville, equipped with TETRA+GPS radios. Finally, another far-reaching project this year was the enlargement of the fleet management system of Málaga’s local police force, increasing the number of vehicles by 180 and the number of operator posts to 21.

In the international arena GMV, jointly with the local company Melbilan, won the contract for supplying and installing the Automatic Vehicle Location (AVL) and fleet tracking system of Uruguay’s interurban passenger vehicles. The project includes the supply of the hardware platform of the control center and installation of GMV’s AVL software application, hegeo®.

In 2007 GMV’s inhouse web-based fleet management system, marketed under the tradename Moviloc®, has continued to evolve and phase in new functions and performance features. These new phase-ins include the possibility of viewing routes on Google-Earth, the graphic creation and publication of routes, the real-time representation of vehicles and graphical display of data. The Moviloc® service and its supporting platform PalView® were given a massive endorsement when the system obtained a special mention in this year’s Príncipe Felipe Business Excellence Prizes (Premios Príncipe Felipe de Excelencia Empresarial 2006-2007).

The Provincial Council of A Coruña (Diputación de La Coruña) turned to GMV for providing a fleet management service for its whole fleet of vehicles, based on the Moviloc® service and using the PalView® platform. The addition of this new client means that over 2000 vehicles are now being managed by this platform. The project will include the supply of onboard mobile equipment and message consoles to serve as driver interface for messaging and task-assignment purposes.

At the end of the year Moviloc® was on a trial period in Russia, representing GMV’s first venture into the transport sector of this country. The Russian company Synertech chose GMV to implement this service in Russia with the idea of then offering the service in turn to other companies as local provider.

The MENTORE project kicked off this year, as part of the 6th Framework Programme and run by the European GNSS Supervisory Authority. The main aim of this project is the use of GNSS technology for tracking and tracing in EU regulated domains. In this project GMV is responsible for
the pilot livestock transport tracking system, which has to abide by the applicable Regulation 1/2005. Another of the European FP6 projects being run by European GNSS Supervisory Authority and led by GMV is REPOSIT, a research project centering on the study of a groundbreaking system for preventing crossroad collisions by means of V2V (vehicle to vehicle) communication technologies and relative GPS. Lastly, within FP6 and also managed by the European GNSS Supervisory Authority, mention must also be made of the completion of the M-TRADE project, whose objective was to analyze and evaluate the advantages of introducing GNSS positioning technology into multi-modal freight transport and also to furnish the technological wherewithal for running combined transport in the main trans-European corridors.

This year also saw the start of the eRESCATE project, being jointly run by FITSA (Automobile Safety Foundation), APRAT (Road Traffic Rescue Association), ANFAC (Spanish Car and Truck Manufacturer’s Association) and DGT (Road Traffic Authority), whose remit is to cut the road-accident response time of the firefighting service. GMV will implement an application to facilitate the all-in management of the resources intervening in the accident response.

GMV and Ficosa International, through their joint venture called A2C, launched onto the market in 2007 an intelligent vehicle communications module that will improve traffic safety and mobility. This gives us pole position in the relatively new though already competitive market of transport telematics. This module received a special mention of the jury in the 6th International Motor Show Prizes held in Barcelona halfway through the year.

In this same field GMV and Universidad de Valladolid signed a contract for joint participation in the MARTA project (Mobility and Automation in Advanced Transport Networks), which forms part of the Spanish government’s CENIT program. A consortium of companies from various sectors, led by the company FICOSA, are taking part in this project, together with public research organizations. The role of GMV and Valladolid University in this project is to develop the driver’s future services, such as the sending of information in the event of an accident, the monitoring of tailbacks and congestion, the precise tracking of vehicle fleets, the “pay as you drive” (PAYD) information for insurers and accident prevention.

At the end of the year Holland approved the future implementation of an electronic toll collection system (ABvM) throughout its whole territory and for all vehicles. To prepare for the future implementation of the system, the Dutch government carried out in 2007 a series of tests in which the various manufacturers supplied their equipment and an evaluation was then made of its capacity of meeting the demanding system requisites. GMV turned out to be one of the 11 European firms and the only Spanish firm chosen from among the 50+ invited to take part in the tests. Another GMV input to this project was the all-road I-10 model onboard unit (OBU). The most important characteristic of this equipment is its incorporation of GPS positioning integrity technology, which GMV has been working on since 2003 and for which there are four international patents pending.
on since 2003 and for which there are four international patents pending.
In September 2007, in fact, one of these patents was officially conceded
by the European Patent Office. The equipment passed all the stringent
tests laid down by the Dutch Government, opening up bright prospects
for GMV’s electronic tolling applications.

In recent years GMV’s Portuguese subsidiary, Skysoft, has won itself a
leading position in the ITS area in Portugal, partly on the strength of its
close collaboration with its Spanish colleagues. This enabled it to win a
contract in 2007 for developing a telematics platform based on GPS and
mobile communications for setting up insurance models known as “Pay
As You Drive” (PAYD) for an important insurance group. This project
could have very far-reaching consequences, since it allows GMV to set up
one of the world’s first PAYD platforms\(^2\). During 2007 work also continued
on the European Space Agency’s ARMAS project, which is being led by
GMV’s Portuguese subsidiary, Skysoft. In this phase of the project a
series of transport systems have been tested using GNSS applications,
including the transport of children and the transport of hazardous goods.

GMV’s Portuguese subsidiary, Skysoft, has also continued to develop its
RITA product for managing road traffic control centers. This spadework
has enabled it to become one of Portugal’s main suppliers of solutions
of this type. Witness the kickoff in 2007 of the project for
concession-based management of Lisbon’s shadow toll motorway
system (SCUT da Grande Lisboa).

In the area of railway transport GMV won two important Renfe contracts
in 2007, making GMV one of the Spanish railway network’s main
suppliers. Both projects are pioneering in their own way. The first was
awarded by Renfe’s Goods and Logistic Services Directorate (Dirección
de Servicios de Mercancías y Logística) for the supply and installation of
the onboard railway-operation platform and control center in a total of
360 goods transport locomotives. The second was awarded by Renfe’s
Directorate of Long-Haul - High-Speed Services (Dirección de Servicios
de Alta Velocidad - Larga Distancia) for the supply and installation of an
onboard railway-operation platform and control center in a total of 337
high-speed long-haul trains (TALGO light articulated train and
self-propelled trains). In both cases GMV will be supplying and
implementing not only the onboard equipment but also the hardware
platform and software applications for the Control Center, based on
GMV’s inhouse fleet management system, already widely tried and tested
elsewhere and now especially adapted for railway management purposes.

In the maritime transport area GMV fought off fierce competition from
elsewhere to win from Puertos del Estado the contract for technical
assistance of Spain’s DGPS (Differential GPS) network for maritime
navigation. For the next two years GMV will be providing services of
supervision, technical backup and data management of this network\(^3\),
made up by 18 differential-correction transmitting stations, 6 zonal
control centers and a national monitoring center in the Puertos del
Estado headquarters in Madrid.

\(^2\) Pay As You Drive (PAYD) insurance is revolutionizing car insurance, allowing insurers to offer special premiums to drivers in exchange for their fitting their vehicle with a GPS device connected up to the insurer’s processing center.

\(^3\) In fact GMV set up some of this network’s stations in diverse supply contracts won in previous years.
In 2007 GMV reaffirmed its international expansion and firm leadership in the maritime transport sector by winning a contract from the Peninsular Malaysia Maritime Department for setting up, together with its Malaysian partner ATBS, Malaysia’s coastal DGPS network. The network will be made up by 4 transmitting stations, 2 remote monitoring stations and a control center. As well as coordinating the installation of the various systems, GMV will also be responsible for developing the reference stations and the necessary communications software and integrity monitors on each site, plus the specific remote-monitoring and control-center software.

Also within the maritime field, building on the success of its implementation of the AIS network (“Automatic Identification System”) for the islands of Madeira and Azores (MACAIS project), GMV’s Portuguese subsidiary, Skysoft, won a new contract within this same project. This new project, called REDAIS, involves the development and consolidation of a new series of services based on the maritime traffic information network set up under the MACAIS project. The REDAIS portal offers access to a common information platform for the three AIS networks, plus a series of additional information tools, all available with different levels of access.

Again within this same field, and in this same year, GMV developed the shiplocus® monitoring tool AIS Display for tracking ships by means of graphic representation on digital nautical cartography on the basis of AIS base station data. The application is also capable of monitoring AIS-AtoN devices (aid to navigation equipment emitting in the AIS standard) affording important information to the navigation aid authority.

In 2007 GMV also supplied several AIS base stations for the harbor authorities of Valencia, Tenerife, Balearics and Marin. Within Valencia’s port intranet, GMV won the contract for installing its inhouse web server shiplocus®, for web display and control of ships on nautical cartography based on access to and working up of AIS data.

Also worthy of mention in this field is GMV’s participation in the Marcia project, a coastal surveillance project for which GMV’s Portuguese subsidiary, Skysoft, is developing a software component for merging VTS and AIS data for the port of Caniçal (Madeira).

Finally, within the maritime transport sector, mention must also be made of the successful demonstration at the end of September, in the Italian port of Livorno (Leghorn), of the project of intermodal applications in the maritime sector MARUSE. The aim of the project, carried out by GSA (Galileo Supervisory Authority) was to encourage the use of Galileo within the community of maritime users. The role of GMV’s Portuguese subsidiary in this project was to develop the intermodal application underpinning communications between port services and the transport companies registered in the application.

4. Coastal networks of this type establish the position, bearing, destination, etc of ships sailing along the coast, on the basis of data received from the ships’ standard AIS transmitters.
TELECOMMUNICATIONS
GMV works closely with the main operators and providers of telecommunication services, offering services and solutions tailor made to meet their needs:

- Service quality maps
- High performance messaging service solutions
- Platforms for the integration of third party services
- Platforms of value added services based on JAIN/SLEE
- Platform and service monitoring services
- Platform and service backup and maintenance

INFORMATION TECHNOLOGIES FOR THE PUBLIC SECTOR AND LARGE CORPORATIONS
GMV provides the most technologically advanced ICT products to improve the processes and innovation capacity of leading organizations. Government authorities, major companies and banks turn to GMV sure in the knowledge that they will be given secure solutions based on the experience of specialist professionals:

- Corporate mail and agenda solutions and synchronization with mobile devices
- Content management platforms
- Intranet, portals, document management platforms
- E-learning platforms
- Mobility solutions
- System and infrastructure architectures
- Process consultancy and technology consultancy
- System and information network security
In 2007 GMV diversified its client portfolio with important new clients such as Havas Group, the multinational leader in media business. The collaboration agreement includes the development and implementation of critical information systems and adaptation of some of the underlying infrastructure.

In this year Vodafone once more turned to GMV to renew the framework contract of some years ago, which laid down the general terms of all GMV’s contracts with Vodafone. There was also a continuation of the development, consultancy, infrastructure and backup activities. Worthy of particular note is the various migrations to architectures of high geographical availability based on open source software, greatly cutting down Vodafone’s operational costs and setting up contingency mechanisms for the GMV-developed services. In the previous year GMV provided evolutionary maintenance for the VodafoneLive! Platform, the network statistics centralization system and the TIBCO support equipment. Various modifications have also been phased into GMV’s VodafoneNet product (mobile internet connection) to cater for corporate needs such as execution in restricted environments and unattended installation. GMV’s decisive participation in Vodafone’s family of products called “Siempre con Saldo” (allowing calls to be made on an interim basis when there is no credit left on the card) and its active involvement in Vodafone’s client help and information services have made the company a benchmark for services of this type. This year a start was also made on the consultancy project for setting up VMOs (Virtual Mobile Operators) on Vodafone’s network, allowing companies with no network infrastructure to offer mobile telephony services.

As part of its ongoing policy of investing in new products, GMV incorporated a new product called atlas into its range of solutions for telecommunications operators. atlas opens up access to push email and information on contacts, tasks and appointments through a BlackBerry handheld, extending it to email architectures based on open source software. GMV has reached an exclusive sales agreement with Vodafone whereby this operator undertakes to offer this product within its service package in Spain.

Through its Portuguese subsidiary, Skysoft, GMV has also been providing tailor-made development and consultancy services to the operator TMN in Portugal.

Midway through the year the Madeira research project came to an end, in which GMV had been participating within a consortium of 14 European firms. The project comes under the European initiative CELTIC, which pools research and development projects in the telecommunications sector. GMV acted as national coordinator, making its own inputs in terms of incident detection and the administration console. GMV’s work centered on analyzing and increasing the security of the architecture’s various internal communications protocols and the devices forming part of the distributed management network.
Some years ago GMV set up Renfe’s web portal, establishing a solid relationship that has stood it in good stead ever since. On the strength of this relationship and GMV’s proven track record in developing messaging platforms, Renfe again turned to GMV this year for help with its photograph competition “Concurso de Snaps”. GMV’s task was to set up an instant messaging platform based on its factoría móvil product, to enable participants to send in their cell-phone snapshots for the competition.

GMV’s proven experience in the development and integration of mailbox management systems for institutions such as the Regional Council of Andalusia (Junta de Andalucía) won it further contracts throughout 2007. For instance it developed the corporate mail platform for the Directorate General of Penitentiary Institutions (Dirección General de Instituciones Penitenciarias). This is a major integration project involving a mail architecture to cope with a consistent volume in about 3500 different mailboxes, all of which needed to be centralized in a system to crosscheck their use from 66 different points. Implementation also includes a solution providing on-demand handheld access to the mail from the web.

Under a project with the Andalusian Radio and Television Channel, Radio Televisión de Andalucía (RTVA) GMV set up an email solution based on free software to work in tandem with RTVA’s current tool. The solution will allow secure connection between users and their mailboxes and the service also features a centralized authentication system topped up with antivirus and antispam products always based on free distribution products.

GMV is still collaborating with the Regional Council of Castilla y León (Junta de Castilla y León) in several projects within the Single Administrative Information System. Two years of platform development work gave rise in February 2007 to the new portal of the Junta de Castilla y León (www.jcyl.es) making the Junta’s website one of the most modern and advanced in Spain. A study conducted by rankingalex.com showed this portal to be the most frequently visited regional website and the fourth most visited in the world.

As part and parcel of the Single Administrative Information System, GMV has also set up a Taxation Portal giving all citizens of the region access to all taxation information. This portal opens onto a government “e-window” for online payments, document downloads, resources and applications with standards and forms to make tax returns easier.

Another noteworthy project carried out for the Junta de Castilla y León is the groundbreaking Peregrin@Alerta project, a mobility service giving pilgrims information on the Castilla y León section of the Camino de Santiago pilgrimage path. The system includes a messaging service platform capable of dealing with short numbers, use statistics and also sending and receiving short messages. It also includes a multimedia contents manager for giving pilgrims information and tracking services on their handhelds.
Another regional government project carried by GMV, won in a public tender, was the development of a Marine Environment Information System for Gemaza, a dependent body of the Junta de Andalucía. The Information System forms part of the sustainable resource management program for the conservation of Andalusia’s marine environment, sponsored by the Regional Environment Ministry.

GMV also won a contract for integration of e-ID in the information systems of Universidad de Huelva. For that purpose it set up a user access platform for making SSL-encrypted VPN connections, thereby integrating use of existing digital certificates in the electronic ID. This project makes Huelva University a pioneer in integrations of this type and one of the first public organizations to offer e-ID applications for everyday activities.

GMV was also awarded the contract for developing the new website of Lepe Town Council (Ayuntamiento). In this project GMV will be working on the information architecture, prototyping, graphic design, analysis/design of tools and implementation of the solution. Ongoing help will then be given to the client in terms of reorganization, compilation and publication of contents.

The Instituto Cervantes turned to GMV for setting up its congress portal, giving any user online access to information on the triennial congresses held by the Cervantes Institute. The portal now being developed offers a complete range of services for following the congresses online, including image galleries and video streaming galleries.

Last year a close relationship was forged between GMV’s Portuguese subsidiary, Skysoft, and Lisbon City Council with the development and backup of two critical information systems, of the Cadastre and of the Geographic Information Department. In 2007, on the strength of this past success, Skysoft won new contracts in the field of Business Intelligence.

At the end of the year a demonstration in Turin brought to an end the AGILE project for the application of Galileo to location based services (LBS). This is an FP 6 project run by the European GNSS Supervisory Authority, with participation from GMV’s Portuguese subsidiary, Skysoft. The project has contributed to the success of the first LBS applications using the Galileo system. This project takes on new services such as monitoring, management and safety of personnel, navigation based on street maps and urban guides, finding nearby areas of interest or publicity of nearby commercial outlets, analyzing the advantage that EGNOS and Galileo might contribute to each one of them.

Finally, mention must be made here of the opening of a new office in Valencia, whereby GMV aims to boost the ICT performance of the public sector and groundbreaking organizations in the region of Valencia, Murcia and the Balearic Islands, with the additional goal of becoming one of the main career options for the university graduates of the area.
Right from the word go GMV has made its personnel policy one of the cornerstones of its whole business project. In GMV we are convinced that a staff of top professionals is the best way to gain a competitive edge over the rest. GMV therefore aims to attract the best professionals and then ensure that they stay with the company to pursue their careers and realize their full potential. GMV offers them a unique teamwork environment where their talent, imagination and personal endeavors are continually challenged and stimulated.

In line with this overall policy GMV has been applying a human resources plan based on three mainstays: a thoroughgoing personnel-selection policy, a stable environment in which to pursue their careers and a continuous top-up training plan.

To keep pace with its brisk growth rate at home and abroad GMV has taken on a significant number of new personnel this year, resulting in an 18% rise in staff numbers. GMV closed the year with 901 employees; 87% have university degrees and their average age is about 32.

Such a painstaking personnel-selection procedure involves a heavy outlay and so does GMV’s subsequent concern for the stable career development of its employees. It therefore aims to recoup this investment by maintaining a high level of indefinite-term contracts, a rate of about 90% in 2007.

One of the main planks of the human resources policy is training, since the company’s activity sectors call for specialist and bang-up-to-date knowledge of the most advanced technologies. To develop the professional skills of its employees GMV works with an integrated training model to pinpoint its employees’ knowledge and expertise. Training activities increased significantly in 2007, both in terms of classroom hours and total outlay. In all, about 460 training courses were held in 2007 on both an individual and group basis, adding up to a sum total of 19,622 training hours involving over 70% of GMV’s personnel.

GMV liaises permanently with study centers and universities throughout Spain, either by way of temporary agreements, with grants to help university students join the job market, or more permanent project-based collaboration agreements. This habitual liaison with universities has been reinforced by an increasing participation of GMV in various employment forums, both national and international.
The GMV Chair, a joint academic initiative set up between the Polytechnic University of Madrid (Universidad Politécnica de Madrid: UPM), the Higher Technical School of Aeronautical Engineers (Escuela Técnica Superior de Ingenieros Aeronáuticos: ETSIA) and GMV, continued with its work of training, research, development and innovation by holding courses, seminars and conferences involving the participation of professors and leading experts. Worthy of particular note here is the holding of the first Satellite Navigation Seminar, in November 2007 in ETSIA with lectures by various experts inside and outside GMV.

The Chair in Information System Risks (Cátedra de Riesgos en Sistemas de Información), set up in 2006 in collaboration with the Business Institute (Instituto de Empresa) and Oracle, has turned itself into a benchmark forum within the sector. Throughout 2007 it was busy organizing various seminars, courses, debates and think tanks.

GMV participates in several initiatives to support budding talent, either single-handedly or in collaboration with other institutions. Pride of place here goes to the Best-GMV Engineering Competition, a joint initiative of the Board of European Students of Technology (Best), GMV and UPM, which aims to boost the practical knowledge and skills of students and encourage team working among engineering students. Lastly, in terms of liaison and collaboration with the university world, GMV sponsored in 2007 the course called “Satellite Engineering; Applications; Current and Future Scenario” as part of the summer school of the Universidad Politécnica de Madrid.

GMV’s firm and ongoing commitment to the development of talent in the technological field prompted it in 2007 to embark on a series of activities designed to foment an interest in engineering and technology among the very youngest. In April GMV sponsored and took a leading role in the tradefair called Madrid es Ciencia (Madrid is Science), which attracts tens of thousand of children of all ages and has become the most important event of its type in Spain. In this same year GMV was one of the main sponsors of the First Lego League in Spain, an international robotics competition for children, born as offspring of the FIRST and LEGO® alliance in 1988. It also sponsored the robotics classroom of the Miguel Hernández school, Complubot, a team of talented youngsters that develop and build their own robots and participate in diverse international competitions, with excellent results.
The commitment of the firms of business group GMV to their clients, their concern for excellence, innovation and continual improvement are all reflected in the quality management processes.

The sheer technological complexity of all GMV’s developments calls for the highest quality standards in all its processes. The various firms of GMV are therefore all in possession of the quality certificates to match their areas of activity and specialization.

The subsidiary GMV Aerospace and Defence S.A. has certificates under the requisites of the ISO 9001:2000 standards. It has also been awarded certificates to cover its various areas of activity, such as the EN 9100:2003, based on ISO 9001:2000 and specifically designed for developments in the aerospace area or the Pecal 110 and 150 certificates for defense activities. Since 2005 it has formed part of the small and exclusive club of Spanish firms that have obtained level 3 maturity under the CMMI model (Capability Maturity Model Integrated), a prestigious international certificate granted by an independent body after the most thoroughgoing evaluation. Furthermore, a plan has already been put in place for raising CMMI classification to the highest level of this demanding quality-assurance model.

The Quality Management System of the subsidiary GMV Soluciones Globales Internet S.A. also abides by the ISO 9001:2000 standard and it also has the certificates in keeping with its areas of activity such as the UNE-EN 71502:2004 standard, which makes an obligatory reference to the standard UNE ISO/IEC 17779:2002 code of practice for security management. In 2006 it obtained certification of its Information Security Management System under the standard ISO 27001:2005.

The subsidiary GMV Sistemas S.A. is also in possession of certification under ISO 9001:2000, the standard guaranteeing that the subsidiary’s quality assurance system adopted for the design, development, production and after-sales service for the sectors of telematics, transport, remote control and satellite navigation conforms to the requirements of the standard UNE-EN ISO 9001:2000.
The quality management system of GMV’s Portuguese subsidiary, Skysoft, meets the requisites of the standard ISO 9001: 2000. During the year work continued on the formal process begun the previous year for obtaining EN 9100: 2003 certification, a specific standard for aerospace developments, and a start was made on the process for obtaining level 3 of CMMI (Capability Maturity Model Integrated).

Lastly, GMV has undertaken to carry out its activity within the parameters of sustainable development, keeping a proper control over all the environmental aspects involved in its work. Hence the fact that the Environmental Management System covering the activities in GMV’s central Madrid site conforms to the UNE-EN ISO14001: 1996 standard.

GMV is mindful of the fact that quality assurance is not only a matter of obtaining a given certificate or title but also needs to pervade the daily work of the whole personnel. The organization to a man is pledged to the goal of achieving top quality in all its products. They often participate in the design of procedures and attend all necessary courses so that they fully understand GMV’s quality system and make sure it is applied in all the work they do.
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ANALYSIS OF THE FINANCIAL SITUATION
THE COMPANY’S OVERALL FINANCIAL PERFORMANCE

GMV closed the financial year 2007 with a turnover of more than 77 million euros, representing an increase of nearly 16% on the total gross revenue of the previous year. Most of this growth, about 75%, was organic, generated from within, while the remaining 25% was the result of the takeover within the year of the company Masisconvi S.A., whose input was 5% of the year’s gross turnover.

In 2007 GMV posted a net post-tax profit of 3.7 million euros, representing an 11% rise in the net results figure. Stockholders’ equity thus increased by over 17% to more than 23 million euros.

As for its end-of-year valuation, GMV recorded an 18% ROE, with a sales margin of over 5% and an asset turnover of 6%. Pre-tax profit and interest on assets employed held steady, despite the growth in assets.

The net financial debt figure recorded in the balance sheet is about 17 million euros, still well within the maximum gearing ratio allowed by the financial structure. This increase in debt during the year brought about a slight alteration in the liability structure with an increase in indebtedness over and above the relative growth of the non-interest bearing liabilities. Most of this debt financed the increase in fixed assets consequent upon phase 3 enlargement of the firm’s head office in Tres Cantos, funded by means of a non-residential financial lease.

The financial leverage therefore rose, with a concomitant increase of the debt service coverage ratio. Nonetheless the company’s creditworthiness is still strong with low insolvency risks and a high immunity to any rise in interest rates. The growth in debt cost is offset by the increase of sales, so there is no substantial increase in interest expenses.

The company intends to continue to raise the financial leverage to cover the group’s planned new outlays in fixed assets, particularly the completion of the phase-3 enlargement of the head office in Tres Cantos.

Certain changes in the financial structure, already foreshadowed in previous years, showed further signs of consolidation in 2007: reduction in the average weighted cost of the capital employed while the average yield of operating assets held steady, despite the sharp growth of assets employed. The ratio of net profit to shareholders’ equity held steady despite the equity growth. Economies of scale were enhanced by the growing size of the business.

In terms of its financial evaluation, very positive end-of-year values are still observed in the liquidity and solvency ratios (1.50 and 1.80 respectively), with hardly any change in the debt to equity ratio. This means that the financial structure is still ideal for harnessing capital-intensive growth opportunities calling for a higher degree of financial leverage.

Despite the growth of total assets in absolute terms, the relative weight of working capital showed no decline in relation to total assets employed, although in absolute terms the growth in business was accompanied by an increase in working capital.

The recorded variation in working capital is a combined effect of the growth of the business and the seasonality of sales, whereby a large part of the turnover tends to be recorded in the final months of the year. This seasonal sales bias is not inherently bound up with the productivity of GMV itself; rather is it the result of the commercial cycle of contracts, tenders and bid invitations in the year, as affected by the general situation. In any case the ratio of accounts receivable to short term debt pretty much echoes the figure recorded in the past.

As a net result of all the above, the financial statements show a clear process of growth: sales up by 16%, working capital also up by 16%, and a strong correlation between the growth in net profit and the growth in sales.

The consolidated effective tax bill for 2007 hardly changed on the previous year, standing at about 20%.

These figures clearly show that the company is going through a business cycle of moderate and profitable growth on a more mature basis with no need for regular external financing. The recorded growth rate is still within the sustainable growth rate limits marked by the growth in ROE and is conducive to a lowering of the debt ratio and a better harnessing of investment opportunities in other business, which can be tapped into as quickly as market conditions allow. The net result of all the above is
that the operational cash flow stands at 6 million euros and the consolidated EBITDA at 8 million euros.

DISTRIBUTION OF RESULTS

GMV maintains a conservative self-financing policy, plowing back practically all its profits to build up the business group’s financial structure and ensure its financial autonomy.

These retained profits have enabled it to step up its investment in its own inhouse research and development projects. GMV’s total cumulative investment in its own R+D projects now adds up to over 8 million euros.

BUSINESS UNITS AND SUBSIDIARIES

GMV’s business units grew out of a diversification process to broaden the customer base and increase revenue in other related markets where the Group could offer its technological products. This process has had a beneficial effect on the revenue mix and the spread of market risk. This policy has been maintained and combined with an effort to spread into other geographical areas.

The set of companies making up GMV has been maintained unchanged, with business units taking the legal form of joint stock companies (sociedades anónimas). This is thought to be the best way of bringing their human, financial and material resources into line with the specific needs of each business and thus ensuring their long-term viability.

In May 2007, GMV acquired a controlling stake in the company Masisconvi S.A. After this takeover and a subsequent capital increase GMV holds a 69.42% stake in the capital stock. Masisconvi is now being integrated into GMV’s operational structure: commercial, production and financial operations and resources. This integration process is expected to be completed in the first half of 2008.

Additionally, in October 2007 GMV completed the 100% takeover of the company Skysoft Portugal Software e Tecnologias de Informação S.A, now fully integrated into the group’s operations.

The company GMV Soluciones Globales Internet S.A. provides the legal structure for the network engineering and applications activities while GMV Sistemas does likewise for our business unit dealing with transport- and logistics-engineering, whose target market now includes electronic payment systems after the Masisconvi takeover. GMV Aerospace and Defence S.A. still gives legal coverage to the space and defense activities in Europe and GMV Space Systems Inc. occupies an identical position in the US market. Skysoft, for its part, exploits GMV’s target-market opportunities in Portugal.

Above them all in the organization chart comes Grupo Tecnológico e Industrial GMV S.A. acting as parent company, supporting the whole value chain and laying down the strategic guidelines.

This organization model has proven to be fruitful in terms of business, resource efficiency, profitability and viability. With this business strategy, based on specialization in the various production lines and designed to make the processes more productive, the business group GMV has been able to record a sharp growth in its whole set of activities.

ANALYSIS OF THE SUBSIDIARIES PERFORMANCE

We recorded a rise in net income in all GMV’s lines of activity, particularly so in the space and defense market. There was also an improvement in the standard operating margin in the rest of the business segments, albeit with a somewhat uneven distribution.

<table>
<thead>
<tr>
<th>MAIN FINANCIAL FIGURES</th>
<th>2006</th>
<th>2007</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total turnover</td>
<td>66.5</td>
<td>77.0</td>
<td>15.9%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>6.8</td>
<td>8.1</td>
<td>19.0%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>5.3</td>
<td>6.1</td>
<td>14.8%</td>
</tr>
<tr>
<td>EBIT</td>
<td>4.8</td>
<td>5.6</td>
<td>17.7%</td>
</tr>
<tr>
<td>NOPAT</td>
<td>4.0</td>
<td>4.8</td>
<td>19.4%</td>
</tr>
<tr>
<td>Net Income</td>
<td>3.3</td>
<td>3.7</td>
<td>10.5%</td>
</tr>
</tbody>
</table>
In this year GMV’s subsidiaries have thus been able to keep up a satisfactory level of operational profitability in a turbulent and fiercely competitive environment that has tended to trim profit margins.

We have recently introduced some new products and plan to launch more in the future. We are also looking to expand our business to geographically scattered markets. The general gross margin may be trimmed in the future, due firstly to this expansion in products and markets (some of these activities having tighter margins) and secondly to the constant downward price pressure exerted by the competition in certain business areas.

To a certain extent these new products and services are still in start-up phase. This calls for an outlay both to develop the new product and to gain a foothold in the new market. We are confident that this will then usher in a phase of rapid growth with brighter financial results.

As for the performance in 2007, the aerospace and defense business put in a very good showing, recording a 12% growth in gross turnover and making an additional input of 5.1 million euros to the business increase.

The areas of ICTs for the public sector and large corporations posted a 20% increase in gross turnover with a 3.3 million euro input of additional business.

The area of transport telematics and logistics recorded an almost twofold increase in gross turnover with a 6.8 million euro input of additional gross sales.

In terms of EBITDA, the aerospace and defense business clocked up a value of 5.2 million euros (10% up on the previous year), despite having made a big commercial effort on three fronts: firstly, to win itself a good position in the Galileo program, secondly to increase its profile in the defense market and thirdly to break into the US institutional space market. These efforts augur well for 2008 and subsequent years.

The area of ICTs for the public sector and large corporations recorded an EBITDA of 1.8 million euros, a 15% increase on the previous year’s figure. This makes it the group’s second biggest source of added value, with excellent growth prospects for the coming year 2008.

Lastly, the area of transport telematics and logistics is recording a sharp organic growth (a 3 million-euro increase in the value of business engendered from within) to which must be added the incorporation of a new business outlet with the 2007 takeover of Masisconvi (3.7 million euros of business in the year). The net result of all this growth, from within and without, is an improvement in the return on resources used, with an EBITDA contribution of 1 million euros.

The financial year 2007 confirmed a consolidation of all our business lines, with satisfactory financial results, the formation of important strategic lines of action, all contributing to the establishment of GMV in a leading position in the market of hi-tech services. We foresee an even brighter picture for the financial year 2008.

2007 was a crucial year for consolidating the market position of our business areas, in a time of sweeping changes and fierce competition in the telecommunications and telematic applications market. This poses a sterling challenge in terms of breaking into new markets and integrating the new business into the existing market of our products and services.

**BUSINESS SEGMENT HIGHLIGHTS**

<table>
<thead>
<tr>
<th>Revenues Streams (segment) (gross sales)</th>
<th>2006</th>
<th>% on total</th>
<th>2007</th>
<th>% on total</th>
<th>delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace &amp; Defense</td>
<td>40.9</td>
<td>64%</td>
<td>46.0</td>
<td>58%</td>
<td>12.38%</td>
</tr>
<tr>
<td>ICTs for the Public Sector &amp; Large Corporations</td>
<td>15.7</td>
<td>25%</td>
<td>19.0</td>
<td>24%</td>
<td>21.22%</td>
</tr>
<tr>
<td>Transport Telematics</td>
<td>7.3</td>
<td>11%</td>
<td>14.2</td>
<td>18%</td>
<td>92.61%</td>
</tr>
<tr>
<td>Total revenues</td>
<td>64.0</td>
<td></td>
<td>79.2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues Streams (segment) (net sales)</th>
<th>2006</th>
<th>% on total</th>
<th>2007</th>
<th>% on total</th>
<th>delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace &amp; Defense</td>
<td>30.9</td>
<td>69%</td>
<td>37.3</td>
<td>65%</td>
<td>20.71%</td>
</tr>
<tr>
<td>ICTs for the Public Sector &amp; Large Corporations</td>
<td>9.6</td>
<td>22%</td>
<td>12.6</td>
<td>22%</td>
<td>31.33%</td>
</tr>
<tr>
<td>Transport Telematics</td>
<td>4.1</td>
<td>9%</td>
<td>7.1</td>
<td>12%</td>
<td>73.64%</td>
</tr>
<tr>
<td>Total revenues</td>
<td>44.6</td>
<td></td>
<td>57.0</td>
<td></td>
<td>27.83%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA (segment)</th>
<th>2006</th>
<th>% on total</th>
<th>2007</th>
<th>% on total</th>
<th>delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aerospace &amp; Defense</td>
<td>4.7</td>
<td>70%</td>
<td>5.2</td>
<td>64%</td>
<td>10.01%</td>
</tr>
<tr>
<td>ICTs for the Public Sector &amp; Large Corporations</td>
<td>1.6</td>
<td>23%</td>
<td>1.8</td>
<td>23%</td>
<td>15.71%</td>
</tr>
<tr>
<td>Transport Telematics</td>
<td>0.5</td>
<td>7%</td>
<td>1.0</td>
<td>13%</td>
<td>124.79%</td>
</tr>
<tr>
<td>Total revenues</td>
<td>6.8</td>
<td></td>
<td>8.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SCOPE OF CONSOLIDATION AND STAKES IN OTHER COMPANIES

The consolidated financial statements for this year include a total scope of consolidation with respect to the investee companies. Pursuant to the equity method, exclusion is made only of those companies in which GMV’s stake is less than 20%, which would form part of the financial assets in the consolidated balance sheet.

GMV holds a 14.3% stake in the company Grupo Navegación por Satélite, Sistemas y Servicios S.L. (formerly Galileo Sistemas y Servicios, S.L.); other stakes in this company are held by Indra Espacio SA, SENER SA, Hispasat SA, AENA, EADS CASA and Alcatel Espacio. This company, set up in July 2000 by the main companies of the Spanish aerospace sector, aims to promote the development, operation and commercial use of applications and services based on the future Galileo satellite navigation system.

INVESTMENT POLICY

The overall fixed asset investment in 2007 amounted to almost 8 million euros. The main outlay here was the phase 3 enlargement work of the company’s head office in Tres Cantos. The rest of the capital expenses corresponded to technical and IT equipment and fixtures necessary for the normal business activity. This figure also includes the R+D investment made in 2007 in those seedbed activities likely to capture market shares in the medium term.

In 2007 GMV made a big investment in training, adding up to over 0.8 million euros. It plans to continue this policy in the future. An increase of over 7% is scheduled for 2008, with the clear strategy of attracting and training highly qualified personnel.

USE OF EBITDA

GMV considers EBITDA to be a good indicator of the operational strength and performance of its business activities, including the capacity of generating cash flow to finance debt and capital costs.

The use of EBITDA cancels out the irregular effect in business segments of the depreciation of tangible fixed assets and intangible fixed assets as recognized in business combinations by the traditional accounting method.

In any case the EBITDA factor should be considered not as a substitute but rather as an addition to net operating profit and other measurements of financial performance presented in accordance with generally accepted accounting principles.

DECLARATIONS ON FORECASTS

Certain declarations in this document take the form of beliefs, estimates, expectations, projections or expressions of a similar tenor. These expressions are expectations of the future. The final results might be materially different from said forecasts for many reasons, including the risk factors mentioned in the business analysis.
### BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

#### BALANCE SHEET 2007

<table>
<thead>
<tr>
<th>Assets</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>16,552,051.51</td>
<td>24,536,027.26</td>
</tr>
<tr>
<td>Deferred charges</td>
<td>100,382.53</td>
<td></td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>16,552,051.51</td>
<td>24,636,409.79</td>
</tr>
<tr>
<td>Inventories</td>
<td>2,906,513.52</td>
<td>5,554,292.62</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>28,024,259.91</td>
<td>28,517,746.06</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>36,637,824.30</td>
<td>39,493,518.81</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>53,189,875.81</td>
<td>64,129,928.60</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stockholders’ equity</td>
<td>20,207,172.99</td>
<td>23,529,912.96</td>
</tr>
<tr>
<td>Capital grants</td>
<td>2,599,253.17</td>
<td>3,060,514.91</td>
</tr>
<tr>
<td>Minority interests</td>
<td>578,180.03</td>
<td>534,984.84</td>
</tr>
<tr>
<td>Long-term funding</td>
<td>4,486,469.94</td>
<td>10,661,165.17</td>
</tr>
<tr>
<td>Interest free credits</td>
<td>980,194.22</td>
<td>1,499,606.76</td>
</tr>
<tr>
<td>Long term funding</td>
<td>3,506,275.72</td>
<td>9,761,558.41</td>
</tr>
<tr>
<td><strong>Total Long-term Funding</strong></td>
<td>27,871,076.13</td>
<td>37,786,577.88</td>
</tr>
<tr>
<td>Short term liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans and overdrafts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-trade payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Deferred payments</strong></td>
<td>1,824,024.65</td>
<td>2,009,561.79</td>
</tr>
<tr>
<td><strong>Total short term liabilities</strong></td>
<td>25,318,799.68</td>
<td>26,343,350.72</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>53,189,875.81</td>
<td>64,129,928.60</td>
</tr>
</tbody>
</table>

| Working capital | 11,319,024.62 | 13,150,168.09 |
| Working capital/Equity | 40.61% | 34.80% |

| Working balance | 11,319,024.62 | 13,150,168.09 |
| Working balance/fixed assets | 68.38% | 53.38% |

#### PROFIT AND LOSS ACCOUNT 2007

<table>
<thead>
<tr>
<th>Expenses</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of goods</td>
<td>13,804,221.83</td>
<td>13,243,850.80</td>
</tr>
<tr>
<td>Ancillary Services</td>
<td>5,809,156.93</td>
<td>7,736,765.00</td>
</tr>
<tr>
<td>Taxes</td>
<td>36,617.27</td>
<td>63,522.39</td>
</tr>
<tr>
<td>Employee Costs</td>
<td>39,793,878.27</td>
<td>47,158,785.82</td>
</tr>
<tr>
<td>Financial Expenses</td>
<td>676,233.91</td>
<td>1,104,222.19</td>
</tr>
<tr>
<td>Extraordinary Expenses</td>
<td>20,364.52</td>
<td>61,574.28</td>
</tr>
<tr>
<td>Period Depreciation and Amortization</td>
<td>2,004,138.93</td>
<td>2,443,493.60</td>
</tr>
<tr>
<td>Appropriations, transfer to Provisions</td>
<td>227,910.44</td>
<td>693,537.51</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>62,372,522.10</td>
<td>72,505,751.59</td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>788,810.90</td>
<td>862,078.59</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>64,267,908.99</td>
<td>74,500,611.31</td>
</tr>
<tr>
<td>Own expenses capitalized</td>
<td>1,539,333.38</td>
<td>1,555,696.07</td>
</tr>
<tr>
<td>Operating grants</td>
<td>628,304.73</td>
<td>785,365.57</td>
</tr>
<tr>
<td>Financial income</td>
<td>42,105.72</td>
<td>149,385.29</td>
</tr>
<tr>
<td>Extraordinary Income</td>
<td>6,193.41</td>
<td>47,302.92</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>66,484,046.23</td>
<td>77,038,361.16</td>
</tr>
<tr>
<td>Pre-tax profit</td>
<td>4,111,524.13</td>
<td>4,532,609.57</td>
</tr>
<tr>
<td>Post-tax profit</td>
<td>3,322,713.23</td>
<td>3,670,530.98</td>
</tr>
</tbody>
</table>
## CASH FLOW STATEMENT

### OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after tax</td>
<td>3,322,713.23</td>
<td>3,670,530.98</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2,004,138.93</td>
<td>2,443,493.60</td>
</tr>
<tr>
<td><strong>Operating Cash Flow</strong></td>
<td><strong>5,326,852.16</strong></td>
<td><strong>6,114,024.58</strong></td>
</tr>
<tr>
<td>Net finance expense</td>
<td>676,233.91</td>
<td>1,104,222.19</td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>788,810.90</td>
<td>862,078.59</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td><strong>6,791,896.97</strong></td>
<td><strong>8,080,325.36</strong></td>
</tr>
</tbody>
</table>

(Decrease) / increase in trade and other receivables | -6,200,767.43 | -3,141,265.25 |
Increase / (decrease) in trade and other payables | 3,793,183.71 | -3,017,641.42 |
(Decrease) / increase in provisions | 509,813.67 | 185,537.14 |
Deferred income (capital grants) | -628,304.73 | -785,365.57 |
**Cash flow generated from operations** | **4,265,822.19** | **1,321,590.26** |
Tax paid | -788,810.90 | -862,078.59 |
**Net cash flow from operating activities** | **3,477,011.29** | **459,511.67** |

### INVESTMENT ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure - plant and equipment</td>
<td>-4,983,684.34</td>
<td>-9,566,845.84</td>
</tr>
<tr>
<td>Capital expenditure - intangible assets</td>
<td>-683,364.38</td>
<td>-961,006.04</td>
</tr>
<tr>
<td><strong>Net cash flow from investing activities</strong></td>
<td><strong>-5,667,048.72</strong></td>
<td><strong>-10,527,851.88</strong></td>
</tr>
</tbody>
</table>

### FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net new debt (debt increase + debt repayments)</td>
<td>2,651,903.13</td>
<td>10,031,350.55</td>
</tr>
<tr>
<td>Capital Grants and subsidies on capital</td>
<td>958,547.49</td>
<td>1,246,627.31</td>
</tr>
<tr>
<td>Interest paid</td>
<td>-676,233.91</td>
<td>-1,104,222.19</td>
</tr>
<tr>
<td>Dividends paid to equity shareholders</td>
<td>-228,407.78</td>
<td>-279,639.08</td>
</tr>
<tr>
<td>Paid-in capital</td>
<td>88,599.24</td>
<td>-68,151.93</td>
</tr>
<tr>
<td>Minority Interests</td>
<td>73,917.09</td>
<td>-43,195.19</td>
</tr>
<tr>
<td><strong>Net cash flow from financing activities</strong></td>
<td><strong>2,868,325.26</strong></td>
<td><strong>9,782,769.47</strong></td>
</tr>
</tbody>
</table>

(Decrease) / increase in cash and cash equivalents | 678,287.83 | -285,570.74 |
Cash and cash equivalents at beginning of year | 5,028,763.04 | 5,707,050.87 |
Cash and cash equivalents at end of year | 5,707,050.87 | 5,421,480.13 |