

FERSA ENERGÍAS RENOVABLES, S.A.

Annual Accounts as at 31 December 2009

Balance Sheets
Income Statements
Statement of Recognised Income and Expense
Statement of Total Changes in Net Equity
Cash Flows Statements
Notes to the Annual Accounts

Free translation of the auditor's report on the annual accounts originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish language version prevails

AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

To the Shareholders of Fersa Energías Renovables, S.A.

We have audited the annual accounts of Fersa Energías Renovables, S.A. consisting of the balance sheet as at December 31, 2009, the income statement, the statement of total changes in net equity, the cash flow statement and the related notes to the annual accounts for the year then ended, the preparation of which is the responsibility of the Directors of the Company. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on the work carried out in accordance with auditing standards generally accepted in Spain, which require the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of their overall presentation, the accounting principles applied and the estimates made.

In accordance with Spanish Corporate Law, the Company's Directors have presented, for comparative purposes only, for each item of the balance sheet, the income statement, the statement of total changes in net equity, the cash flow statement and the related notes to the annual accounts, as well as the amounts for 2009, the corresponding amounts for the previous year, which differ from those in the annual accounts approved for 2008 as described in Note 2 to the accompanying annual accounts. Our opinion refers exclusively to the annual accounts for 2009. On February 26, 2009, we issued our audit report on the 2008 annual accounts, in which we expressed an unqualified opinion.

In our opinion, the accompanying annual accounts for the year 2009 present fairly, in all material respects, the equity and financial position of Fersa Energías Renovables, S.A. as at December 31, 2009 and the results of its operations, changes in net equity and its cash flows for the year then ended and contain all the information necessary for their interpretation and comprehension in accordance with generally accepted accounting principles in Spain, applied on a basis consistent with those used in the preparation of the figures and disclosures for the preceding year that have been integrated in the annual accounts for 2009 for comparative purposes.

The accompanying Directors' Report for 2009 contains the information that the Company's Directors consider relevant to Fersa Energías Renovables, S.A.'s position, the evolution of its business and of other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the aforementioned Directors' Report coincides with that of the annual accounts for 2009. Our work as auditors is limited to checking the Directors' Report within the scope already mentioned in this paragraph and it does not include a review of information other than that obtained from the Company's accounting records.

PricewaterhouseCoopers Auditores, S.L.

Original signed in Spanish by
Iñaki Goiriena Basualdu
Audit partner

February 26, 2010

INDEX OF THE ANNUAL ACCOUNTS OF FERSA ENERGÍAS RENOVABLES, S.A.

<u>Note</u>	<u>Page</u>
Balance Sheets	1
Income statements	2
Statement of recognised income and expenses	3
Statement of total changes in net equity	4
Cash flows statements	5
Notes to the annual accounts	
1 General information	6
2 Basis of presentation	6
3 Regulatory framework	9
4 Accounting policies	11
5 Intangible assets	19
6 Property, plant and equipment	20
7 Shareholdings in group and multi-group companies and associates	21
8 Financial assets	26
9 Non-current assets held for sale	27
10 Trade and other receivables	27
11 Cash and other cash equivalents	28
12 Net equity	28
13 Financial liabilities	33
14 Other liabilities	34
15 Trade and other payables	34
16 Risk management	35
17 Tax situation	37
18 Income and expenses	39
19 Cash flows	41
20 Commitments and contingencies	42
21 Related party transactions	44
22 Information on members of the Board of Directors and Senior Management	46
23 Auditors fees	49
24 Environment	49
25 Subsequent events	49
Appendix	50
Directors' Report	55

FERSA ENERGÍAS RENOVABLES, S.A.

Balance Sheets
(in Thousand Euros)

ASSETS	Note	As at 31 December		NET EQUITY AND LIABILITIES	Note	As at 31 December	
		2009	2008			2009	2008
NON-CURRENT ASSETS		440,180	434,366	NET EQUITY	12	393,897	399,641
Intangible assets	5	60	21	EQUITY		389,891	394,424
Property, plant and equipment	6	172	178	Capital		140,004	140,004
Non-current shareholdings in group companies and associates	7	435,279	427,613	Share premium account		280,019	284,943
Equity instruments		377,409	376,997	Reserves		(19,273)	7,476
Loans to companies		57,870	50,616	Shares and holdings in own equity		(10,999)	(11,960)
Non-current financial assets	8	4,669	6,554	Profit for year		140	(26,039)
Loans to companies		179	87	Value adjustments		4,006	5,217
Other financial assets		759	1,250	Hedging operations		3,731	5,217
Financial derivatives		3,731	5,217	Financial assets available for sale		275	-
				NON-CURRENT LIABILITIES		42,277	41,155
CURRENT ASSETS		21,097	17,084	Non-current liabilities	15-13	1,554	54
Non-current assets held for sale	9	3,208	-	Bank loans		1,500	-
Trade and other receivables	10	8,937	4,741	Other financial liabilities		54	54
Trade receivables for sales and services rendered		-	-	Non-current liabilities with group companies and associates	15	240	191
Trade receivables with group companies and associates		2,844	572	Other non-current liabilities	14	40,198	40,910
Sundry receivables		5,763	267	Deferred tax liabilities	17	285	-
Current tax assets		318	243	CURRENT LIABILITIES		25,103	10,654
Other tax refundables		12	3,659	Current liabilities	13	19,953	5,156
Current shareholdings in group companies and associates	7	817	109	Bank loans		19,953	5,134
Loans to companies		551	109	Other financial liabilities		-	22
Other financial assets		266	-	Trade and other payables	15	1,040	779
Current financial assets	8	1,239	71	Suppliers		-	69
Loans to companies		884	36	Other creditors		280	309
Other financial assets		355	35	Current liabilities with group companies and associates		323	-
Prepayments		29	64	Outstanding wage and salaries		40	104
Cash and other cash equivalents	11	6,867	12,099	Other Tax payable		397	297
TOTAL ASSETS		461,277	451,450	Other current liabilities	14	4,110	4,719
				TOTAL NET EQUITY AND LIABILITIES		461,277	451,450

Notes 1 to 25 are an integral part of the annual accounts.

FERSA ENERGÍAS RENOVABLES, S.A.

Income Statements
(in Thousand Euros)

	Note	Year ended at 31 december	
		2009	2008
Net turnover	18	6,451	3,982
Interest income		3,482	2,688
Dividends received		1,085	439
Services rendered		1,884	855
Own work capitalised		281	-
Other operating income		2	23
Ancillary and other operating income		2	23
Staff costs	18	(2,318)	(1,597)
Wages and salaries		(2,016)	(1,419)
Social welfare expenses		(302)	(178)
Other operating expenses		(1,775)	(2,691)
External services		(1,764)	(2,689)
Taxes		(11)	(2)
Amortisation and depreciation	5-6	(47)	(14)
Impairment and results of sales of fixed assets	7	(2,766)	(28,162)
Results of sales and others		1,478	-
Impairment and losses		(4,244)	(28,162)
OPERATING PROFIT (LOSS)		(172)	(28,459)
Financial income		215	1,597
Financial expenses		(392)	(31)
Exchange differences		431	590
Changes in fair value of financial instruments		-	264
NET FINANCIAL INCOME (EXPENSE)	18	254	2,420
PROFIT (LOSS) BEFORE TAX		82	(26,039)
Corporate Income Tax	17	58	-
PROFIT (LOSS) FOR THE YEAR		140	(26,039)

	PROFIT PER SHARE (Euros per share)	For the year ended 31 december	
		2009	2008
Basic	12	0.0010	(0.2004)
Diluted	12	0.0010	(0.2004)

Notes 1 to 25 are an integral part of the annual accounts.

FERSA ENERGÍAS RENOVABLES, S.A.Statements of Changes in Net Equity
(in Thousand Euros)**A) STATEMENT OF RECOGNISED INCOME AND EXPENSES**

	Note	Year ended at 31 december	
		2009	2008
Profit (loss) of income statement		140	(26,039)
Income and expenses charged directly to net equity		(1,211)	5,481
Cash flow hedges	8	(1,486)	5,481
Valuation of financial instruments	9	393	-
Tax effect	9	(118)	-
Releases to the income statement		-	(264)
Cash flow hedges		-	(264)
Total value adjustments		(1,211)	5,217
TOTAL RECOGNISED INCOME AND EXPENSES		(1,071)	(20,822)

Notes 1 to 25 are an integral part of the annual accounts.

FERSA ENERGÍAS RENOVABLES, S.A.

Statements of Changes in Net Equity
(in Thousand Euros)

B) STATEMENT OF TOTAL CHANGES IN NET EQUITY

	Share capital	Share premium	Reserves	Retained earnings	Shares and holdings in own equity	Value adjustments	Profit for year	TOTAL
BALANCE ADJUSTED, BEGINNING OF YEAR 2008	75,512	114,680	(4,219)	-	(794)	-	1,270	186,449
Total recognised income and expenses	-	-	-	-	-	5,217	(26,039)	(20,822)
Transactions with shareholders or owners								
- Capital increase (Note 12)	64,492	210,382	(1,529)	-	-	-	-	273,345
- Distribution of dividends	-	-	-	(986)	-	-	-	(986)
- Operations with shares or holdings in own equity (net)	-	-	-	-	(11,166)	-	-	(11,166)
- Other transactions (Note 7)	-	(25,201)	(148)	-	-	-	-	(25,349)
Other reclassifications	-	(14,918)	15,202	(284)	-	-	-	-
Other changes in net equity	-	-	(1,830)	1,270	-	-	(1,270)	(1,830)
BALANCE CLOSE YEAR 2008	140,004	284,943	7,476	-	(11,960)	5,217	(26,039)	399,641
Total recognised income and expenses	-	-	-	-	-	(1,211)	140	(1,071)
Transactions with shareholders or owners								
- Distribution of dividends	-	(1,920)	-	-	-	-	-	(1,920)
- Operations with shares or holdings in own equity (net)	-	-	(710)	-	961	-	-	251
- Other transactions (Note 7)	-	(3,004)	-	-	-	-	-	(3,004)
Other changes in net equity	-	-	(26,039)	-	-	-	26,039	-
BALANCE CLOSE YEAR 2009	140,004	280,019	(19,273)	-	(10,999)	4,006	140	393,897

Notes 1 to 25 are an integral part of the annual accounts.

FERSA ENERGÍAS RENOVABLES, S.A.

Cash Flow Statements (in Thousand Euros)

	Notes	Year ended at 31 december	
		2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax	19	82	(26,039)
Adjustments to results		2,559	22,629
Changes in working capital		(3,328)	(2,871)
Other cash flows from operating activities		72	2,112
Cash flows from operating activities		(615)	(4,169)
CASH FLOWS FROM INVESTMENT ACTIVITIES			
	19		
Payment of investments		(19,228)	(102,645)
Collection on divestment		90	54,029
Cash flows from investment activities		(19,138)	(48,616)
CASH FLOWS FROM FINANCING ACTIVITIES			
	19		
Collections and payments for equity instruments		251	(12,694)
Collections and payments for financial liabilities		16,189	5,324
Payments for dividends and the remuneration of other equity instruments		(1,919)	(986)
Cash flows from financing activities		14,521	(8,356)
EFFECT OF CHANGES IN EXCHANGE RATES			
INCREASE / (REDUCTION) IN NET CASH AND EQUIVALENTS		(5,232)	(61,141)
Net cash or equivalents at the beginning of the period		12,099	73,240
Net cash or equivalents at the close of the period		6,867	12,099

Notes 1 to 25 are an integral part of the annual accounts.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

1. General Information

Fersa Energías Renovables, S.A. (hereon, the Company), was incorporated in Barcelona on 10 July 2000 as a public limited company for an indefinite period of time and its registered office is in Travessera de Gracia, nº 30, Barcelona.

It is mainly engaged in all types of activities related to the development of electricity generation from renewable sources, for which purpose it can set-up, acquire and hold shares, bonds, participations and rights in Companies whose corporate objects are the development, construction and exploitation of facilities for the generation of electricity from renewable energy sources.

Additionally, it may acquire, hold, administer and dispose of all types of titles, securities, financial assets, rights, holdings or participations in individual or social companies, on its own behalf, excluding intermediaries and under applicable stock exchange and collective investment institution legislation applicable.

Fersa Energías Renovables, S.A. is a holding company that is the parent company of a group of subsidiary companies, joint ventures and associates that are engaged in the generation of electricity from renewable sources (wind, solar and biogas, etc.), which constitute the FERSA ENERGIAS RENOVABLES GROUP (hereinafter, the Fersa Group or the Group).

The shares of Fersa Energías Renovables, S.A, are listed on the Spanish Stock Exchange. The annual accounts of Fersa Energías Renovables S.A. and the consolidated annual accounts of the Fersa Group as at 31 December 2008 were approved by the General Meeting of Shareholders on 30 June 2009.

2. Basis of presentation

The annual accounts have been formulated by the Directors of the Company on the basis of the accounting records of the Company and are presented in accordance with the current company legislation in force and the standards set down under the Chart of Accounts adopted by Royal Decree 1514/2007, so as to fairly present the Company's equity, its financial position and the results of its operations, as well as the accuracy of its cash flows presented in the statement of cash flows. These annual accounts will be submitted to the General Meeting of Shareholders and are expected to be approved without any modification.

The aforementioned Chart of Accounts came into force on 1 January 2008, applicable for the years beginning as from that date. As per Temporary Provision Four of the Royal Decree mentioned above, the Company has decided to use 1 January 2007 as its transition date.

The figures in the balance sheet, income statement, statement of recognised income and expense, statement of total changes in net equity and the cash flow statement and in these notes to the annual accounts are stated in Thousand Euros, unless indicated otherwise.

The consolidated annual accounts of the Fersa Group for 2009 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), under Regulation (EC) nº 1606/2002 of the European Parliament and the

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Council. The main aggregates shown in the audited consolidated annual accounts are as follows (Thousand Euros):

Total Assets	683,331
Net equity attributed to the parent Company	361,913
Minority interest	18,617
Net turnover	21,415
Net income after tax attributed to the parent Company	1,210

Fersa Energías Renovables, S.A. states negative working capital of Euros 4,006 thousand at 31 December 2009. The Directors have prepared the annual accounts under the going concern principles, given the existence of mitigating factors of this situation, such as:

- The projects now in operation and those that will come on operation in 2010 will generate in that year cash flows that will contribute to mitigate the negative working capital of the parent Company, taking into account the requirements laid down in the project finance of these companies, as mentioned in Note 20. Additionally, the Company will receive cash flows from services rendered to Group companies.

- In January 2010, 16% of the shareholding in Catalana d'Energies Renovables, S.L. was sold for Euros 6,045 thousand, although these cash flows have been used to grant a subordinated loan to Catalana d'Energies Renovables, S.L. totalling Euros 8,375 thousand, in accordance with the requirements of the project finance of this company.

- Fersa Energías Renovables, S.A. has undrawn credit facilities totalling Euros 6,589 thousand (Note 13). Although these liabilities mature in 2010, the Management of the Fersa Group is negotiating their renewal along with new long-term financing, and it expects this financing to be agreed in the first few months of 2010.

Comparability

In accordance with a ruling of the Institute of Auditing and Accounting (*Instituto de Contabilidad y Auditoría de Cuentas*), published in BOICAC 79, to the query raised in relation to the accounting treatment in individual accounts of the income and expenses of a holding company, and on how to determine the net turnover of such an entity, certain figures in the income statement and cash flow statement in these annual accounts for the year 2008 have been reclassified in relation to the figures in the annual accounts formulated in 2008.

Specifically, Dividend income and Financial income from loans to group companies and associates totalling Euros 439 thousand and Euros 2,688 thousand, respectively, in the income statement have been reclassified to Net turnover. Additionally, Impairment and results of the sale of financial instruments have been classified under Operating Profit (Loss).

Furthermore, and as a result of the reclassifications in the income statement mentioned above, certain figures have been adjusted in the cash flow statement.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Merger between Fersa Energías Renovables S.A. and Energía Renovable Mestral S.L.

The General Meeting of Shareholders of 30 June 2009 adopted a resolution in favour of the takeover merger by Fersa Energías Renovables, S.A. (merging company) and Energía Renovables Mestral, S.L.U. (merged company) through the winding up without liquidation of the latter, and the transfer on bloc to the merging Company of all its equity, which is acquired by the merging company under universal succession, comprising all the assets and liabilities, of the merged company, with the merging company subrogating all its rights all obligations. The merger resolution formulated by the Directors of the companies included the following points:

- To use as the merger balance sheets those closed at 31 December 2008. The balance sheet of Energía Renovable Mestral, S.L.U., closed at 31 December 2008 is set out below:

Balance sheet as at 31.12.08 (Thousand Euros)			
Non-current assets	2,019	Net equity	1,497
Equity instruments	2,019	Share capital	750
		Reserves and share premium	730
		Profit for year	17
Current assets	2		
Receivables	1	Non-current liabilities	519
Cash	1		
		Current liabilities	5
Total assets	2,021	Total liabilities	2,021

- The transactions of the Merged Company, which will terminate as a result of the merger, are to be considered undertaken for accounting purposes by the merging Company as from 1 January 2009.
- To ensure that merger avails itself of the Special Tax Neutral Regime as per Chapter 7 of Title 7 of the Corporate Income Tax Act.

Fersa Energías Renovables, S.A. is the single shareholder of the merged Company, and, accordingly, the simplified merger procedure under article 250 of the Public Limited Companies Act is applicable, and consequently, no swap is made, and the shareholding stakes of the merged Company are fully eliminated through the execution of the respective merger deed.

On 2 November 2009, after the legal deadlines were met and all the authorisations required were obtained, the merger was inscribed in the Mercantile Registry, and became effective as from said date.

The main aggregates of this transaction have been as follows:

Acquisition cost	7,773
Book value of the assets acquired	1,497
Fair value of the net assets acquired	4,769
Overprice paid	3,004

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

The only variation between the book value and fair value of the net assets and liabilities is as follows:

	<u>Fair value</u>	<u>Book value</u>	<u>Difference</u>
Equity instruments	5,291	2,019	3,272

As a result of the purchase price allocation process, and in relation to the book value of Energía Renovable Mestral, S.L.U at the purchase date, the main assets and liabilities identified at fair value have been the Shareholding stakes in Group companies and associates held by Catalana d'Energies Renovables, S.L. and Empordavent, S.L., companies owned by Energía Renovable Mestral, S.L.

Furthermore, given that this merger was recorded as per Standard 21.^a of the Chart of Accounts adopted by RD 1514/2007/16 November and in accordance with the provisions of the consolidation standards, and given that the business combination relating to Energia Renovable Mestral, S.L. gave rise to the acquisition of minority interests that were recognised directly in equity totalling Euros 3,004 thousand, there has been a negative impact in this same amount on the equity of Fersa Energías Renovables S.A. as a result of the 2009 merger.

3. Regulatory framework

We describe below the main features of the regulation to which the business of the Fersa Group is subject in the main countries in which it trades.

Spain

Electricity production from renewable sources is regulated by the so-called Special Regime, a legal framework that regulates and facilitates the development of clean energy in Spain.

RD 661/2007/May 2007 is the law that is currently in force to determine which technologies and energy sources can avail themselves of the Special Regime, and to establish the economic and administrative relationships between the Government and the renewable energy producers.

This remunerative and legal framework is obligatory for all generation plants availing themselves of the special regime that began operating on 1 January 2008, but is optional for the rest, although there is a transition period until 31 December 2012, as from which time all producers will operate under RD 661/2007. Accordingly, the plants in operation prior to 2008 can remain under the previous regulatory framework, RD 436/2004, which will no longer apply at the end of 2012.

The most salient features of the two remunerative frameworks that coexist are:

RD 436/2004/12 March

All the plants that were brought into use prior to 31 December 2007 (except solar energy plants) can choose between:

1. Selling energy to the system and receiving a only fixed regulated tariff for the entire life of the project.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

2. Or selling this energy directly in the electricity market production at a market tariff that will be the price generated by the organised market or the freely negotiated price, supplemented by an uncapped maximum and minimum premium or incentive. This premium was Euros 38.3 / MWh in 2009.

RD 661/2007/25 May.

The owners of plants brought into use after 31 December 2007 must choose, for periods of no less than one year, between the following two options:

1. Selling the energy to the grid and receiving a regulated tariff for the first 20 years of the useful life of the project, indexed to inflation.
2. Or selling this energy directly to the electricity market at a market rate that will be the price generated by the organised market or the freely negotiated price, supplemented by a premium capped at the maximum and minimum.

Both the regulated tariffs and the maximum and minimum premium caps are updated annually on the basis of the CPI.

The current regulation of the special regime as per RD 661/2007 is designed to regulate the tariffs for installed capacity of 20,155 MW. The access to these tariffs is regulated as from 30 April by RD 6/2009.

RD 6/2009/30 April.

This royal decree regulates the application of the tariff regime under RD 661/2007 through the creation of a pre-assignment registry for remuneration if the requirements under RD 6/2009/30 April are met.

In 2009 the projects inscribed in the above-mentioned pre-assignment registry were known.

France

In France the energy production plant must hold authorisations for operations under the following legislation:

- Law nº 2000-108/10 February 2000, on the modernisation and development of the electricity utilities.
- Decree nº 2000-877/7 September of that year, on the authorisation for operating energy production plants.

Once authorisation is obtained, the electricity producers will be subject to the remunerative regime as per Decree of 10 July 2006.

The remuneration of land wind-based electricity production is set for the first 10 years, indexed to inflation on 1 November of each year. In 2009, the tariff applied to the company in the Fersa Group in France was 8.522 Euro cents per KWh until 1 November, and from that date, 8.395 Euro cents per KWh.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

India

The wind-energy facilities are governed by the Electricity Act of 2003 and applicable across the country. The ministry in charge of setting the government directives that regulate the renewable energy facilities is the Ministry of New and Renewable Energy. At the same time, each State has a competent body in this area. The activity of the Fersa Group in India is channelled through the energy produced in Karnataka State and, accordingly, we think that the regulations of this state are relevant.

In addition to the general regulations of the Electricity Act, the central government and the different state governments offer the following incentives:

- Tax exemption on the Excise Duty, tax payable for the manufacturing of the electricity generator and its parts.
- Tax exemption in some states (including Karnataka) on the VAT and the tax on electricity services (Electricity Duty)
- Reduction of the income tax for 10 consecutive years for all electricity producers
- Incentives for generation: all facilities starting up after 17 December 2009 have a right to receive an incentive of Rupees 0.50 per unit if the electricity is sold to the state or central government power grid
- Benefits arising from international standards, such as the Clean Development Mechanism, CDM under the Kyoto Protocol.

The base tariff for the private wind-farms in Karnataka State is a fixed tariff of Rupees 3.40 per KWh for the first 10 years of commercial operations, and, for the farms that begin operations as from 2010, Rupees 3.70 per KWh for the first 10 years of commercial operations.

4. Accounting policies

4.1 Intangible assets

Licences and trademarks

The licenses and trademarks have a defined useful life and are stated at cost less accumulated amortisation and impairment provisions recognised. The amortization is calculated using the straight-line method in order to assign the cost of the trademarks and licenses during their estimated useful life (4 years).

Computer software

Licenses for computer software acquired from third parties are capitalised on the basis of the costs incurred to acquire and prepare them for a specific program use. These costs are amortised over their estimated useful lives (4 years).

Expenses relating to software development or maintenance are recognised as an expense when incurred. Costs directly related to the production of single identifiable computer programs controlled by the Company, and which will probably generate profits exceeding costs for more than one year, are recognised as intangible assets. The direct costs include staff costs of the personnel who develop the computer programs and an appropriate percentage of general overheads.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

4.2 Property, plant and equipment

Property, plant and equipment are recognised at their acquisition price or cost of production minus their accumulated depreciation and accumulated recognised impairment losses.

The net financial expenses, and other expenses directly attributable to property, plant and equipment, are incorporated at acquisition cost until the assets are brought into use.

The costs of extension, modernisation or improvement of Property, plant and equipment are capitalised only when they represent an increase in their capacity, productivity or a lengthening of their useful life, and as long as it is possible to know or estimate the book value of the assets that are written off inventories when replaced.

The costs of major repairs are capitalised and depreciated over their estimated useful lives while recurrent maintenance expenses are taken to income statement during the year in which they are incurred.

The depreciation of property, plant and equipment, except for land, which is not depreciated, is calculated on a straight-line basis according to their estimated useful lives, taking into account ordinary wear and tear. The estimated useful lives are as follows:

	<u>Years of estimated useful life</u>
Other plant	10
Furniture	5 - 10
Computer hardware	4

The residual value and useful life of assets are reviewed, and adjusted, as the case may be, at each balance sheet date.

When the book value of an asset is greater than its estimated recoverable value, it is immediately written down to the recoverable value.

The profit and loss on the sale of property, plant and equipment is calculated by comparing the income obtained from the sale against book value and then taken to income statement.

4.3 Impairment of non-financial assets

Depreciable assets are tested for impairment whenever events or changes in circumstances indicate that their book amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's book amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest levels for which there are separately identifiable cash flows (cash-generating units "CGU"). When an impairment arise, are reviewed at the balance sheet to verify whether there have been reversals of the loss.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

4.4 Financial assets

a) Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable collections that are not listed on a stock exchange. They are included in current assets, except when they mature in more than 12 months as from the balance sheet date on which they were classified as non-current assets.

These financial assets are initially stated at their fair value, including the directly attributable transaction costs, and later stated at their amortised cost, recognising the interest accrued based on their effective interest rate, understood as the revaluation rate equalises the book value of the instrument to all its estimated cash flows until maturity. Notwithstanding the above, trade debtors falling due in no more than one year are stated at the time of initial recognition and afterwards at their nominal value provided that the effect of not restating the flows is insignificant.

Provisions required for impairment are recorded at least at the year end if there is objective proof that the outstanding amounts will not be received.

The amount of the value impairment is the difference between the asset's book amount and the present value of estimated future cash flows, discounted at the effective interest rate when initially recognised. The amount of the provision and the reversal of the provision are recognised in the income statement.

b) Investments held to maturity:

Financial assets held to maturity are debt securities with fixed or determinable maturities that are traded on an official market and which Company Management plans and has the capacity to hold to maturity. If the Company sells a not insignificant amount of the held-to-maturity financial assets, the entire category is reclassified as available for sale. These financial assets are included in non-current assets, except for those maturing in less than 12 months as from the balance sheet date, which are classified as current assets.

The valuation criteria for these assets are the same as those used for loans and receivables.

c) Investments in the equity of group companies, multigroup companies and associates:

These investments are stated at cost less, as the case may be, the accumulated impairment losses. However, if there is an investment prior to its qualification as a group or multi-group company or associate, its predecessor book value prior to being treated as such is considered to be cost of the investment. Own work carried out by the Company is included in the cost of the investment. The prior provisions recorded directly in net equity are held there until they are derecognised.

If there is objective proof that the book value is not recoverable, provisions are recorded in the amount of the difference between book value and the recoverable amount, understood as the greater of fair value less cost of sale and present value of the cash flows generated by the investment. Unless there is further proof of the recoverable amount, the impairment estimate for these investments takes into account the net equity of the investee companies adjusted by the tacit capital gains existing at the valuation date. The provision, and, if any, its reversal, is recorded in the income statement for the year in which it occurs.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

d) Available-for-sale financial assets:

This account includes debt securities and equity instruments that are not classified in any of the above categories. They include non-current assets unless management plans to sell the investment within the 12 months following the balance sheet date.

Unrealised gains and losses from changes in the fair value are recognised in net equity. When sold or impaired, the adjustments accumulated in the Reserve for value adjustments are taken to the income statement.

In the case of available-for-sale financial assets, provisions are recorded if there is objective proof that their value has been impaired as a result of a reduction or delay in the estimated future cash flows of debt instruments acquired or lack of recoverability of the book value of the asset for investments in equity instruments. The provision is the difference between costs or amortised cost less, as the case may be, any provision previously recognised in the income statement and the fair value at the time the valuation is made. In the case of the equity instruments that are stated at cost when fair value cannot be determined, the provision is determined in the same way as for investments in the equity of group and multi-group companies and associates.

If there is objective proof of impairment, the Company recognises in the income statement the accumulated losses recognised previously in net equity due to the decrease in fair value.

If the market for a financial assets is not active, the Company establishes fair value using valuation techniques that include the use of recent transactions between interested, duly informed parties, involving substantially similar instruments, discounting methods for estimated future cash flows and models for establishing option prices making maximum use of observable market data and relying as least as possible on subjective considerations of the Company.

Financial assets are written off when all the risks and rewards attaching to ownership of the asset are substantially transferred. Specifically, for accounts receivable, this situation is generally understood to arise if the insolvency and default risks have been transferred.

4.5 Non-current assets held for sale

Non-current assets (or disposable groups of assets) are classified as held for sale when their book value will be recovered through a sale instead of through continued use. This condition is deemed to be met only when the sale is highly probable, and if the asset is immediately available for sale in its present condition and if the sale will be completed foreseeably within one year as from the date of classification. These assets are stated at the lower of their book value and fair value less the costs required for their sale and they are not depreciated.

4.6 Net equity

Share capital is represented by ordinary shares.

The cost of the issue of new shares or share options is presented directly against net equity, as less reserves.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

In the event of the acquisition of treasury shares the consideration paid, including any directly attributable incremental cost, is subtracted from net equity until cancellation, issue of new shares or sale. When these shares are sold or reissued afterwards, any amount received, net of any directly attributable incremental costs of the transaction, is included in net equity.

The dividends from ordinary shares are recognised as less equity when they are approved.

4.7 Financial liabilities

a) Financial liabilities

Financial liabilities are recognised initially at fair value, and the costs incurred in obtaining them are also recorded. The difference between the funds obtained and their redemption value is recognised in the income statement during the term of the financial liability using the effective interest rate.

Financial liabilities are classified as current liabilities unless their maturity is longer than 12 months as from the balance sheet date or if they include tacit renewal clause to be exercised at the discretion of Fersa Energías Renovables, S.A.

b) Trade and other payables

This account includes debits for trade and non-trade operations. These borrowings are classified as current liabilities unless the Company has an unconditional right to defer their payment for at least 12 months after the balance sheet date.

These liabilities are recognised initially at their fair value adjusted by the costs directly attributable to the transition, and are recorded at their amortised cost using the effective interest rate method. This effective interest rate is the actualisation rate that matches the book value of the instrument to the cash flow expected from the future payments foreseen until the liability matures.

However, trade payables falling due in less than one year that do not have a contractual interest rate are stated, consequently, initially and afterwards, at their nominal value when the effect of not restating the cash flows is not significant.

4.8 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or implicit obligation as a result of past events, which will likely lead to an outflow of funds in order to meet the obligation, and when the amount has been reliably estimated. No provisions are recognised for future operating losses.

Provisions are recorded when the inevitable costs of meeting the liabilities in a onerous contract for valuable consideration exceed the profits expected to be obtained from them.

The provisions are stated at current value of the amount necessary to settle the liability at the balance sheet date, according to the best estimate available.

When it is expected that part of the disbursement necessary to settle the provision is refundable by a third party, the reimbursement is recognised as a separate asset, provided that its receipt is practically assured.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

4.9 Corporate income tax

The Corporate income tax expense (income) is the amount which, for this item, accrues during the year and comprises both the expense (income) for current taxes and deferred taxes.

Both the current and deferred income tax expense (income) is recorded in the income statement. However, the tax effect related to items that are recorded directly in net equity are recognised in net equity.

The current tax assets and liabilities will be stated at the amounts expected to be paid or refunded from the tax authorities, in accordance with current legislation and legislation pending enactment at the year end.

The deferred tax is calculated using the liability method on the basis of the temporary differences that arise between the tax bases of the assets and liabilities and their book value. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination which at the time of the transaction does not affect either accounting profit or taxable income, it is not recognised. The deferred tax is determined by applying the legislation and tax rates in force or about to come into force on the balance sheet date and which is expected to be applied when the respective deferred tax asset is realised or the deferred tax liability is settled.

The deferred tax assets are recognised to the extent that it is probable that there will be future tax profits with which to offset the temporary differences.

4.10 Business combinations

In the case of business combinations arising from the acquisition of shares or stakes in a company, the Company recognises the investment in accordance with the provisions for investments in group and multi-group companies and associates.

Merger, demergers and non-cash contributions of a business between group companies are recorded in accordance with the provisions for related-party transactions (Note 4.14).

Mergers and demergers other than that mentioned above and business combinations arising from the acquisition of all assets and liabilities of a company or of a part that constitutes one or more businesses, are recorded using the acquisition method.

4.11 Revenue recognition

Income is recorded at the fair value of the consideration to be received and represents the amounts receivable for goods delivered and services rendered during the Company's normal course of business, minus returns, price reductions, discounts and value added tax.

The Company recognises income when it can be reliably measured, and when it is probable that future economic profit will be generated for the Company and the specific conditions for each activity undermentioned are met. Income cannot be reliably valued until all the contingencies related to a sale have been resolved. The Company bases its estimates on historical results, bearing in mind the type of customer, the type of transaction and the specific terms of each agreement.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

The Company provides technical assistance and accounting advisory services to group companies. These services are provided under a service agreement. The income from these service agreements is recognised generally in the period in which the services are provided on a straight-line basis over the duration of the agreement.

Interest income is recognised using the effective interest rate method.

Dividend income is recognised as income on the income statement when the right to receive the dividend is established.

4.12 Leases

Leases in which the lessor substantially retains a large part of the risks and rewards of ownership are classified as operating leases. The operating lease payments are charged to the income statement for the year in which they accrue on a straight-line basis over the lease periods.

4.13 Transactions in foreign currency

The Company's annual accounts are stated in Euros, which is its functional and presentation currency. The payables and receivables in foreign currency are stated at the year end exchange rate. The gains and losses in foreign currency that arise from the settlement of these transactions and the translation at closing exchange rates of the monetary assets and liabilities denominated in foreign currency are recognised in the income statement.

4.14 Related party transactions

In general, operations between group companies are recorded initially at their fair value. However, if the price agreed differs from fair value, the difference is recorded taking into account the economic substance of the operation. The later valuation is made in accordance with the provisions of respective legislation.

However, in mergers, demergers or non-cash contributions of a business, the Company uses the following criteria:

- a) In operations between group companies in which the parent Company of the group or the parent company of a subgroup and its subsidiary intervenes directly or indirectly, the assets and liabilities of the business acquired are stated at the amount at which they are recorded in the consolidated annual accounts of the group or sub-group after the operations have been concluded.
- b) In the case of operations between group companies, the assets and liabilities of the business are stated at their book values in their individual accounts prior to the operation.

The difference that could come to light is recorded under Reserves.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

4.15 Cash flow statement

The cash flow statements have been prepared using the indirect method, and they use the following expressions as defined below:

- a) Operating activities: activities that make up the Company ordinary revenues and other activities that cannot be qualified as investments or financing.
- b) Investment activities: acquisition, sale or disposal activities by other means of long-term assets and other financial assets not included in cash and cash equivalents.
- c) Financing activities: activities that cause changes in the size and composition of net equity and liabilities that do not form part of operating activities.

4.16 Critical aspects of the measurement and estimation of uncertainty

The preparation of the annual accounts requires the Company's use of certain estimates and judgements. Set out below please find the valuation standards that require major estimates:

a) *Valuation of shareholdings*

Shareholdings are stated at their recoverable value, understood as the greater of the fair value less the costs of sale and the present value of the cash flows that are expected to be received. In order to determine this recoverable value, cash flow projections are used that cover the estimated useful life of the project (for example, in the case of a wind farm, is estimated in 20 years) based on past results and expectations of market development.

Goodwill and other intangible assets identified at the time of acquisition of the group companies and associates are also included as part of the recoverable value. Both goodwill and the intangible assets that are still not in use are tested for impairment annually. Other assets are also tested for impairment if there are indications of the same.

b) *Calculation of the corporate income tax expense and deferred income tax assets*

The calculation of the corporate income tax expense requires interpretations of tax legislation in Spain. The determination of expected outcomes of outstanding disputes and litigation requires the preparation of significant estimates and judgements.

The Company evaluates the recoverability of the deferred tax assets based on estimates of future taxable income and the capacity to generate sufficient tax profits during the periods in which these deferred taxes are deductible.

c) *Provisions*

In general, liabilities are recorded when it is probable that a liability or obligation will give rise to an indemnity or payment. The Company makes an estimate of the amounts to be settled in the future, including additional amounts relating to corporate income tax, contractual obligations, the settlement of outstanding litigation, and other liabilities. These estimates are subject to the interpretation of current events and circumstances, projections of future events and estimates of their financial effects.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

d) *Fair value of derivatives or other financial instruments*

The fair value of the financial instruments that are not listed on an official market is determined using valuation techniques. The Fersa Group uses a variety of methods and makes assumptions that are based on existing market conditions on each balance sheet date. In order to determine the fair value of the other financial instruments, other techniques are used, such as estimated discounted cash flows. The fair value of interest rate swaps is calculated as the present value of the future estimated cash flows.

5. Intangible assets

The breakdown and movement in the accounts under "Intangible assets" are as follows:

	Software	Licenses and trademarks	Total
Balance as at 1-1-2008	-	-	-
Additions	23	-	23
Amortisation	(2)	-	(2)
Balance as at 31-12-08	21	-	21
Cost	23	-	23
Accumulated amortisation	(2)	-	(2)
Balance as at 31-12-08	21	-	21
Additions	19	31	50
Amortisation	(10)	(1)	(11)
Balance as at 31-12-09	30	30	60
Cost	42	31	73
Accumulated amortisation	(12)	(1)	(13)
Book value	30	30	60

At 31 December 2009 there are no fully amortised intangible assets still in use.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

6. Property, plant and equipment

The breakdown and movement in the accounts under Property, plant and equipment is as follows:

	Plant and other property and equipment	Total
Balance as at 1-1-2008	-	-
Merger additions	87	87
Additions	103	103
Depreciation	(12)	(12)
Balance as at 31-12-08	178	178
Cost	190	190
Accumulated depreciation	(12)	(12)
Balance as at 31-12-08	178	178
Additions	30	30
Depreciation	(36)	(36)
Balance as at 31-12-09	172	172
Cost	220	220
Accumulated depreciation	(48)	(48)
Book value	172	172

During the years 2009 and 2008 no significant impairment provisions for property, plant and equipment have been recognised or reversed.

At 31 December 2009 there is no fully depreciated Property, plant and equipment still in use.

At 31 December 2009, the Company has not commitments to purchase Property, plant and equipment.

The Company has taken out a number of insurance policies to cover risks relating to Property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

7. Shareholdings in group and multi-group companies and associates

The variations during the year in the accounts under non-current investments in group companies and associates are as follows:

	Shareholdings in group companies	Loans to group companies	Shareholdings in associates and multi-group companies	Loans to associates and multi-group companies	Total
Balance as at 01.01.08	36,978	8,812	9,214	3,026	58,030
Increases	379,512	38,789	7,471	2,361	428,133
Divestment/ disposals	(28,504)	(982)	(411)	(491)	(30,388)
Transfers	2,986	991	(2,087)	(1,890)	-
Charge/reversal provisions	(28,659)	-	497	-	(28,162)
Balance as at 31.12.2008	362,313	47,610	14,684	3,006	427,613
Increases	12,310	10,660	42	140	23,152
Divestment/ disposals	(90)	-	(4,222)	(103)	(4,415)
Transfers	2,165	(2,131)	(2,815)	(918)	(3,699)
Merger scope	(2,734)	(394)	-	-	(3,128)
Charge/reversal provisions	(4,429)	-	185	-	(4,244)
Balance as at 31.12.2009	369,535	55,745	7,874	2,125	435,279

The variations during the year in the accounts under current investments in group companies and associates are as follows:

	Shareholdings in group companies	Loans to group companies	Shareholdings in associates and multi-group companies	Loans to associates and multi-group companies	Total
Balance as at 01.01.08	-	3,785	-	399	4,184
Increases	-	4,733	-	-	4,733
Divestment	-	(5,724)	-	-	(5,724)
Changes in scope	-	399	-	(399)	-
Transfers	-	(3,084)	-	-	(3,084)
Charge/reversal provisions	-	-	-	-	-
Balance as at 31.12.2008	-	109	-	-	109
Increases	-	797	-	-	797
Divestment/ disposals	-	(89)	-	-	(89)
Balance as at 31.12.2009	-	817	-	-	817

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

a) Shareholdings in group companies

In relation to increases in Shareholdings in group companies for 2009, of special note are:

- Increase in Shareholdings in group companies as a result of the capital increases of Oü Est Wind Power, EN Renewable Energy Private Limited, Eólica Kisielice Sp. Zoo and Catalana d'Energies Renovables S.L. totalling Euros 11,967 thousand. Additionally, there have been increases in the Shareholdings in group companies as a result of the capitalisation of loans, mainly in Eólica Kisielice Sp. Zoo and Catalana d'Energies Renovables S.L. totalling Euros 2,029 thousand, and recognising these movements under Transfers.

Derecognition due to merger mainly includes the effect of the derecognition of the shareholding in Energia Renovable Mestral, S.L. as a result of the takeover merger of Fersa Energías Renovables, S.A. and Energia Renovable Mestral, S.L. (Mestral) (Note 2).

b) Shareholdings in associates and multi-group companies

The divestments of Shareholdings in associates and multi-group companies relate mainly to the sale of the 18% stake in Parque Eólico Altos de Voltoya S.A. totalling Euros 5,700 thousand (Note 10), the profit from which totals Euros 1,478 thousand.

Additionally, as a result of no longer considering the investment in Parque Eólico Altos de Voltoya, S.A. as an associate at 31 December 2009 and given that the requirements under current legislation have been met, the Company now classifies this investment as a Non-current asset held for sale (Note 9).

There are no companies in which it can be concluded that the Company, holding less or more than a 20% interest, has a significant or insignificant influence, respectively.

The capital, reserves, net income for the year and other information of interest, as stated in the individual annual accounts of the companies, are set out in Appendices I and II to these accounts. None of the group companies in which the Company has an interest is listed on a stock exchange.

c) Provisions for shareholdings

During the year the Company has recorded provisions for impairment of different shareholdings.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009 (in Thousand Euros)

Name	Activity	Accumulated			Accumulated			Accumulated
		Provision 31.12.07	Charge	Reversal	Provision 31.12.08	Charge	Reversal	Provision 31.12.09
Eólica del Pino S.L.	Wind	101	269	-	370	2,945	-	3,315
Eólica el Pedregoso S.L.	Wind	468	-	(241)	227	937	-	1,164
Parque Eólico Altos del Voltoya S.A.	Wind	682	-	(497)	185	-	(185)	-
Inventem Mediterránea S.L.	Biogas	463	-	-	463	-	-	463
Parque Eólico Hinojal S.L.	Wind	-	1,819	-	1,819	374	-	2,193
Gestora Fotovoltaica de Castellón S.L.	Solar	-	24	-	24	85	-	109
Eoliennes De Beausembant S.A.S	Wind	-	158	-	158	186	-	344
Generación Eólica India Ltd.	Wind	-	2,242	-	2,242	1,397	-	3,639
En Renewable Energy Pvte. Ltd	Wind	-	3,838	-	3,838	-	(134)	3,704
En Green Energy Pvte. Ltd	Wind	-	2,909	-	2,909	-	(106)	2,803
En Wind Power Pvte. Ltd	Wind	-	4,910	-	4,910	-	(166)	4,744
Eólica Kisielice Sp.	Wind	-	4,197	-	4,197	-	(505)	3,692
Eólica Warblewo Sp.	Wind	-	2,594	-	2,594	-	(173)	2,421
Eólica Ciepłowodny Sp.	Wind	-	2,981	-	2,981	-	(200)	2,781
Eólica Postolin Sp.	Wind	-	2,193	-	2,193	-	(755)	1,438
Fersa Panamá, S.A.	Wind	-	766	-	766	544	-	1,310
Total		1,714	28,900	(738)	29,876	6,468	(2,224)	34,120

The net impact on the income statement for the year totals Euros 4,244 thousand.

The accumulated provision recorded by the Company arises, mainly, from the negative impact of the devaluations of certain currencies in which the Company denominates investments, mainly in India (Rupee) and Poland (Zloty), by measuring the tacit capital gains (goodwill and intangible assets identified at the time of acquisition) in the functional currency, and, accordingly, by their being impaired when translated into Euros.

Please note that there have been no adjustments to these tacit capital gains in their functional currency. The impairment tests made by the Company was based on the cash flow projections covering the estimated useful life of a wind farm, which is estimated in 20 years, based on past results and expectations for market development.

The calculations of the recoverable value use cash flow projections. The key assumptions used to calculate the value in use are as follows:

a) Discount rate: The cost of equity used to determine the discount rate of the main CGUs is as follows:

Discount rate (1)	Spain	France	Poland	India	Panama	China	Estonia
2009	7.30%	6.90%	9.40%	10.10%	9.14%	10.10%	9.20%
2008	7.45%	7.10%	9.40%	10.00%	12.30%	6.10%	11.50%

(1) Discount rate before tax used in the cash flows projections (cost of equity).

b) Prices: The sale prices of electricity have been estimated on the basis of past experience and external sources of information. For those countries in which there are “power purchase agreements”, such as India, the agreed price has been used.

c) Productions: In order to determine productions, a series of historical measurements have been used.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

In addition to the assumptions set out above, the Directors have taken into account in the preparation of the calculations of recoverable value other business assumptions that are relevant, such as:

- Estimated life of the project
- Start up of new projects: For projects that have not been started up (coming from the business combination in 2008), the forecast start up date has been estimated taking into account the milestones achieved in the process of obtaining the licences required as well as the status of the negotiations for obtaining the financing.
- Investments: For projects in which the investments in Property, plant and equipment (wind farms) are still pending, the investments have been estimated using the investment committed in the event of the existence of signed agreements with the suppliers of wind farms, and, failing this, using the best estimate taking into account the progressive decrease in wind farm sale prices due to the increase in competition.
- Cost of debt: For projects governed by signed financial agreements, the cost applied in their financing has been used, and for projects in which there is no signed financing, the cost has been estimated depending on the conditions of each market.
- Operating expenses: For future years, the operating expenses have been estimated on the basis of past experience and by applying an estimated inflation rate.

d) Loans to group and multi-group companies and associates

Loans to group and multi-group companies and associates accrue a fixed interest rate between 4% and 7.5%, and mature between 2011 and 2014, the breakdown by company at 31 December 2009 is as follows:

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Company	Thousand Euros	
	As at 31.12.09	As at 31.12.08
Eólica Kisielice S.p.zoo	17,153	15,059
Eólica Postolin S.p.zoo	964	7,025
Parque Eólico Hinojal, S.L.	4,903	4,583
Eólica El Pedregoso, S.L.	4,971	3,855
Fercom Eólica, S.L.	3,446	3,183
Eólica Cieplowody S.p.zoo	483	2,831
Eólica Warblewo S.p.zoo	435	2,772
Eólica del Pino, S.L.	3,247	1,977
Siljan Port, S.L.	1,916	1,836
Eoliennes De Beausemblant, SAS	1,542	1,677
Sinergia Andaluza, S.L.	1,098	1,061
Parque Eólico Altos de Voltoya, S.A.	-	951
Catalana d'Energies Renovables, S.L.	1,909	938
Fersa Panamá, S.A.	1,573	867
OÜ EstWindPower	12,450	637
Energía Renovable Mestral, S.L.	-	514
Empordavent, S.L.	671	353
Eólica Cijara, S.L.	221	165
Entreyeltes 1, S.L.	105	87
Energía Renovable Mestral Eólica, S.L.	76	70
Castellwind 03, S.L.	81	67
Explotación La Pedrera, S.L.	292	32
Energías Renovables del Guadiana Menor, S.L.	44	25
Fergest Biomasa, S.L.	25	23
Generación Eólica Indica Limited	-	15
Fersa Cherkessk LLC	74	13
Energía Cijara, S.L.	12	-
Eolener, S.L.	85	-
Orta Eólica, S.L.	36	-
Parc Eólic L'Arram, S.L.	30	-
Parc Eólic Coll de Som, S.L.	27	-
Mestral Conca, S.L.	1	-
Total	57,870	50,616

Current loans to group companies at 31 December 2009 total Euros 817 thousand, relating mainly to the credit with group companies for the tax consolidation totalling Euros 551 thousand. Additionally, the amount of Euros 266 thousand relates to the dividends from Invetem Mediterranea, S.L. and Eoliennes de Beausemblant SAS. The amount at 31 December 2008 of Euros 109 thousand relates to loans to Explotación Eólica la Pedrera, S.L. and Castellwind-03, S.L.

Transfers also includes the reclassification to Short-term financial assets of the loan to Parque Eólico Altos de Voltoya, S.A. since this investment is no longer classified as an associate at 31 December 2009 as a result of sale of 18% of its shares (Note 8).

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

8. Financial assets

The breakdown of the financial assets is as follows:

As at 31 December 2009	Available-for-sale financial assets	Loans and other receivables	Investments held to maturity	Hedging derivatives	Total
Derivatives	-	-	-	3,731	3,731
Other financial assets	-	938	-	-	938
Non-current financial assets	-	938	-	3,731	4,669
Other financial assets	-	1,239	-	-	1,239
Current financial assets	-	1,239	-	-	1,239

As at 31 December 2008	Available-for-sale financial assets	Loans and other receivables	Investments held to maturity	Hedging derivatives	Total
Derivatives	-	-	-	5,217	5,217
Other financial assets	-	1,337	-	-	1,337
Non-current financial assets	-	1,337	-	5,217	6,554
Other financial assets	-	71	-	-	71
Current financial assets	-	71	-	-	71

No debt securities have been issued, purchased or paid in 2009 or 2008.

During the year 2009 the shareholding in Parque Eólico Altos de Voltoya, S.A. has been classified as an available-for-sale financial asset. After the decision was taken to sell this shareholding, the balance has been classified under Non-current assets held for sale (Note 9).

Loans and other receivables

The breakdown of loans and other receivables at 31 December 2009 and 2008 is as follows:

	As at 31.12.09	As at 31.12.08
Other loans	179	87
Other assets	759	1,250
Total loans and non-current items	938	1,337
Other loans	884	36
Other assets	355	35
Total loans and current items	1,239	71

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Investments held to maturity

The movement in current investments held to maturity in 2009 and 2008 is as follows:

	As at 31.12.09	As at 31.12.08
Initial balance	-	50,923
Additions	-	-
Disposals	-	(50,923)
Closing Balance	-	-

The amount of investments held to maturity at 1 January 2008 related to a fixed time deposit maturing on 28 March 2008 that accrued an average interest at 5%.

Hedging derivatives

The amount of Euros 3,731 thousand (Euros 5,217 thousand at 31 December 2008), relates to an insurance policy on future incomes from the subsidiaries Eólica el Pedregoso S.L. and Eólica del Pino S.L. maturing in 2026.

9. Non-current assets held for sale

The assets held for sale relate to the 12% stake in Parque Eólico Altos de Voltoya S.A. (Note 7), which, after the sale of its 18% shareholding at 31 December 2009, was classified as an available for sale financial asset (Note 8). The fair value measurement of this shareholding has had a positive effect on equity of Euros 393 thousand (Euros 275 thousand net of the tax effect). This shareholding was sold in January 2010 (Note 25).

10. Trade and other receivables

The breakdown at 31 December 2009 and 2008 is as follows:

	As at 31.12.09	As at 31.12.08
Trade receivables with group companies and associates	2,844	572
Sundry receivables	5,763	267
Current tax assets	318	243
Other tax refundables	12	3,659
Trade and other receivables	8,937	4,741

Trade receivables with group companies and associates include the technical, accounting and administration services rendered and fall due one month after the invoice is issued. The trade receivables are not insured and accrue no interest.

Sundry receivables includes an amount of Euros 5,700 thousand relating to the sale price of the 18% stake in Parque Eólico Altos de Voltoya S.A. (Note 7).

Other tax refundable at 31 December 2008 included mainly Value Added Tax refundable for services related to the acquisition of companies.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

There are no significant differences between the book values and fair values of Trade and other receivables. There are no trade and other receivables falling due in more than 12 months.

A provision is not required for bad debt at 31 December 2009 and 2008. In general, the invoices pending to receipt do not accrue interest.

11. Cash and other cash equivalents

	As at 31.12.09	As at 31.12.08
Cash and banks	1,854	4,784
Other cash equivalents	5,013	7,315
Total	6,867	12,099

The short-term investments made entirely in Spain mature in less than three months and accrue an effective weighted interest rate of 1.25 % in 2009 (5.4% in 2008). There are no restrictions on significant amounts that can be drawn down.

12. Net equity

a) Share capital

The share capital of the parent Company as at 31 December 2009 is represented by 140,003,778 shares, each with a nominal value of Euro 1, which have been fully subscribed and paid. All shares have the same economic and voting rights.

On 20 February 2008, the Extraordinary General Meeting of Shareholders agreed to a corporate transaction through which various business groups made contributions to the Company consisting of several companies with wind farms in operation and at different stages of administrative process. In consideration thereof, the Company made a capital increase with non-cash contributions. This transaction included the wind farms in Spain and abroad, specifically in India, France and Poland.

This non-cash capital increase was undertaken through the issue of 64,491,828 new shares, at Euros 4.26216336 per share, with a par value of Euro 1 per share and a share premium of Euros 3.26216336 per share, which were adjudicated in proportion to the non-cash contributions made by the new shareholders. The transactions that gave rise to this increase were as follows:

- The Enhol Group (Eólica de Navarra), new strategic partner, and Banc de Sabadell, contributed companies with various wind farm projects in operation, under construction or in development, representing a total of 314 MW and 73.2 MW, respectively.
- Corporación Caja de Granada S.A. and Inversiones Progranada S.A., S.C.R. made a contribution of wind farm projects and shareholdings that represent an additional 93.8 MW for the Group.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

- Fomento de Inversiones y Capital S.L. (Foinca), a company in charge of the management and administration of the Company.
- Shareholdings were acquired in investee companies that represent, in almost all cases, full ownership of all these subsidiaries. These new transactions have made up an additional 81.8 MW for the Group.

This transaction was partially protected by the special tax regime as per Chapter VIII of Title VII of Royal Legislative Decree 4/2004/5 March, which adopted the Corporate Income Tax Act. The information regarding this transaction has been disclosed in the consolidated annual accounts of the Fersa Group for 2008.

In total, the non-cash increase transaction has meant the addition of 562.7 MW, and the addition of contributions totalling Euros 274,874 thousand. Accordingly, and for the purposes of this capital increase, a fair value of Euros 4.26 per share has been used. Although Spanish Accounting rules stipulate that the quotation share price of a listed security is the best proof of its fair value, and, therefore, this should be the value used to measure the shares issued in this capital increase, it also stipulates that there may be other circumstances under which this would not be so, and that, therefore, other evidence and valuation methods must be used. The Board of Directors of the Company believed that the value of Euros 4.26 per share was the better reference point for the fair value of the shares of the Company at the date of the share exchange for the capital increase than the quotation share price on that date (Euros 5.18 per share at 20 February 2008), for the following reasons, amongst others:

- Existence of a valuation prepared by a renowned, prestigious independent entity using generally accepted criteria, subject to subsequent verification by an independent expert appointed by the Mercantile Registry.
- Involvement in the capital increase of a large number of shares and a certain narrowness in the market for the shares of Fersa Energías Renovables, S.A. (existence of a "free float" before and after the non-cash capital increase of 20 February 2008 lower than 50% of the shares of the Company).
- The value of Euros 4.26 per share was more in line with the quotation share price of the Company over a longer period of time and in line with the general downward trend in the quotation price after 20 February 2008 until the formulation of these annual accounts.

All of the shares of Fersa Energías Renovables, S.A. are listed on the Spanish Stock Exchange. The share quotation at 31 December 2009 of the company's shares was Euros 2.215 per share (Euros 2.210 at 31 December 2008).

The breakdown of the shareholders of the Company with a stake greater than 10% at 31 December 2009 and 31 December 2008, is as follows:

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

As at 31.12.09	
Shareholders	%
Grupo Enhol	22.40%
Other shareholders	77.60%
	100.00%

As at 31.12.08	
Shareholders	%
Grupo Enhol	22.40%
Other shareholders	77.60%
	100.00%

Merger between Fersa Energías Renovables S.A. and Fomento de Inversiones de Capital, S.L.

On 4 August 2008, Fersa Energías Renovables, S.A. and Fomento de Inversiones de Capital, S.L. (Foinca), fully owned by Fersa Energías Renovables, S.A., were merged by means of a takeover of the latter by the former, with the transfer on bloc of the equity of the latter to Fersa Energías Renovables, S.A., which acquired universal title to all the assets and liabilities of the merged company, Foinca, under the terms of the merger resolution drafted and signed on 14 May 2008 by the directors of Fersa Energías Renovables, S.A. and Foinca, and was inscribed in the Mercantile Registry of Barcelona on 19 September 2008.

- Considering as the merger balance sheets those closed 31 December 2007. Please find below the balance sheet of Foinca., closed at 31 December 2007.

Balance sheet as at 31.12.07 (Thousand Euros)			
Non-current assets	2	Net equity	(36)
Current assets	345	Current liabilities	383
Total assets	347	Total liabilities	347

- The transactions of the Merged Company, which was wound up as a result of the merger, will be considered undertaken for accounting purposes by the merging Company as from 1 January 2008.
- The merger avails itself of the Special Tax Neutral Regime as per Chapter VIII of Title VII of the Corporate Income Tax Act.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Fersa Energías Renovables, S.A. was the single shareholder of the merged Company, and, accordingly, the simplified merger procedure was applicable under article 250 of the Public Limited Companies Act, and, consequently, no swap was made, and all the shareholding stakes off the merged Company were totally eliminated after the execution of the respective public deed of merger.

The main aggregates of this transaction were as follows:

Acquisition cost	25,272
Book value of the net assets acquired	(78)
Overprice paid	25,350

There are no variations between the book value and the fair value of the net assets and liabilities, is as follows:

Furthermore, given that this merger was recorded, as per Standard 21^o of the Chart of Accounts, adopted by RD 1514/2007/16 November, and under the provisions of the standards on consolidation, and since the business combination relating to Foinca gave rise to the acquisition of minority interests that were recognised directly in equity totalling Euros 25,201 thousand, there was a negative impact by this amount on the equity of Fersa Energías Renovables S.A. as a result of the merger in 2008.

b) Share premium account

The share premium account is freely available for distribution. This account can only be affected by resolutions of the General Meeting of Shareholders of the Company.

c) Reserves

	As at 31.12.09	As at 31.12.08
Legal and statutory		
- Legal reserve	15,102	15,102
Other reserves		
- Voluntary Reserves	-	-
- Other reserves	(34,375)	(7,626)
Total	(19,273)	7,476

Appropriations to the legal reserve are made in compliance with Article 214 of the Spanish Companies Act, which stipulates that 10% of the profits must be transferred to this reserve until it represents at least 20% of share capital. The legal reserve is not available for distribution. Should it be used to offset losses in the event of no other reserves being available, it must be replenished out of future profits.

d) Treasury shares

Under the authorisation conferred by the General Meeting of Shareholders of the Company of 2 May 2008 and 25 June 2008 and in order to facilitate the liquidity of the quotation, the Company had at 31 December 2008, 1,818,581 treasury shares totalling Euros 11,960 thousand, at an average price of Euros 6.576 per share.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

In 2009 and by virtue of the authorisation granted by the General Meeting of Shareholders of the Company of 30 June 2009, the Company made acquisitions of 66,630 treasury shares totalling Euros 144 thousand. At 31 December 2009, the Company has 1,716,341 treasury shares totalling Euros 10,999 thousand.

The Company has sold 168,870 treasury shares for Euros 395 thousand; these sales have generated a decrease in reserves of Euros 710 thousand.

Fersa Energías Renovables S.A. has pignorated 948,000 treasury shares to back a guarantee given by a financial entity to his subsidiary Generación Eólica India Limited.

e) Dividends:

The General Meeting of Shareholders of 25 June 2008 agreed to distribute 2007 profits by paying out dividends of Euros 986 thousand and these were paid in July 2008.

The General Meeting of Shareholders of 30 June 2009 agreed to distribute 2008 profits by paying out dividends totalling Euros 1,920 thousand to be charged against the Share premium account and these were paid in July 2009.

f) Profit per share:

Profit per share is calculated by dividing the profit attributable to the equity holders of the Company by the average number of ordinary shares circulating during the period:

	Euros	
	31.12.09	31.12.08
Number of shares	140,003,778	140,003,778
Average number of shares	140,003,778	130,992,591
Profit (loss) attributable to the parent Company (euros)	139,601	(26,038,660)
Average number of treasury shares	1,767,461	1,072,526
Average number of shares in circulation	138,236,317	129,920,065
Profit per share (Euros per share)		
- Basic	0.00101	(0.20042)
- Diluted	0.00101	(0.20042)

There are no financial instruments that could dilute the profit per share.

The proposed distribution of net income of Fersa Energías Renovables, S.A. for 2009 that the Board of Directors will propose to the General Meeting of Shareholders for its approval, is as follows:

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Basis of distribution	Euros
Profit and loss	139,601
Share premium	1,070,605
Total	1,210,206

Basis of distribution	Euros
Dividends	1,210,206
Total	1,210,206

13. Financial liabilities

The movement in the accounts under financial liabilities at 31 December 2009 is as follows:

	Balance 31.12.08	Increases	Cancellations by payment	Transfers	Balance 31.12.09
Debts with credit entities	-	1,500	-	-	1,500
Other financial liabilities	54	-	-	-	54
Non-current financial liabilities	54	1,500	-	-	1,554

	Balance 31.12.08	Increases	Cancellations by payment	Transfers	Balance 31.12.09
Debts with credit entities	5,134	14,939	(120)	-	19,953
Other financial liabilities	22	1,941	(1,942)	(21)	-
Current financial liabilities	5,156	16,880	(2,062)	(21)	19,953

	Balance 31.12.07	Increases	Cancellations by payment	Transfers	Balance 31.12.08
Debts with credit entities	-	-	-	-	-
Other financial liabilities	-	54	-	-	54
Non-current financial liabilities	-	54	-	-	54

	Balance 31.12.07	Increases	Cancellations by payment	Transfers	Balance 31.12.08
Debts with credit entities	-	5,134	-	-	5,134
Other financial liabilities	-	22	-	-	22
Current financial liabilities	-	5,156	-	-	5,156

At 31 December 2009, Fersa Energías Renovables, SA has credit facilities totalling Euros 26,500 thousand, of which Euros 6,589 thousand are not drawn down. It also has a loan of Euros 1,500 thousand maturing in 2012.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

The breakdown of the undrawn credit facilities is as follows:

	As at 31.12.09	As at 31.12.08
Floating Rate		
- Maturing in less than one year	6,589	4,866
- Maturing in more than one year	-	15,000
Total	6,589	19,866

14. Other liabilities

The breakdown of other liabilities at 31 December 2009 and 2008 is as follows:

	As at 31.12.09	As at 31.12.08
Long-term deferred payments	40,198	40,910
Other non-current liabilities	40,198	40,910
Short-term deferred payments	4,110	4,719
Other current liabilities	4,110	4,719

Other liabilities includes outstanding payments for the purchase of various wind farms payable when certain milestones are achieved in the farms under development, the disbursement of which is considered probable. As at 31 December 2009, it is estimated that Euros 4,110 thousand (Euros 4,719 thousand as at 31 December 2008) will be payable next year and that Euros 40,198 thousand (Euros 40,910 thousand as at 31 December 2008) will be paid in the year 2011 and years thereafter.

These deferred payments do not accrue interest, and there are no significant differences between the book values and the fair values of the deferred payments.

15. Trade and other payables

	As at 31.12.09	As at 31.12.08
Non-current trade and other payables:		
- Non-current liabilities with group companies and associates (Note 21)	240	191
Total	240	191
Current trade and other payables:		
- Suppliers	-	69
- Other creditors	280	309
- Current liabilities with group companies and associates (Note 21)	323	-
- Outstanding wage and salaries	40	104
- Tax payable	397	297
Total	1,040	779

Most of the accounts payable do not accrue interest and fall due between 30 and 90 days. The book value of the payables of the Company are denominated in Euros.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

16. Risk management

The Company is developing appropriate procedures for identifying, analysing, managing and mitigating all risks to which, in light of its activities, it is exposed, of which of special note are:

- Segregation of duties and responsibilities in key areas.
- Compliance with internal standards and legislation in force.
- Application of oversight and control systems.
- Use of hedging instruments for certain risks.
- Reporting transparency policies between the different departments affected by risk.

The Company has taken measures for the main financial risks: market risk (including exchange rate risk) and liquidity risk. The overall group risk management program is centred on the uncertainty of the financial markets and attempts to minimise the potential adverse effects on its financial profitability.

Interest rate risk

The fluctuations in interest rates modify the fair value of the financial assets and liabilities that accrue a fixed interest rate as well as the cash flows from the financial assets and liabilities indexed to a floating interest rate, and, accordingly, they impact both equity and net income, respectively.

The purpose of interest rate risk management is to maintain a balance between floating and fixed rates on debt that in order to reduce the costs of borrowings within the established risk parameters.

The structure of the financial liabilities at 31 December is as follows:

	As at 31.12.09	As at 31.12.08
Fixed interest rate	-	-
Floating interest rate	21,453	5,134
Total	21,453	5,134

The floating interest rate is subject mainly to the fluctuations of the European Interbank Offered Rate (EURIBOR). The sensitivity of net income and net equity to the fluctuation in interest rates is as follows:

	Increase/decrease in interest rate	Effect on net income before tax	Effect on equity before tax
2009	10%	156	156
	-10%	(156)	(156)
2008	10%	469	469
	-10%	(469)	(469)

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Exchange rate risk

The variations in exchange rates can affect the fair value of:

- Liabilities denominated in non-local or non-functional currencies.
- Transactions and investments denominated in non-Euro currencies, with respect to the counter-value of net equity contributed and net income.

The various non-Euro currencies with which Fersa Energias Renovables, S.A. has operated in 2009 are the Dollar, Rupee and Zloty. The sensitivity of net income and consolidated equity of Fersa Energías Renovables, S.A. to a 10% variation (increase or decrease) in the exchange rate against the Euro is as follows:

	Increase/decrease in the exchange rate of the functional currency	Effect on net income before tax	Effect on equity before tax
2009	10%	17,995	17,995
	-10%	(15,469)	(15,469)
2008	10%	14,981	14,981
	-10%	(17,656)	(17,656)

Credit risk

At 31 December 2009 and 2008 there are no provisions for bad debts as they are not considered necessary.

At 31 December 2009 and 2008, the Company had no significant concentrations of credit risk or delays in payment on financial assets.

In order to mitigate the credit risk arising from financial positions, the placement of treasury surpluses is carried out with highly solvent banks and financial entities.

Liquidity risk

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

Management follows up the liquidity reserve forecasts of the Company (which includes the availability of credit and cash or cash equivalents) on the basis of the expected cash flows.

At 31 December 2009, available liquidity totals Euros 13,456 thousand (Euros 31,965 thousand at 31 December 2008), taking into account cash (Euros 6,867 thousand, (Note 11)), and undrawn credit facilities (Euros 6,589 thousand, (Note 13)).

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Capital management

The purpose of capital risk management is to maintain an appropriate ratio between internal and external financing (financial liability). The leverage index is as follows:

	As at 31.12.09	As at 31.12.08
Long-term financial liabilities (Note 13)	1,500	-
Short-term financial liabilities (Note 13)	19,953	5,156
Cash and other cash equivalents	(6,867)	(12,099)
Net financial liability:	14,586	(6,943)
Net equity (Note 12)	393,897	399,641
Leverage (Net financial liability / (Net financial liability + Net equity))	3.57%	(1.77%)

17. Tax situation

The breakdown of the deferred tax is as follows:

	2009	2008
Deferred tax liabilities		
- Temporary differences	285	-
Deferred tax	285	-

The movement in deferred tax assets is as follows:

	2009	2008
Initial balance	-	1,830
Tax from tax consolidation	-	-
Tax charged directly to net equity (Note 9)	-	(1,830)
Closing balance	-	-

The movement in deferred tax liabilities is as follows:

	2009	2008
Initial balance	-	-
Tax from tax consolidation	167	-
Tax charged directly to net equity (Note 9)	118	-
Closing balance	285	-

The deferred tax charged directly to net equity during 2009 relates to the tax effect of the variation in financial instruments measured at fair value.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

The reconciliation of taxable income for 2009 is as follows:

	Income Statement			Income and expenses charged directly to net equity			Total
	Increases	Decreases		Increases	Decreases		
Profit (loss) before tax			82			-	82
Permanent differences	3,317	(213)	3,104				3,104
Temporary differences:							
- arising this year	-	(1,341)	(1,341)	-	-	-	(1,341)
- arising in prior years	-	-	-	-	-	-	-
Offset of tax loss carryforwards	-	(1,165)	(1,165)	-	-	-	(1,165)
Taxable income							680

The reconciliation of the applicable tax rate to the effective tax rate for 2009 and 2008 is as follows:

	2009	%	2008	%
Profit (loss) before tax	82		(26,039)	
Theoretical tax	25	30.0%	(7,806)	29.98%
Deductible expenses recognised in equity	-	-	(2,197)	8.44%
Dividends	(262)	(320%)	-	
Permanent differences non-deductible expenses	529	645%	6,561	(25.20%)
Offset of tax loss carryforwards	(350)	(426%)	-	-
Prior corporate income tax accrued	(58)	(71%)	(3,442)	13.22%
Non-recognition of tax credits	-		3,442	(13.22%)
Corporate income tax accrued	(58)		-	-

At 31 December 2009, the Company has tax loss carryforwards (TLC's) available for offset totalling Euros 10,315 thousand (Euros 11,480 thousand at 31 December 2008), maturing in 2023, and a deferred tax asset balance of (net of deferred tax liabilities) totalling Euros 6,022 thousand (Euros 5,979 thousand at 31 December 2008). In both cases, the Company has decided not to recognise these amounts in its consolidated annual accounts, as it considers that they do not meet the requirements under IFRS-EU to be accounted for as assets.

The following amounts and deadlines relate to the deductions for reinvestment and double taxation available for offset:

Year	Thousand Euros	Last year
2007	61	2014/15
2008	132	2015/16

The Company is open to inspection by the Tax Authorities for all applicable taxes for the last four years.

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

As from January 2009 Fersa Energías Renovables, S.A. is taxed for Corporate Income Tax purposes under the tax consolidation regime along with the following subsidiaries in Spain:

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Eólica El Pedregoso, S.L.,	Joso Fotovoltaica, S.L.
Empordavent, S.L.	Fotovoltaica Padua, S.L.
Eólica del Pino, S.L.	Fotovoltaica Vergos, S.L.
Catalana d'Energies Renovables, S.L.	Fotovoltaica La Mola, S.L.
Fercom Eólica, S.L.U.	Inversions Trautt, S.L.
La Tossa del Vent, S.L.U.	Fotovoltaica de Castelló, S.L.
Texte, S.L.U.	Fotovoltaica de les Coves
Eolener, S.L.U.	Inversions Vinroma, S.L.
Orta Eólica, S.L.U.	Parque Eólico Hinojal, S.L.
Electravent, S.L.U.	Siljan Port, S.L.
Gestora Fotovoltaica de Castellón, S.L.	Fergest Biomasa, S.L.U.
Fotovoltaica Fer, S.L.	Parc Eòlic Coll de Som, S.L.
Weinsberg Ecotec, S.L.	Parc Eòlic L'Arram, S.L.
Fotovoltaica Ecotec, S.L.	Explotación Eólica La Pedrera, S.L.U.

18. Income and expenses

a) Net turnover

As mentioned in Note 2, the dividend income and financial income from loans to group companies and associates have been reclassified as Net turnover in the income statement. The breakdown is as follows:

	Year ended at 31 December	
	2009	2008
Interest income	3,482	2,688
Dividends received	1,085	439
Services rendered	1,884	855
Net turnover	6,451	3,982

Services rendered includes the invoicing for technical assistance and administrative services rendered to Group companies.

b) Staff costs

The breakdown of staff costs at 31 December 2009 and 2008 is as follows:

	31.12.09	31.12.08
Wages and salaries	2,016	1,419
Social welfare expenses	302	178
	2,318	1,597

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

The breakdown of average staff at 31 December 2008 and 2009 by job category is as follows:

	2009	2008
Management	4	4
Technicians	22	7
Others	6	3
Total	32	14

In accordance with the provisions of the Gender Equality Act, Organic Law 3/2007/22 March, published in the Official State Gazette of 23 March 2007, the number of employees at the end of 2009 and 2008 broken down by category and gender is as follows:

	2009			2008		
	Men	Women	Total	Men	Women	Total
Management	4	-	4	4	-	4
Technicians	15	9	24	12	6	18
Others	1	6	7	-	6	6
	20	15	35	16	12	28

c) Net financial income (expense)

	2009	2008
Financial income:		
From negotiable securities and other financial instruments		
- From third parties	215	1,597
	215	1,597
Financial expenses:		
- Payable with third parties	(392)	(31)
	(392)	(31)
Changes in fair value of financial instruments		
- Cash flow hedging derivatives	-	264
	-	264
Exchange differences	431	590
Financial income (loss)	254	2,420

As mentioned in Note 2, the Dividend income and Financial income from loans to group companies and associates have been reclassified as Net turnover in the income statement.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

19. Cash flows

a) Cash flows from operating activities:

	2009	2008
Profit (loss) before tax	82	(26,039)
Adjustments to results	2,559	22,629
Amortisation and depreciation	47	14
Provisions for impairment of financial instruments	4,244	28,162
Results of disposals and sales of fixed assets	(1,478)	-
Financial income	(215)	(4,988)
Financial expenses	392	31
Exchange differences	(431)	(590)
Changes in working capital:	(3,328)	(2,871)
Inventories	-	-
Trade and other receivables	(1,903)	(3,188)
Other current assets	(522)	-
Trade and other payables	(1,227)	317
Other current liabilities	324	-
Other non-current assets and liabilities	-	-
Other cash flows from operating activities	72	2,112
Interest paid	(124)	-
Collection of dividends	-	404
Collection of interests	215	1,560
Collections (payments) of corporate income tax	-	148
Other payments (collections)	(19)	-
Cash flows from operating activities	(615)	(4,169)

b) Cash flows from investment activities:

	2009	2008
Payment of investments	(19,228)	(102,645)
Group companies and associates	(18,825)	(102,143)
Fixed assets acquisition	(80)	(126)
Other financial assets	(323)	-
Other assets	-	(376)
Collection on divestment	90	54,029
Group companies and associates	-	3,085
Other financial assets	-	50,944
Other assets	90	-
Cash flows from investment activities	(19,138)	(48,616)

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

c) Cash flows from financing activities:

	2009	2008
Collections and payments for equity instruments	251	(12,694)
Acquisition of holdings in own equity	(144)	(11,166)
Disposal of holdings in own equity	395	-
Costs of capital increase	-	(1,528)
Collections and payments for financial liabilities	16,189	5,324
Issues:	-	-
Debts with credit entities	16,050	5,324
Returns and amortisation of:	-	-
Debts with group companies and associates	139	-
Payments for dividends and the remuneration of other equity instruments:	(1,919)	(986)
Dividends	(1,919)	(986)
Cash flows from financing activities	14,521	(8,356)

20. Commitments and contingencies

a) Commitments

The Company leases premises under uncancellable operating leases.

These leases have a term of five years, automatically renewable for periods of one year under market conditions. The Company is obligated to give two months notice when these leases expire. The minimum total future payment for uncancellable operating leases relates to the rent for one year.

b) Guarantees

Fersa Energías Renovables, S.A. gives guarantees to the following companies that have given guarantees to the General Directorate of Energy Policy and Mines, as per RD 661/2007 in the following amounts:

<u>Company</u>	<u>Thousands Euros</u>
Eólica Cijara, S.L.	1,300
Sinergia Andaluza S.L. y Energías Renovables Guadiana Menor, S.L.	2,000
Energía Renovable Mestral Eólica, S.L.,	1,000
Castellwind 03, S.L.	2,100
Entreyeltes 1, S.L.	2,320
Total	8,720

Fersa Energías Renovables, S.A. has given the following guarantees to companies that have given technical guarantees to the General Directorate of Energy Policy and Mines, as per RD 6/2009:

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Company	Thousands Euros
P.E. Tajos de Bazán	310
Catalana d'Energies Renovables	1,152
Texte	150
La Tossa del Vent	210
Eolener	367
P.E. L'Arram	400
P.E. Coll de Som	210
Empordavent	960
Orta Eólica	990
Electravent	420
E.R. Guadiana Menor	800
Sinergia Andaluza	2,376
La Pedrera	870
Total	9,215

Fersa Energías Renovables, S.A. has fully guaranteed the guarantee given for the authorisation processing for the Eolener, S.L. wind farm totalling Euros 320 thousand, as well as the guarantee for Explotación Eólica la Pedrera, S.L totalling Euros 1,311 thousand given to Energías Renovables de la Región de Murcia, S.L.

Additionally, Fersa Energías Renovables, S.A. has given a guarantee for the financing of the wind farm of Generación Eólica India Limited totalling Euros 2,099 thousand and Euros 1,000 thousand in order to guarantee the credit facility from Axis Bank granted to Generación Eólica India Ltd.

The following investee companies Eólica del Pino S.L., Eólica el Pedregoso, SAS Eoliennes de Beausemblant, Generación Eólica India Limited, Parque Eólico Hinojal S.L. and Gestora Fotovoltaica de Castellón S.L. have pignorated their shares as a result of loan agreement under Project Finance with lending institutions.

Moreover, the loans to Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausemblant, Catalana d'Energies Renovables S.L., Parque Eólico Hinojal S.L. and Gestora Fotovoltaica de Castellón S.L. include conditions that restrict the distribution of dividends and require compliance with certain minimum ratios, such as the Debt Service Coverage Ratio or the Leverage Ratio.

The Directors of Fersa Energías Renovables, S.A. estimate that the unforeseen liabilities at 31 December 2009, if any, that could arise from the commitments indicated in this Note, would not be significant to these annual accounts.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

c) Contingencies

On 21 December 2005, the Regional Customs Unit of the Tax Authorities of Barcelona raised an assessment against the subsidiary Invetem Mediterránea, S.L. with respect to the application of excise duty on fossil fuels during the period 2001 to 2004, for the use of biogas as fuel in the generation of electricity. The assessment includes the proposed settlement totalling Euros 8,840 thousand, of which Euros 813 thousand relates to late payment interest and the balance to the amounts due in the tax periods. On 21 February 2006, the Head of the Regional Customs and Excise Office confirmed the assessment and issued the corresponding administrative report. During 2006 the subsidiary lodged an appeal with the Catalonian Regional Economic-Administrative Court against the assessment, having requested the corresponding suspension of the proceedings. Fersa Energías Renovables, S.A. has an agreement with EMTE, S.A., the company from which the Company purchased its holdings in Invetem Mediterránea, S. L. in 2002, whereby if the assessment against Invetem Mediterránea, S.L. were finally settled by the company, EMTE, S.A. would be committed to repurchasing the holding of the Company in such a manner that the latter would obtain a 10% internal rate of return. In 2009, no relevant events have occurred in relation to this assessment. Accordingly, at 31 December 2009 the Company has recorded a provision totalling Euros 401 thousand (Note 7) to cover this investment in this subsidiary, net of the committed remuneration. In light of the nature of this contingency, it is not possible to determine a reasonable payment schedule, but, in any case, the final outcome will not be known for twelve months following the 2009 year end.

The Company believes that the provision recorded in these annual accounts adequately covers the risk described in this Note, and it is expected that no additional liabilities will arise from this. However, if the final outcome of this assessment is unfavourable, the Company could wind up Invetem Mediterránea, S.L. or exercise the sale option with the previous owner of the shares in line with the sale/purchase agreement. Because of this, it is believed that the maximum risk for the Company is equal to the net book amount of the investment as at 31 December 2009 of Euros 515 thousand, net of the compensation to be received from the seller of this investment in the event of an unfavourable outcome, totalling Euros 114 thousand, in accordance with the sale/purchase agreement entered into by the parties.

On 7 July 2009, the Regional Economic and Administrative Court of Catalonia agreed to grant Invetem Mediterránea, S.L. the suspension of the assessment it had challenged. In order to obtain this suspension Invetem Mediterránea, S.L. mortgaged its assets totalling Euros 904 thousand in favour of the Tax Authorities (Agencia Estatal de Administración Tributaria).

21. Related party transactions

As per article 37 of the Financial Reform Measures Act, Law 44/2002, the transactions in 2009 carried out by Fersa Energías Renovables, S.A. and related persons or companies are as follows.

Related parties are:

- Significant shareholders in Fersa Energías Renovables, S.A., meaning those who directly or indirectly hold an interest equal to or exceeding 5%, as well as shareholders which, while not being significant, have exercised the power to appoint a member of the Board of Directors.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Based on this definition, the following are considered related entities of Fersa Energías Renovables, S.A.:

<u>Name or Registered Name of the Director</u>	<u>Total % of share capital</u>
Grupo Empresarial Enhol, S.L. (*)	22.393%
Grupo Catalana Occidente, S.A.	7.509%
Mytaros B.V.	4.043%
BCN Godia, S.L.	4.546%
Larfon, S.A.U.	2.697%
Comsa Emte Medioambiente S.L.	5.000%
Caja General de Ahorros de Granada	4.126%
Mr. José M ^a Roger Ezpeleta	1.862%
<u>Total % of share capital</u>	<u>52.176%</u>

(*) Energía Inteligente Energena, S.L. (Unipersonal) is fully owned by the Enhol Group, and holds 22.070% of the shares of the Fersa Group, a percentage that has been included in the shareholding of the Enhol Group.

- The Directors and Senior Management of the Company and their immediate families, “directors” meaning members of the Board of Directors, and “Senior Management” meaning members of the Management Committee. Transactions with the directors and senior management of the Fersa Group are disclosed in Note 22.
- The Group and multi-group companies and associates.

a) Transactions with significant shareholders:

Transactions with Innovación Verde Inver, S.L.U. (hereinafter Inver)

Inver is a company belonging to the Enhol Group.

Contracts have been entered into with Inver for the integrated management of projects of the companies Eólica Postolin S.P. zoo, Eólica Kisielice S.P. zoo, Eólica Warblewoo S.P. zoo and Eólica Cieplowody S.P. zoo in 2008. The amount accrued in 2008 for this item totals Euros 413 thousand, while no amounts have accrued in 2009.

In 2009 Inver has invoiced to Fersa Energías Renovables, S.A. Euros 343 thousand for the management of the companies in India (Generación Eolica India Limited, EN Renewable Energy Private Limited, EN Wind Power Private Limited) and France (Eoliennes de Beausemblant, SAS).

Office lease with Real Wind, S.L. (hereinafter Real Wind)

The total amount accrued during 2009 with respect to the rental of the offices of the registered office of Fersa Energías Renovables, S.A. in Barcelona to Real Wind, S.L. (a company fully owned by Jose Maria Roger Ezpeleta, Chairman of the Board of Directors of Fersa Energías Renovables S.A.), totals Euros 201 thousand (Euros 183 thousand at 31 December 2008). These leases have a duration of five years, automatically renewable for periods of one year.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

b) Transactions with directors and senior management:

Except for the transactions with Real Wind mentioned in the section above, there are no transactions with directors or senior management.

c) Transactions with group, multi-group companies and associates

	As at 31.12.09	As at 31.12.08
Services rendered to group companies and associates		
- Technical, accounting and administrative services	1,884	855
- Dividends	1,085	439
- Interests	3,482	2,688
Total	6,451	3,982

The transactions between group companies are objective and are not biased, and are made at arm's length based on estimated cost plus a market margin.

	As at 31.12.09	As at 31.12.08
Trade receivable from group companies and associates (Note 10)		
Trade receivables from group companies and associates	2,844	572
Total	2,844	572

Accounts receivable with related parties arise from the advisory, technical, accounting and administrative services provided and fall due in one month after the invoice date. The accounts receivable are not insured and do not accrue any interest.

The operations between Group and Multi-group companies and Associates are objective and are not biased and are made at arm's length based on estimated cost plus a market margin.

d) Loans to group and multi-group companies and associates

Loans to group companies, associates or multi-group companies fall due between 2010 and 2013 and accrue annual interest between 4% and 7.5%. The breakdown by company and the movement in the loans can be found in Note 7.

22. Information on members of the Board of Directors and Senior Management

Remuneration of the members of the Board of Directors

The Board of Directors, at its meeting of 5 December 2007, unanimously adopted the remuneration system proposed by the Appointments and Remuneration Committee for the members of the Board of Directors based on fixed annual fees for being a Director, as well as fixed annual fees for being a member of the Audit Committee or the Appointments and Remuneration Committee, and fixed annual fees for sitting on the Executive Committee.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

On 25 June 2008 the General Meeting of Shareholders of the company agreed to modify article 17 bis of the Articles of Association covering the remuneration of the Directors, and made the office of director a remunerated post.

In 2009, the amount accrued by the members of the Board of Directors of Fersa Energías Renovables, S.A. totals Euros 637 thousand (Euros 546 thousand in 2008), including the emoluments for their sitting on the Board of Directors and on its different committees, and, as the case may be, for labour or direct duties that they may be performing at different executive levels in the company.

Transactions with directors

In 2009 the shareholdings, office and/or functions of the directors of Fersa Energías Renovables, S.A. in other companies, with the same, analogous or complementary activity as that which constitutes its corporate purposes, (Note 1), are as follows:

Board Member: José M^a Roger Ezpeleta		
Investee company	Shareholding	Functions
Real Wind, S.L.U.	100%	Sole Administrator
Eólica el Pedregoso, S.L.	On behalf of Fersa, 80%	Chairman
Eólica del Pino, S.L.	On behalf of Fersa, 80%	Chairman
Aprofitament d'energíes renovables de la Terra Alta, S.L.	On behalf of FERCOM EÓLICA, 13.94% and on behalf of CATALANA D'ENERGIES RENOVABLES, S.L. 15.73%	Director
Berta Energíes Renovables, S.L.	On behalf of FERCOM EÓLICA, 18.39% and on behalf of PARC EOLIC COLL DE SOM, S.L. 5.35% and on behalf of PARC EOLIC L'ARRAM, S.L. 5.35%	Chairman
Gestora Fotovoltaica de Castellón, S.L. and subsidiary companies	On behalf of Fersa, 76%	Joint Administrator
Invetem Mediterrànea, S.L.	On behalf of Fersa, 70.83%	Director
Sinergia Andaluza, S.L.	On behalf of Fersa, 60%	Director
Energías Renovables del Guadiana Menor, S.L.	On behalf of Fersa, 50%	Director
Castellwind-03, S.L.	On behalf of Fersa, 67,39%	Director
Fersa Panamá, S.A.	On behalf of Fersa, 92%	Chairman
Siljan Port, S.L.	On behalf of Fersa, 80%	Chairman
OÜ Est Wind Power	On behalf of Fersa, 75%	Director
Generación Eólica India Limited	On behalf of Fersa, 99,9%	Director
EN Green Energy Private Limited	On behalf of Fersa, 99,9%	Director
EN Renewable Energy Private Limited	On behalf of Fersa, 99,9%	Director
EN Wind Power Private Limited	On behalf of Fersa, 99,9%	Director
Eolica Postolin S.P. Z o.o.	On behalf of Fersa, 100%	Director
Eolica Cieplowody S.P. Z o.o.	On behalf of Fersa, 100%	Director
Eolica Kisielice S.P. Z o.o.	On behalf of Fersa, 100%	Director
Eolica Warblewo S.P. Z o.o.	On behalf of Fersa, 100%	Director
Mangement Kisielice, Sp. z o.o	On behalf of Fersa, 100%	Director
Eoliennes de Beausemblant S.A.S.	On behalf of Fersa, 80%	Chairman
Fersa Italia, s.r.l.	On behalf of Fersa, 100%	Chairman

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Board Member : Energia Inteligente Energena, S.L.U.		
Investee company	Shareholding	Functions
Energia Termosolar Enertol, S.L.	50%	--
Innovación Verde Inver, S.L.U.	100%	--
Eolica Navarra, S.L.U.	100%	--
Ynfiniti Engineering Services, S.L.	33.33%	--
Inver Bulgaria, E.O.O.D.	100%	--
Central Eólica Pampa De Malaspina, S.A.	10% * sold on 09/12/2009	--

Board Member : Grupo Empresarial Enhol, S.L.		
Investee company	Shareholding	Functions
Energia Inteligente Energena, S.L.U.	100%	--
Eolica Cabanillas, S.L.	50%	--
Eolica Montes De Cierzo, S.L.	50%	--
Eolica Caparroso, S.L.	50%	-
Eolica La Bandera, S.L.	50%	-

Board Member: Caja General de Ahorros de Granada, S.A.		
Investee company	Shareholding	Functions
Silicio Energia, S.A.	5%	-
Energia Oriental, S.L.	61.18%	-
Eólica Del Zenete, S.L.	42.99%	-

Board Member: Comsa Medio Ambiente, S.L.		
Investee company	Shareholding	Functions
Parque Solar De Ecija, S.L.	100%	Sole Administrator
Eólica Las Lanchas, S.L.	100%	Sole Administrator
Eólica El Hornico, S.L.	100%	Sole Administrator
Eólica La Carrasca, S.L.	100%	Sole Administrator
Eólica Sierra Gadea, S.L.	100%	Sole Administrator
Tfm Energia Solar Fotovoltaica, S.A.	75%	Director
Comsa Energías Renovables, S.L.	100%	Director
Comsa Inversiones Solares, S.L.	100%	Sole Administrator
Maials Solar, S.L.	100%	Sole Administrator
Villoldo Solar, S.L.	100%	Sole Administrator
Parque Solar Viso Del Marques, S.L.	100%	Sole Administrator
Gotica Solar, S.L.	100%	Sole Administrator

Board Member : Bcn Godia, S.L.		
Investee company	Shareholding	Functions
Rotasol Energy, S.L.	40% indirect	--

Board Member : Ignacio García-Nieto Portabella		
Investee company	Shareholding	Functions
Rotasol Energy, S.L.	5% indirect	--

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

Remuneration of the Management Committee

The annual remuneration accrued as at 31 December 2009 to the members of the Management Committee, excluding that of the members who are also members of the Board of Directors, is carried under fixed remuneration of members of the Board of Directors, totalling Euros 507 thousand (Euros 422 thousand at 31 December 2008).

Some of the contracts entered into with the members of the Management Committee include indemnity clauses that given the beneficiaries the right to receive an amount equivalent to one year's pay in the event of termination of their labour relationship as a result of unlawful dismissal.

23. Auditors fees

The fees accrued to PricewaterhouseCoopers Auditores, S.L. for auditing and other assurance services total Euros 240 thousand (Euros 173 thousand in 2008).

Furthermore, the fees accrued during the year to other companies using the PricewaterhouseCoopers mark for other services rendered to the Company totalled Euros 77 thousand, mainly for tax advisory services (Euros 221 thousand in 2008).

24. Environment

Environmental aspects are borne in mind throughout the processing and construction of facilities, and all necessary studies required under the legislation of each country are prepared.

In 2009 and 2008 and in relation to the facilities being exploited by the Company, no environmental expenses have been incurred.

25. Subsequent events

In January 2010 Fersa Energías Renovables S.L. sold the remaining 12% of its shareholding in Parque Eólico Altos de Voltoya, S. A. The amount of the transaction totalled Euros 3.2 million. This operation, added to the sale of the 18% stake in 2009, thus completing the sale of the entire shareholding. As a whole, the sale of the 30% shareholding has totalled Euros 10 million, including Euros 0.9 million relating to the sale of the related subordinate debt, and has generated a profit of Euros 1.6 million.

Additionally, in January 2010 Fersa Energías Renovables S.A. has accepted an investment in its subsidiary Catalana d'Energies Renovables, S.L. (Cater) from the specialised renewable energy fund Green Alliance, F.C.R. Through this operation Green Alliance F.C.R. has acquired 16% of Cater and the Group has reduced its shareholding to 84%. The operation generated income of Euros 6.04 million for the Group and includes 16% of the related subordinate debt. Cater is the owner of the 45 MW Mudéfer and 12.6 MW Mudéfer II wind farms in Caseres (Tarragona), which are under construction and are expected to be brought on line in the first half of 2010.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

APPENDIX I

a) Shareholdings in group companies

Fersa Energias Renovables, S.A. have control over the following companies:

Company and address	Legal form	Address	Activity	Shareholding %	
				Direct %	Indirect %
Eólica El Pedregoso	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	80	-
Invetem Mediterránea	S.L.	Av.Baix Llobregat, 10 Esplugues	Biogas	70.83	-
Empordavent	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	97.39	2.61
Eólica del Pino	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	80	-
Catalana d'Energies Renovables	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	94.51	5.49
Fercom Eólica	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Holding	100	-
La Tossa del Vent	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Texte	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Eolener	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Orta Eólica	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Electravent	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Gestora Fotovoltaica de Castellón	S.L.	Travessera de Gracia, 66 Barcelona	Holding	76	-
Fotovoltaica Fer	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Weinsberg Ecotec	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica Ecotec	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Joso Fotovoltaica	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica Papua	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica Vergos	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica La Mola	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Inversions Trautt	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica de Castelló	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica de les Coves	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Inversions Vinroma	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Parque Eólico Hinojal	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Fersa Panamá, S.A.	S.A.	Cinquenta, edificio 2000, 5a planta Ciudad de Panamá PANAMÁ	Wind	92	-
Eólica Postolín	S.P.	Krasinskiego nº 19, Bydgoszcz, POLONIA	Wind	100	-
OÚ EstWindPower	-	Hiiu-Maleva 13-3 Tallinn (11619) Toila, Paite-Vaivina, ESTONIA	Wind	93.12	-
Fergest Biomasa	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Biogas	100	-
Parc Eòlic Coll De Som	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Parc Eòlic L'Arram	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Explotación Eólica la Pedrera	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Sinergia andaluza	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Holding	75	-
Generación Eólica India	Ltd.	Esplanade, 12-13 3rd floor 3 Amrit Keshav Nayak Marg, Fort, (400 001) Mumbai, Maharashtra, INDIA	Wind	100	-
EN Renewable Energy	Pvte. Ltd.	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	Wind	100	-
EN Wind Power	Pvte. Ltd.	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	Wind	100	-
EN Green Energy	Pvte. Ltd.	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	Wind	100	-
Eólica Kisielice	S.P. z.o.o.	Krasinskiego nº 19, Bydgoszcz, POLONIA	Wind	100	-
Eólica Warblewo	S.P. z.o.o.	Krasinskiego nº 19, Bydgoszcz, POLONIA	Wind	100	-
Eólica Cieplowody	S.P. z.o.o.	Krasinskiego nº 19, Bydgoszcz, POLONIA	Wind	100	-
Eoliennes De Beausemblant	S.A.S.	1 Chemin de Lavigne (64800) Mirepeix, Ródano-Alpes, FRANCIA	Wind	80	-
Castelwind 03	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	67	-

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

				Shareholding %	
Company and address	Legal form	Address	Activity	Direct %	Indirect %
Fersa Cherkessk	-	Location at suite 4, building 50, Lenina Prospect. 369000 Cherkessk RUSSIA	Wind	100	-
Entreyeltes 1	S.L.	C/Farmaceutico Obdulio Fernandez 11 Burgos	Wind	51	-
Fersa Montenegro	-	Zgrada Montex 5, Stara Varos 3 - 81000 Podgorica MONTENEGRO	Wind	100	-
Fersa Business Consulting, CO	Ltd.	Room 1015, 8th Building, No 1147, Kangding Rd, Jing'an District, Shanghai	Wind	100	-
Fersa Italia	S.R.L.	Via della Giuliana n 66 CAP 00195 - Roma	Wind	100	-
Management Kisielice	S.P. z.o.o.	Krasinskiego n° 19, Bydgoszcz, POLONIA	Wind	100	-

b) Shareholdings in multi-group companies and associates

Name	Legal form	Address	Activity	Shareholding %		Controlling relationship
				Direct %	Indirect %	
Aprofitament d'Energies Renovables de L'Ebre	S.L.	Travessera de Gràcia, 56 entresuelo (Barcelona)	Wind	-	21.33	Significant influence
Aprofitament d'Energies Renovables de la Terra Alta	S.L.	Travessera de Gràcia, 56 entresuelo (Barcelona)	Wind	-	29.67	Significant influence
Energia Renovable Mestral Conca	S.L.	Av. María Fortuny, 83 (Reus)	Wind	-	33	Significant influence
Berta Energies Renovables	S.L.	Travessera de Gràcia, 56 entresuelo (Barcelona)	Wind	-	29.09	Significant influence
A.I.E. Los Siglos	A.I.E.	c/ San Jucar Tarifa	Wind	-	30.3	Significant influence
Energía Cijara	S.L.	Rambla Cataluña, 54 (Barcelona)	Wind	50	-	Joint control
Eólica Cijara	S.L.	Bartolome, J. Gallardo, 1 (Badajoz)	Wind	50	-	Joint control
Parque Eólico Valcaire	S.L.	c/ del Ayuntamiento, 7 Padul de Becerro (Granada)	Wind	-	33.75	Significant influence
E. R. Guadiana Menor	S.L.	c/ del Ayuntamiento, 7 Peal de Becerro (Jaén)	Wind	50	-	Joint control
Energía Renovable Mestral Eólica	S.L.	Av. María Fortuny, 83 (Reus)	Wind	50	-	Joint control
Siljan Port	S.L.	Rambla Cataluña, 54 (Barcelona)	Holding	80	-	Joint control
Shandong Lusa New Energy co	Ltd	Chengkow, Wudi, Shandong Province	Wind	-	48	Joint control

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

APPENDIX II

a) Shareholdings in group companies

At 31.12.09								
Company	Share capital	Reserves and others	Profit for the year	Total equity	Gross book value	Provision	Net book value	Dividends received
Eólica El Pedregoso, S.L.	146	3,552	-205	3,493	8,989	-1,164	7,825	-
Invetem Mediterránea, S.L.	72	410	-24	458	578	-463	115	177
Empordavent, S.L.	460	-69	-24	367	6,825	-	6,825	-
Eólica Del Pino, S.L.	75	1,552	-331	1,296	8,627	-3,315	5,312	-
Catalana d'Energies Renovables, S.L.	2,554	7,453	-27	9,980	32,887	-	32,887	-
Fercom Eólica, S.L.	37	2,661	276	2,974	30,369	-	30,369	-
Gestora Fotovoltaica de Castellón, S.L.	30	1,414	41	1,485	1,425	-109	1,316	-
Parque Eólico Hinojal, S.L.	2,876	114	1,047	4,037	26,783	-2,193	24,590	-
Fersa Panamá, S.A.	72	-34	-42	-4	16,154	-1,310	14,844	-
Eólica Postolin, S.p.zoo	112	-13	-30	69	19,523	-1,438	18,085	-
OÜ EstWindPower	947	507	-38	1,416	9,475	-	9,475	-
Fergest Biomasa, S.L.	50	-12	-6	32	52	-	52	-
Parc Eólic Coll De Som, S.L.	643	-104	-1	538	6,625	-	6,625	-
Parc Eólic L'Arram, S.L.	646	-111	-1	534	7,006	-	7,006	-
Explotación La Pedrera, S.L.	1,700	-186	-6	1,508	22,224	-	22,224	-
Sinergia andaluza, S.L.	6	-	-	6	27,016	-	27,016	-
Generación Eólica India Limited	7,372	-715	-271	6,386	19,548	-3,639	15,909	-
EN Renewable Energy Private Limited	12,053	-1,824	-9	10,220	28,177	-3,704	24,473	-
EN Wind Power Private Limited	11,663	-1,828	-9	9,826	35,107	-4,744	30,363	-
EN Green Energy Private Limited	11,204	-1,369	-9	9,826	22,635	-2,803	19,832	-
Eólica Kisielice, S.p.zoo	1,621	-454	21	1,188	26,639	-3,692	22,947	-
Eólica Warblewo, S.p.zoo	14	56	-20	50	18,980	-2,421	16,559	-
Eólica Cieplowody, S.p.zoo	14	36	-20	30	21,603	-2,781	18,822	-
Eolannes De Beausemblant, S.A.S.	556	-251	451	756	3,498	-344	3,154	214
Castellwind 03, S.L.	764	452	4	1,220	557	-	557	-
Fersa Cherkessk, L.L.C.	-	-	-3	-3	134	-	134	-
Entreyeltes 1, S.L.	3	-	-	3	17	-	17	-
FERSA Montenegro	66	-10	-26	30	841	-	841	-
Fersa Business Consulting (Shangai) co ltd	203	-19	-43	141	656	-	656	-
Fersa Italia	10	-4	-2	4	704	-	704	-
Management Kisielice, S.P. z.o.o	1	-	-	1	1	-	1	-
Total	55,970	11,204	693	67,867	403,655	-34,120	369,535	391

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

At 31.12.08								
Company	Share capital	Reserves and others	Profit for the year	Total equity	Gross book value	Provision	Net book value	Dividends received
Eólica El Pedregoso, S.L.	146	3,063	1,044	4,253	8,989	-227	8,762	-
Invetem Mediterránea, S.L.	72	562	235	869	578	-463	115	64
Empordavent, S.L.	460	-54	-11	395	5,281	-	5,281	-
Energia Renovable Mestral, S.L.	750	731	49	1,530	7,774	-	7,774	-
Eólica Del Pino, S.L.	75	1,573	267	1,915	8,628	-370	8,258	-
Catalana d'Energies Renovables, S.L.	630	-78	-12	540	20,298	-	20,298	-
Fercom Eólica, S.L.	37	152	2,510	2,699	30,191	-	30,191	-
Gestora Fotovoltaica de Castellón, S.L.	30	1,293	310	1,633	1,425	-24	1,401	-
Parque Eólico Hinojal, S.L.	2,876	-333	749	3,292	26,783	-1,819	24,964	-
Fersa Panamá, S.A.	3	-10	-24	-31	16,091	-766	15,325	-
Eólica Postolin, S.p.zoo	112	-	-11	101	19,523	-2,193	17,330	-
OÜ EstWindPower	32	553	-37	548	8,465	-	8,465	-
Fergest Biomasa, S.L.	50	-1	-10	39	52	-	52	-
Parc Eólic Coll De Som, S.L.	643	-98	-6	539	6,625	-	6,625	-
Parc Eólic L'Arram, S.L.	646	-105	-11	530	7,006	-	7,006	-
Explotación La Pedrera, S.L.	1,700	-181	-11	1,508	22,224	-	22,224	-
Sinergia andaluza, S.L.	6	-	-	6	26,997	-	26,997	-
Generación Eólica India Limited	7,372	-932	191	6,631	19,252	-3,838	15,414	-
EN Renewable Energy Private Limited	11,643	-1,885	-4	9,754	27,533	-2,242	25,291	-
EN Wind Power Private Limited	11,640	-1,822	-4	9,754	34,861	-4,910	29,951	-
EN Green Energy Private Limited	11,184	-1,426	-4	9,754	22,565	-2,909	19,656	-
Eólica Kisielice, S.p.zoo	14	130	-829	-685	25,018	-4,197	20,821	-
Eólica Warblewo, S.p.zoo	14	-13	70	71	18,965	-2,594	16,371	-
Eólica Ciepłowody, S.p.zoo	14	-10	47	51	21,601	-2,981	18,620	-
Eolinnes De Beausemblant, S.A.S.	556	-41	148	663	3,498	-158	3,340	-
Castellwind 03, S.L.	764	511	-59	1,216	386	-	386	-
Fersa Cherkessk, L.L.C.	-	-	-	-	140	-	140	-
Entreyeltes 1, S.L.	3	-1	-	2	8	-	8	-
FERSA Montenegro	10	-	-10	-	855	-	855	-
Fersa Business Consulting (Shangai) co ltd	63	-	-16	47	392	-	392	-
Total	51,545	1,518	4,561	57,624	392,004	-29,691	362,313	64

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the Annual Accounts for the year 2009
(in Thousand Euros)

b) Shareholdings in multi-group companies and associates

At 31.12.09								
Company	Share capital	Reserves and others	Profit for the year	Total equity	Gross book value	Provision	Net book value	Dividends received
Energía Renovable Mestral Eólica, S.L.	3	-2	-	1	5	0	5	0
Energía Cijara, S.L.	100	-4	-4	92	325	0	325	0
Eólica Cijara, S.L.	29	-6	-8	15	32	0	32	0
Siljan Port, S.L.	18	13	-10	21	4,663	0	4,663	0
Energías Renovables del Guadiana Menor, S.L.	12	-5	-4	3	2,849	0	2,849	0
Total	162	-4	-26	132	7,874	0	7,874	0

At 31.12.08								
Company	Share capital	Reserves and others	Profit for the year	Total equity	Gross book value	Provision	Net book value	Dividends received
Energía Renovable Mestral Eólica, S.L.	5	3	-5	3	5	-	5	-
Parque Eólico Altos de Voltoya, S.A.	6,869	1,523	3,468	11,860	7,037	-185	6,852	216
Energía Cijara, S.L.	200	-1	-6	193	325	-	325	-
Eólica Cijara, S.L.	59	-4	-8	47	32	-	32	-
Siljan Port, S.L.	3	-13	-11	-21	4,621	-	4,621	-
Energías Renovables del Guadiana Menor, S.L.	24	-5	-5	14	2,849	-	2,849	-
Total	7,160	1,503	3,433	12,096	14,869	-185	14,684	216

FERSA ENERGÍAS RENOVABLES, S.A.

DIRECTORS' REPORT

**YEAR ENDED
31 DECEMBER 2009**

1. SIGNIFICANT EVENTS

On 7 May 2009 RDL 6/2009 was promulgated, which stipulated, amongst other provisions, a new pre-assignment registry for the Special Regime. The facilities in development that meet a series of requirements can be inscribed in this pre-assignment registry if they have the related authorisations and permits, have an equipment supply contract, have the financial capacity and have deposited a new guarantee. The inscription in the pre-assignment registry is a necessary condition for being granted the right to avail oneself of the economic regime established under RD 661/2007, which regulates the electricity production business under the Special Regime.

In December 2009 FERSA received confirmation from the Ministry of Industry, Tourism and Trade for the inscription in the above-mentioned pre-assignment registry for wind project with a total of 253.77 MW (217.27 MW attributable installed capacity). FERSA has, therefore, inscribed 58% of the MW for which it has applied for registration, 80% of which is located in Catalonia.

In 2009 Catalana d'Energies Renovables, S.L. (CATER), an investee company fully owned by Fersa, began the construction of two wind farms in Caseres (Tarragona), Mudéfer and Mudéfer II (57.6 MW). The construction of the Mudéfer II wind farm with attributable capacity of 12.6 MW has already been completed. Furthermore, the construction of the Mudéfer wind farm (45 MW) is continuing at a good pace and it is expected to come on line in the first half of 2010. Both farms have been inscribed in the pre-assignment registry as per RD 6/2009 and, accordingly, they avail themselves of the economic regime under RD 661/2007.

The production foreseen for these two wind farms is 156 Gwh per year, which represents approximately 2,700 equivalent hours (baseload of 31%), and will avoid the emission of 150,000 tonnes of CO₂ per year, as well as provide sufficient energy for the electricity consumption of more than 39,000 homes. The investment totals more than Euros 90 million.

In 2009 the paperwork is being completed to begin the construction of the 48 MW Els Escambrons wind farm in Almatret (Lleida). Construction of the farm, which is inscribed in the pre-assignment registry for special regime purposes, will begin in 2010 and will come on line at the beginning of 2011.

In Poland, FERSA has completed the public and electric works at the transformer substation of the wind farm in the second phase of the Kisielice wind farm, which has 11 Enercon E82-2MW turbines and a total of 22 MW of installed capacity. It is estimated that the assembly of the turbines will begin in the first quarter of 2010 and that the wind

farm may begin operating the same year. The Kiselice wind farm has already had a 2 MW first phase in operation since 2008, and, accordingly, once the second phase has been completed, it will have 24 MW.

In Estonia, FERSA has increased its shareholding in OÜ Est Wind Power from 75% to 93.12%. This company holds title to the authorisations for the construction of a 75 MW wind farm in Päite and Vaivina on the northeast coast of Estonia and is one of the largest wind energy projects in the country. Additionally, a wind turbine supply contract has been entered into with Gamesa.

In India, FERSA has obtained from the Indian Renewable Energy Development Agency (IREDA) the authorisation for the financing of the 50.5 MW Hanumanhatti wind farm. The work will begin in the first half of 2010 and it is expected that it will come on line in the third quarter of the same year. This will be Fersa's second wind farm and will be added to the 31.2 MW Gadag wind farm which has been operating since 2008.

In Panama, the development of the wind farms has progressed at a good pace. In 2009 the final government permits were obtained for the construction and operation of the 105 MW Antón wind farm, in the first phase (97 MW attributable installed capacity). The environmental license has been granted by the Panamanian government through the Nacional Environmental Authorities (*Autoridad Nacional del Ambiente - ANAM*), the Final Authorisation for construction and operation granted by the Public Services Authority (*Autoridad of the Servicios Públicos - ASEP*), and the connection to the Panamanian electricity grid. The construction of the wind farm can now begin under these authorisations. It is located in the centre of the isthmus, in Coclé province and is expected to be rolled out in three phases.

Antón is Fersa's second wind farm in Panama that has obtained final authorisation, as in October 2008 the first ever final authorisation issued was obtained for the 225 MW Toabré wind farm. Fersa now has 330 MW (304 MW attributable installed capacity) authorised in Panama.

In the last stretch of the year, FERSA sold 18% of its shareholding in Parque Eólico Altos de Voltoya, S.A., thus reducing its shareholding from 30% to 12%. The transaction totalled Euros 5.7 million and generated profits for the Company of approximately Euros 1.5 million.

2. STRATEGIC AGREEMENTS

In 2009 FERSA reached an agreement for developing wind farm projects in Turkey. On 13 November 2009 it signed an agreement with the Turkish company Saran Energy Group for the development and operation of renewable energy projects in Turkey. Both companies have a 50% shareholding in the Joint Venture that will be called Fersar. The new company will be mainly engaged in the development of renewable energy projects based on wind, hydro-electric, biogas, solar and thermo-electric technologies.

3. MAIN FINANCIAL AGGREGATES

Net turnover has totalled Euros 6,451 thousand against Euros 3,982 thousand last year. Financial income from loans to investee companies has totalled Euros 3,482 thousand, an increase of 29% on last year. Dividend income from investee companies has totalled Euros 1,085 thousand, an increase of 147%, basically due to the increase in dividends from the investee companies Altos de Voltoya, S. A. and SAS Eoliennes de Beausemblant. Profit on the sale of financial instruments totals Euros 1,478 thousand, relating entirely to the profit on the sale of the 18% stake of Fersa in Parque Eólico Altos de Voltoya, S. A., which decreased the shareholding in this company from 30% to 12%. The invoicing of services rendered to investee companies totals Euros 1,884 thousand against Euros 855 thousand last year.

Operating expenses, excluding amortisation and depreciation, total Euros 4,093 thousand, which is a decrease of 4% against last year, basically due to the decrease in External services offset in part by an increase in Staff costs.

The impact on the income statement in 2009 of the provision for shareholdings is Euros 4,244 thousand against Euros 28,162 thousand last year, since last year a provision was required for the impairment of the shareholdings in India and Poland due to the depreciation of the Rupee and Zloty, respectively.

Net financial income totals Euros 254 thousand against Euros 2,420 thousand last year. In 2008 the treasury surplus arose basically from the capital increase in June 2007, which generated financial income of Euros 1,597 thousand.

The net income of Fersa has totalled Euros 140 thousand compared to the net loss of Euros 26,039 thousand last year.

4. MAIN RISKS RELATING TO THE BUSINESS OF THE FERSA GROUP

a – Operational risk:

The Group's activities are exposed to various business risks, such as the wind conditions and other meteorological conditions. The operational risk of the group is subject to technological failures, human error or errors due to external factors.

The Group makes the necessary investments to mitigate these risks and to have appropriate policies on its insurance coverage.

The Group companies are subject to current legislation in each country in relation to tariffs at which they invoice their electricity production. The modification of the legal regulatory framework could affect the results of the business.

Please note that the Group's activities are subject to compliance with the environmental legislation in force, and accordingly, subject to approval by the authorities and the granting of the respective licenses and authorisations.

b – Financial risk and financial instruments:

The Group is exposed to fluctuations in interest rate curves as its entire debt to financial entities is at a floating rate. Accordingly, the Group takes out interest rate hedge contracts, basically insuring against maximum interest rates. Due their nature, these contracts meet the hedging requirements under IFRS-EU. Accordingly, the net cash flows exchanged are recorded in the income statement as they accrue. At the year end these contracts are measured individually at fair value and their value is recognised in consolidated net equity.

The Group's activities outside Spain are exposed to exchange rate fluctuation risk of foreign currencies, which could affect the net income of the respective investee companies, their market value and release to results to the parent Company.

See additional information on other financial instruments in Note 9 to the notes to the consolidated annual accounts.

5. ENVIRONMENT

Environmental matters are borne in mind throughout the entire process of obtaining authorisation, building the plants and preparing the studies based on the legislation governing each company.

In 2009 and in relation to the facilities that are in operation, the Group has incurred expenses totalling Euros 189 thousand, basically, for wildlife conservation.

6. TREASURY SHARES

In 2009 and under the authorisation of the General Meeting of Shareholders of 30 June 2009 and 20 February 2008, the Company has made acquisitions of treasury shares. At 31 December 2009 Fersa has 1,716,341 treasury shares.

7. INFORMATION REQUIRED TO BE DISCLOSED UNDER ARTICLE 116 BIS OF THE SECURITIES EXCHANGE ACT

As per the provisions of article 116 bis of the Securities Exchange Act, Law 24/1988/28 July, promulgated under Law 6/2007/12 April, the following information is disclosed:

a) The capital structure, including the securities that are not listed on an official EU market, indicating, as the case may be, the different types of shares, and the rights and obligations of each class of shares granted by the percentage of share capital that they represent;

The share capital of Fersa Energías Renovables, S.A. (herein, the “company”) is set at the amount of EUROS ONE HUNDRED AND FORTY MILLION THREE THOUSAND SEVEN HUNDRED AND SEVENTY-EIGHT (140,003,778) divided into ONE HUNDRED AND FORTY MILLION THREE THOUSAND SEVEN HUNDRED AND SEVENTY-EIGHT (140,003,778) shares, with a par value of EURO ONE (1) each, of the same class or series, numbered from 1 to 140,003,778, represented by accounting entries, with the same rights. The shares are fully paid (articles 5 and 6 of the Articles of Association of the company).

b) Any restrictions on the sale or transfer of shares;

There are no restrictions on the free sale or transfer of Company shares, and, accordingly, they can be freely transferred under the provisions of the Spanish Public Limited Companies Act, the Securities Exchange Act and the respective applicable legislation pursuant thereto.

c) The significant direct and indirect interests in the share capital;

The interests in the share capital are mentioned in Note 12 to the Accounts.

d) any restrictions on voting rights;

There are no legal or statutory restrictions on voting rights.

e) Para-corporate agreements;

The Company is not aware of any para-corporate agreements.

f) The applicable standards for the appointment and replacement of the members of the governing bodies of the company and the modification of its Articles of Association;

f.1.) The aforementioned applicable standards on the appointment and replacement of the members of the governing bodies will be compliance with the provisions of the Spanish Public Limited Companies Act and the legal or regulatory provisions as per art. 1 of the Articles of Association, as well as the provisions of article 17 of the Articles of Association, article 2 of the Regulations of the General Meeting of

Shareholders and articles 10 and 11 of the Regulations of the Board of Directors, textually cited as follows:

Articles of Association:

Article 17.- Exercising the office of administrator will involve compliance with the following standards:

- a) Duration of the mandate will be six years.
- b) The Directors whose mandates expire can also be re-elected without restriction on the number of possible re-elections.
- c) To be elected and maintain the office does not require being a shareholder. Persons that qualify for the grounds of incompatibility or are prohibited or barred under law, insofar as stipulated thereunder, cannot hold the office of Administrator.

Regulations of the General Meeting of Shareholders:

Article 2.- Classes and powers.

“(…) The General Meeting of Shareholders is the sovereign governing body for the resolution of any and all matters reserved by Law and by the Articles of Association to its decision-making authority, and, in general, in order to adopt all the resolutions as said sovereign body of the company. In particular, and for illustrative purposes, its powers comprise:

(…) Appointing, re-electing or ratifying the members of the governing body, without prejudice to the latter’s power of cooptation. Adopting resolutions, as the case may be, to remove such members from office.”

Regulations of the Board of Directors:

Article 10.- Appointment and incompatibilities

“The General Meeting of Shareholders, or, as the case may be, the Board of Directors, will be competent in appointing the members thereto, as per the legal and statutory provisions.

The Directors shall comply with the legally established incompatibilities”.

Article 11.- Removal and re-election of Directors

“Directors, who, after their mandate period has expired, and in compliance with the other legal and statutory provisions, will be removed from office. They must tender their resignations to the Board and formalise their respective resignation whenever the grounds for incompatibility or the legal prohibitions are met and whenever the Board resolves that the Director has committed a serious breach of his or her duties”.

f.2.) Without prejudice to the Spanish Public Limited Companies Act and legal or regulatory provisions applicable, the standards governing the modification of the Articles of Association of the company are laid down in article 14 of the Articles of

Association of the company, and in articles 2 and 4 of the Regulations of the General Meeting of Shareholders, textually cited as follows:

Articles of Association

Article 14.- “The ordinary or extraordinary General Meeting of Shareholders will be validly constituted on first call when the shareholders, present or represented, hold at least 25% of the subscribed share capital with voting rights. The Meeting will be valid on second call no matter what percentage of share capital is in attendance.

*Notwithstanding the above, in order for the General Meeting to validly agree to bond issues, or an increase or decrease in share capital, or transformation, merger or de-merger of the company, and, in general, **any modifications of the Articles of Association**, the shareholders attending in person or represented by proxy thereat on first call will have to hold at least 50% of the share capital with voting rights, while on second call 25% of said share capital is sufficient. When shareholders representing less than 50% of share capital with voting rights are in attendance, resolutions can only be adopted by a majority vote in favour of 2/3 of the capital present or represented at the General Meeting of Shareholders (...).”*

Regulations of the General Meeting of Shareholders

Article 2.- Classes and competencies.

“(…) To adopt any modifications of the Articles of Association, and in particular capital increases or decreases, bond issues, the transformation, merger, demerger or winding up of the company.”

Article 4.- Organisation and valid constitution of meetings

The aforementioned article quotes the regulations on the quorum necessary for the valid constitution of the General Meeting of Shareholder, which is regulated by article 14 of the Articles of Association, to which we have referred above:

*“(…) Notwithstanding the above, in order for the General Meeting of Shareholders to validly agree to bond issues, capital increases or decreases, transformation, merger or demerger of the company and, in general, **any modifications of the Articles of Association**, the shareholders attending in person or represented by proxy thereat on first call will have to hold at least 50% of the share capital with voting rights, while on second call 25% of said share capital is sufficient. When shareholders representing less than 50% of share capital with voting rights are in attendance, resolutions can only be adopted by a majority vote in favour of 2/3 of the capital present or represented at the General Meeting of Shareholders (...).”*

g) The powers of the members of the Board of Directors and, in particular, those relating to the possibility of issuing or buying back shares;

The Ordinary General Meeting of Shareholders of 30 June 2009 adopted the following resolutions on the issuing and buying back of shares:

“ (...) Third: Authorisation granted to the Board of Directors to increase capital under art. 153.1 b) of the Spanish Public Limited Companies Act, with the possibility of full or partial suppression of the preferred subscription right, as the case may be, voiding the delegation of powers adopted under point fourth by the Ordinary General Meeting of Shareholders of 25 June 2008.

It is agreed to confer upon the Board of Directors the power to agree to one or several capital increases, in accordance with the conditions and within the deadlines set under art. 153.1 b) of the Spanish Public Limited Companies Act, with the possibility of full or partial suppression of the preferred subscription right, as the case may be, voiding the delegation of powers adopted under point fourth by the Ordinary General Meeting of Shareholders of 25 June 2008.

(...)

Fifth: Authorisation for the acquisition of treasury shares within the limits and as per the requirements laid down in art. 75 of the Spanish Public Limited Companies Act.

The General Meeting of Shareholders authorises the Board of Directors, under the terms laid down in article 75 of the Spanish Public Limited Companies Act, to make derivative acquisitions of shares of Fersa Energías Renovables, S.A., in any form of valuable consideration permitted by law, within the limits, deadlines and legal requirements applicable under current legislation, up to the maximum number of shares not exceeding the limit of company share capital permitted by law at the time of said acquisition, and at a minimum nominal price per share of Euro 1 and a maximum that does not exceed the quotation share price.

This authorisation is subject to compliance with all the other applicable legal measures, and is granted for a maximum period legally permitted as from the date of this General Meeting of Shareholders, and renders null and void that agreed at the preceding General Meeting of Shareholders of 25 June 2008, Resolution Ninth”.

Furthermore, **article 21 of the Articles of Association**, section f) on the duties of the Board of Directors, includes the power to “Acquire, negotiate, transfer or pignorate securities, shares or shareholding stakes, listed or unlisted, and to said purpose execute any legally authorised operations”.

Furthermore, the Board of Directors of the company has the power, by virtue of article **4 of the Regulations of the Board of Directors**, amongst other duties, to undertake directly or through the Audit Committee any duties imposed upon it by virtue of the company being a listed company, in particular: to oversee the control of the periodical public financial information and information in general submitted to the financial markets, and with regards to any events, decision or circumstances that could be relevant for the quotation of the shares,

in order to foster as much as possible the correct formation of the prices of the company's shares, avoiding manipulation and abuse of privileged information.

h) The agreements that have been entered into by the company and that come into force, modified or concluded in the event of a change in control of the company as a result of a takeover bid, and its effects, except when its disclosure is seriously damaging to the company. This except shall not apply when the company is legally bound to disclose such information;

The company has not adopted such significant agreements.

i) The agreements entered into by the company and its directors and management or employees that provide for indemnities when the latter resign or are dismissed unlawfully or if their labour relationship terminates as a result of a takeover bid.

The agreements entered into by company and its directors and management are set out in Notes 21 and 22 to the Accounts. There have not been any additional indemnity clauses to those mentioned in these Notes.

8.- SUBSEQUENT EVENTS.-

In January 2010 FERSA sold the remaining 12% of its shareholding in Parque Eólico Altos de Voltoya, S. A. The amount of the transaction totalled Euros 3.2 million: This operation, added to the sale of the 18% stake in 2009, thus completing the sale of the entire shareholding. As a whole, the sale of the 30% shareholding has totalled Euros 10 million, including Euros 0.9 million relating to the sale of the related subordinate debt, and has generated a profit of Euros 1.6 million.

Additionally, in January 2010 FERSA has accepted an investment in its subsidiary Catalana d'Energies Renovables, S.L. (CATER) from the specialised renewable energy fund GREEN ALLIANCE I, F.C.R. Through this operation GREEN ALLIANCE has acquired 16% of CATER and FERSA has reduced its shareholding to 84%. The operation totals of Euros 6.04 million for FERSA and includes 16% of the related subordinate debt. CATER is the owner of the 45 MW Mudéfer and 12.6 MW Mudéfer II wind farms in Caseres (Tarragona), which are under construction and are expected to be brought on line in the first half of 2010.

9.- CORPORATE GOVERNANCE REPORT.-

ANNUAL CORPORATE GOVERNANCE REPORT

PUBLIC LIMITED COMPANIES

PARTICULARS OF ISSUER

DATE OF YEAR-END: 31/12/2009

Tax No.: A-62338827

Company Name: FERSA ENERGIAS RENOVABLES, S.A.

TEMPLATE FOR ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED PUBLIC LIMITED COMPANIES

For better insight into the template and its subsequent preparation, please read the instructions on how to fill it out at the end of this report.

A - CAPITAL STRUCTURE

A.1 Complete the following table on the Company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
20/02/2008	140,003,778.00	140,003,778	140,003,778

Please indicate whether or not there are different types of shares with different rights associated:

NO

A.2 Provide details of the direct and indirect owners of significant stakes in your company at year end, excluding Directors:

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
COMSA EMTE, S.L.	0	10,755,059	7.682
CO SOCIEDAD DE GESTIÓN Y PARTICIPACIÓN, S.A	0	10,513,302	7.509
CAJA DE AHORROS Y MONTE DE PIEDAD DE BALEARES	6,368,640	0	4.549
Ms LILIANA GODIA GUARDIOLA	0	6,365,075	4.546
Ms MARIA DOLORES DONADEU CASTANY	0	5,660,378	4.043
BANCO DE SABADELL, S.A.	0	5,316,570	3.797

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Mr ALFONSO LIBANO DAURELLA	0	3,775,620	2.697

Name or company name of the indirect holder of the stake	Through: name or company name of the direct holder of the stake	Number of direct voting rights	% of total voting rights
COMSA EMTE, S.L.	COMSA EMTE MEDIO AMBIENTE, S.L.	7,000,189	5.000
COMSA EMTE, S.L.	EMTE, S.A.	3,754,891	2.682
CO SOCIEDAD DE GESTIÓN Y PARTICIPACIÓN, S.A.	SEGUROS CATALANA OCCIDENTE, S.A. DE SEGUROS Y REASEGUROS	10,513,302	7.509
Ms LILIANA GODIA GUARDIOLA	BCN GODIA, S.L.	6,365,075	4.546
Ms MARIA DOLORES DONADEU CASTANY	MYTAROS B.V.	5,660,378	4.043
BANCO DE SABADELL, S.A.	EXPLOTACIONES ENERGÉTICAS SINIA XXI, S.L.	5,316,570	3.797
Mr ALFONSO LIBANO DAURELLA	LARFON S.A.U.	3,775,620	2.697

Indicate the most significant changes in the shareholder structure occurred during the year:

Name or company name of shareholder	Date of the transaction	Description of the transaction
COMSA EMTE, S.L.	28/07/2009	5% of share capital has been exceeded

A.3 Complete the following tables regarding the members of the company's Board of Directors who hold voting rights over the Company shares:

Name or company name of Director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
Mr JOSE MARIA ROGER EZPELETA	1,000	2,605,727	1.862
GRUPO EMPRESARIAL ENHOL, S.L.	451,318	30,899,073	22.393
BCN GODIA, S.L.	6,365,075	0	4.546
CAJA GENERAL DE AHORROS DE GRANADA	0	5,776,292	4.126
COMSA EMTE MEDIO AMBIENTE, S.L.	7,000,189	0	5.000
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	0	0	0.000
Mr ENRIQUE LACALLE COLL	500	0	0.000
Mr ESTEBAN SARROCA PUNSOLA	1,200	0	0.002
GRUPO CATALANA OCCIDENTE, S.A.	0	10,513,302	7.509
Mr IGNACIO GARCÍA-NIETO PORTABELLA	200	0	0.000
LARFON S.A.U.	3,775,620	0	2.697
MYTAROS B.V.	5,660,378	0	4.043

Name or company name of the indirect holder of the stake	Name or company name of the direct holder of the stake	Number of direct voting rights	% of total voting rights
Mr JOSE MARIA ROGER EZPELETA	REAL WIND, S.L.	2,605,727	1.861
GRUPO EMPRESARIAL ENHOL, S.L.	GENERACIÓN EÓLICA INTERNACIONAL, S.L.	15,643,344	11.174
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA INDIA, S.L.	15,255,729	10.897
GRUPO CATALANA OCCIDENTE, S.A.	SEGUROS CATALANA OCCIDENTE S.A. DE SEGUROS Y REASEGUROS, SOCIEDAD UNIPERSONAL	10,513,302	7.509
CAJA GENERAL DE AHORROS DE GRANADA	CORPORACIÓN CAJA DE GRANADA, S.A.	3,994,539	2.853
CAJA GENERAL DE AHORROS DE GRANADA	INVERSIONES PROGRANADA, SCR, S.A.	1,781,753	1.273

Name or company name of the indirect holder of the stake	Name or company name of the direct holder of the stake	Number of direct voting rights	% of total voting rights
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	EOLICA INDIA, S.L.	0	0.000
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	GENERACIÓN EÓLICA INTERNACIONAL, S.L.	0	0.000

% total voting rights in possession of the Board of Directors	52.177
--	---------------

Fill in the following tables regarding the members of the Company's Board of Directors who own stock options in the Company:

A.4 Indicate, where applicable, the family, commercial, contractual or corporate relations which could exist between the owners of significant stakes, provided they are known by the Company, unless they are irrelevant or arise from normal trading activities:

A.5 Indicate, where applicable, the commercial, contractual or corporate relations which could exist between the holders of significant shares and the company and/or its group, unless they are irrelevant or arise from normal trading activities:

A.6 Specify whether any shareholders' agreements have been notified to the company that affect it in accordance with the provisions set forth in Article 112 of the Securities Market Act. Where applicable, give a brief description and list the shareholders associated with the agreement:

NO

Indicate whether or not the Company is aware of the existence of concerted actions among its shareholders. If so, briefly describe them:

NO

If any modification or cancellation of said agreements or concerted actions has taken place during the year, please make express mention of this.

A.7 Indicate if there is any individual person or legal entity that exercises or who might exercise control of the Company pursuant to Article 4 of the Securities Market Act. Respond where applicable:

NO

A.8 Complete the following tables concerning the Company's treasury stock:

At year end:

Number of direct shares	Number of indirect shares (*)	% of share capital
1,716,341	0	1.226

(*) Through:

Total:	0
---------------	----------

Provide details of the significant changes occurring during the year pursuant to Royal Decree 1362/2007:

Unrealised gains/(Losses) of treasury stock disposed of over the period (in thousand of euros)	- 709
---	--------------

A.9. Give details of the terms and conditions corresponding to the General Meeting of Shareholders' current mandate to the Board of Directors for acquiring or assigning own shares.

On 30 June 2009, the General Meeting of Shareholders of FERSA ENERGÍAS RENOVABLES, S.A. adopted the resolution transcribed below:

The General Meeting of Shareholders authorised the Board of Directors, under the terms of article 75 of the Spanish Public Limited Companies Act to acquire shares of FERSA Energías Renovables, S.A. by any means of valuable consideration permitted by law, within the limits, terms and legal requirements applicable as per current legislation in force, up to a maximum number of shares that does not exceed the limit of share capital of the company permitted under current legislation at the time of acquisition, and at a minimum price per share of the par value of Euro 1 and a maximum price that does not exceed the quotation price of the share on the stock exchange.

This authorisation is subject to compliance with all other legally applicable requirements, and is granted for the maximum period permitted legally as from the date of the General Meeting of Shareholders, and voids Resolution Nine adopted at the last General Meeting of Shareholders of 25 June 2008.

A.10 Indicate, where applicable, the legal and statutory requirements in the Articles of Association regarding the use of voting rights, and legal restrictions on the acquisition or sale of holdings in the share capital. Indicate whether or not there are legal restrictions to exercising voting rights:

NO

Maximum percentage of voting rights that can be exercised by a shareholder in accordance with legal restrictions	0
---	----------

Indicate whether or not there are statutory restrictions to exercising voting rights:

NO

Maximum percentage of voting rights that can be exercised by a shareholder in accordance with statutory restrictions	0
---	----------

Indicate whether or not there are legal restrictions to the acquisition or assignment of shares in the company's capital:

NO

A.11 Specify whether the General Meeting has agreed to take up measures of neutralisation against a takeover bid by virtue of provisions set forth in Law 6/2007.

NO

If appropriate, explain the measures approved and the terms under which the restrictions would not be enforceable:

B - STRUCTURE OF THE MANAGEMENT OF THE COMPANY

B.1 Board of Directors

B.1.1 Describe the maximum and minimum number of Directors set forth in the Articles of Association:

Maximum number of Directors	12
------------------------------------	-----------

Minimum number of Directors	3
------------------------------------	----------

B.1.2 Complete the following table with the members of the Board:

Name or company name of Director	Representative	Position on Board	Date first appointment	Date last appointment	Election procedure
Mr JOSE MARIA ROGER EZPELETA	--	CHAIRMAN	20/06/2006	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
GRUPO EMPRESARIAL ENHOL, S.L.	LUIS OLIVER GÓMEZ	VICE-CHAIRMAN	20/02/2008	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
BCN GODIA, S.L.	MANUEL TORREBLANCA RAMÍREZ	DIRECTOR	02/05/2007	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
CAJA GENERAL DE AHORROS DE GRANADA	JESÚS QUERO MOLINA	DIRECTOR	20/02/2008	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
COMSA EMTE MEDIO AMBIENTE, S.L.	JAVIER MARTÍ DURÁN	DIRECTOR	20/02/2008	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	VIDAL AMATRIAIN MÉNDEZ	DIRECTOR	20/02/2008	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
Mr ENRIQUE LACALLE COLL	--	DIRECTOR	30/06/2009	30/06/2009	COOPTATION
Mr ESTEBAN SARROCA PUNSOLA	--	DIRECTOR	05/06/2007	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
GRUPO CATALANA OCCIDENTE, S.A.	JORGE ENRICH IZARD	DIRECTOR	10/07/2000	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
Mr IGNACIO GARCÍANIETO PORTABELLA	--	DIRECTOR	05/06/2007	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
LARFON S.A.U.	ALFONSO LIBANO DAURELLA	DIRECTOR	20/02/2008	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
MYTAROS B.V.	JOSE VICENS TORRADAS	DIRECTOR	15/01/2004	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS

Total number of Directors	12
----------------------------------	----

Indicate the replacements occurring in the Board of Directors during the period:

Name or company name of Director	Condition member of the Board at the time of replacement	Replacement date
Mr MANUEL BARANGE BOFILL	INDEPENDENT	30/06/2009

B.1.3 Complete the following tables regarding the members of the Board of Directors and their different statuses:

EXECUTIVE DIRECTORS

Name or company name of Director	Committee which proposed appointment	Position in the Company's management structure
Mr JOSE MARIA ROGER EZPELETA	--	CHAIRMAN
GRUPO EMPRESARIAL ENHOL, S.L.	--	VICE-CHAIRMAN
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	--	DIRECTOR

Total number of Executive Directors	3
% total of the Board	25.000

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of Director	Committee which proposed appointment	Name or title of significant shareholder he/she represents or who proposed appointment
BCN GODIA, S.L.	--	BCN GODIA, S.L.
CAJA GENERAL DE AHORROS DE GRANADA	--	CAJA GENERAL DE AHORROS DE GRANADA
COMSA EMTE MEDIO AMBIENTE, S.L.	--	COMSA EMTE MEDIO AMBIENTE, S.L.
GRUPO CATALANA OCCIDENTE, S.A.	--	SEGUROS CATALANA OCCIDENTE, S.A. DE SEGUROS Y REASEGUROS
LARFON S.A.U.	--	LARFON S.A.U.
MYTAROS B.V.	--	MYTAROS B.V.

Total number of Proprietary Directors	6
% total of the Board	50.000

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of Director

Mr ENRIQUE LACALLE COLL

Profile

Graduate in Law and Senior Company Management.

Name or company name of Director

Mr ESTEBAN SARROCA PUNSOLA

Profile

Graduate in Economics and Certified Public Account.

Name or company name of Director

Mr IGNACIO GARCÍA-NIETO PORTABELLA

Profile

Lawyer-economist, graduate from the University of Deusto.

Total number of Independent Directors	3
% total of the Board	25.000

OTHER EXTERNAL DIRECTORS

Detail the reasons why they cannot be considered as proprietary or independent and their relationships, either with the company or its executives or with its shareholders:

Indicate the changes, if any, in the type of Director during the period:

B.1.4 Where applicable, explain why Proprietary Directors have been appointed at the request of shareholders whose holding in the capital is less than 5%.

Name or company name of shareholder

BCN GODIA, S.L.

Explanation

For strategic and business reasons.

Name or company name of shareholder

CAJA GENERAL DE AHORROS DE GRANADA

Explanation

For strategic and business reasons.

Name or company name of shareholder

LARFON, S.A.U.

Explanation

For strategic and business reasons.

Name or company name of shareholder

MYTAROS, B.V.

Explanation

For strategic and business reasons.

Please indicate whether formal requests have been denied for attendance at the meetings of the Board solicited by shareholders whose shareholding is equal to or greater than that of other shareholders, at whose instigation they would have been designated board members appointed by a significant shareholder. If any, explain the reasons for the denial.

NO

B.1.5 Indicate whether or not a Director has resigned from his/her post before the conclusion of his/her term of office, whether or not he/she has provided the Board with reasons and through which medium and, if he/she has done so in writing to the entire Board, explain at least the reasons given:

YES

Director's name

Mr MANUEL BARANGE BOFILL

Reason for resignation

Strictly professional reasons.

B.1.6 Indicate, where applicable, the powers delegated to the Managing Director(s):

Name or company name of Director

ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL

Brief outline

The Chief Executive Officers, whether they act individually or in a Group, in other words, as the Executive Committee, have been granted the power to undertake and carry out whatever is permitted under the corporate purposes of the company, and to exercise any Powers that are not expressly reserved by Law or by the Articles of Association to the Board of Directors.

Name or company name of Director

GRUPO EMPRESARIAL ENHOL, S.L.

Brief outline

The Chief Executive Officers, whether they act individually or in a Group, in other words, as the Executive Committee, have been granted the power to undertake and carry out whatever is permitted under the corporate purposes of the company, and to exercise any Powers that are not expressly reserved by Law or by the Articles of Association to the Board of Directors.

Name or company name of Director

Mr JOSE MARIA ROGER EZPELETA

Brief outline

The Chief Executive Officers, whether they act individually or in a Group, in other words, as the Executive Committee, have been granted the power to undertake and carry out whatever is permitted under the corporate purposes of the company, and to exercise any Powers that are not expressly reserved by Law or by the Articles of Association to the Board of Directors.

B.1.7 Indicate, where applicable, the Board members holding positions of administrators or executives in other companies forming part of the group of the listed company:

Name or company name of Director	Company name of group company	Position
Mr JOSE MARIA ROGER EZPELETA	APROFITAMENT D'ENERGIES RENOVABLES DE LA TERRA ALTA. S.L.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	BERTA ENERGIES RENOVABLES. S.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	CASTELLWIND-03. S.L.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	E. N. GREEN ENERGY. PVT. LTD.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	E. N. RENEWABLE ENERGY. PVT. LTD.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	E. N. WIND POWER. PVT. LTD.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	ENERGIAS RENOVABLES DEL GUADIANA MENOR. S.L.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLICA CIEPLOWODY. SP.Z.O.O.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLICA KISIELICE. SP.Z.O.O.	DIRECTOR

Name or company name of Director	Company name of group company	Position
Mr JOSE MARIA ROGER EZPELETA	EOLICA POSTOLIN. SP.Z.O.O.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLICA WARBLEWO. SP. Z.O.O.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLIENNES DE BEAUSEMBLANT S.A.S.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	EÓLICA DEL PINO. S.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	EÓLICA EL PEDREGOSO. S.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	FERSA ITALIA. S.R.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	FERSA PANAMA. S.A.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA DE CASTELLÓ. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA DE LES COVES. S.L.	JOINT ADMINISTRATOR
MR JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA ECOTEC. S.L.	JOINT ADMINISTRATOR
MR JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA FER. S.L.	JOINT ADMINISTRATOR
MR JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA LA MOLA. S.L.	JOINT ADMINISTRATOR
MR JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA PADUA. S.L.	JOINT ADMINISTRATOR
MR JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA VERGOS. S.L.	JOINT ADMINISTRATOR
MR JOSE MARIA ROGER EZPELETA	GENERACION EOLICA INDIA. LTD	DIRECTOR
MR JOSE MARIA ROGER EZPELETA	GESTORA FOTOVOLTAICA DE CASTELLON. S.L.	JOINT MANAGER
MR JOSE MARIA ROGER EZPELETA	INVERSIONS TRAUTT. S.L.	JOINT MANAGER
MR JOSE MARIA ROGER EZPELETA	INVERSIONS VINROMA. S.L.	JOINT MANAGER
MR JOSE MARIA ROGER EZPELETA	INVETEM MEDITERRÀNEA. S.L.	DIRECTOR
MR JOSE MARIA ROGER EZPELETA	JOSO FOTOVOLTAICA. S.L.	JOINT ADMINISTRATOR
MR JOSE MARIA ROGER EZPELETA	MANAGEMENT KISIELICE. SP. Z O.O.	DIRECTOR
MR JOSE MARIA ROGER EZPELETA	OÜ EST WIND POWER	DIRECTOR

Name or company name of Director	Company name of group company	Position
MR JOSE MARIA ROGER EZPELETA	SILJAN PORT. S.L.	CHAIRMAN
MR JOSE MARIA ROGER EZPELETA	SINERGIA ANDALUZA. S.L	DIRECTOR
MR JOSE MARIA ROGER EZPELETA	WEINSBERG ECOTEC. S.L.	JOINT ADMINISTRATOR

B.1.8 Identify, if applicable, the Directors of your company who are members of the Board of Directors of other companies listed on official stock exchanges in Spain other than those of your group, that have been reported to the company:

B.1.9 Indicate and, where applicable, explain whether or not the Company has laid down rules on the number of Boards on which its Directors can sit:

NO

B.1.10 With regard to Recommendation No. 8 of the Unified Code, indicate the general policies and strategies of the company that the plenary Board has reserved the right to approve:

The investment and finance policy	YES
The definition of the structure of the group of companies	YES
The corporate governance policy	YES
The corporate social responsibility policy	YES
Strategic or business plan, as well as the management aims and annual budgets	YES
The remuneration policy and appraisal of senior management performance	YES
Control of risk management policy, as well as periodic monitoring of the internal information control system	NO
The dividend policy, as well as the treasury stock policy, with special focus on their limits.	YES

B.1.11 Fill in the following tables regarding the total remuneration of the Directors earned over the year:

a) In the Company which is the object of this report:

Remuneration concept	Data in thousands of euros
Fixed remuneration	637
Variable remuneration	0
Expenses	0
Established in Articles of Association	0
Stock options and/or other financial instruments	0
Others	0

Total	637
--------------	-----

Other benefits	Data in thousands of euros
Advances	0
Credits granted	0
Pension plans and funds: contributions	0
Pension plans and funds: obligations	0
Life insurance premiums	0
Guarantees made by the Company to Directors	0

b) Through company Directors belonging to other Boards of Directors and/or the senior management of group companies:

Remuneration concept	Data in thousands of euros
Fixed remuneration	0
Variable remuneration	0
Expenses	0
Established in Articles of Association	0
Stock options and/or other financial instruments	0

Remuneration concept	Data in thousands of euros
Others	0

Total	0
--------------	---

Other benefits	Data in thousands of euros
Advances	0
Credits granted	0
Pension plans and funds: contributions	0
Pension plans and funds: obligations	0
Life insurance premiums	0
Guarantees made by the Company to Directors	0

c) Total remuneration by type of Director:

Director type	By company	By group
Executive	507	0
External Proprietary	0	0
External Independent	130	0
Other External	0	0

Total	637	0
--------------	-----	---

d) As a percentage of the profits attributable to the controlling company:

Total remuneration of Directors (in thousands of euros)	637
Directors' total remuneration/(net) profit attributed to the parent company (%)	52.6

B.1.12 Identify members of senior management who are not also Executive Directors, and indicate the total remuneration they earned during the year:

Name or company name	Position
Mr IGNACIO MORENO HERNANDEZ	GENERAL MANAGER
Mr FRANCESC ROIG MUNILL	DEPUTY GENERAL MANAGER
Mr IÑIGO DEL VALLE GÓMEZ	FINANCE MANAGER

Total remuneration of senior management (in thousands of euros)	507
--	-----

B.1.13 Indicate if there are guarantee or ironclad clauses, for cases of dismissal or control changes, in favour of members of senior management, including Executive Directors of the Company or its Group. Indicate if these contracts must be notified and/or approved by the bodies of the Company or its Group:

Number of beneficiaries	0
--------------------------------	---

	Board of Directors	General Meeting
Body that authorises the clauses	NO	NO

Is the General Meeting informed of the clauses?	NO
--	----

B.1.14 Indicate the process for establishing the remuneration of the members of the Board of Directors and the relevant clauses of the Articles of Association in that respect.

Process for establishing payment for the members of the Board of Directors and the statutory clauses
<p>The office of the administrators until the end of the fiscal year is remunerated as per the Articles of Association:</p> <p>Article 17 b of the Articles of Association:</p> <p>The annual remuneration of the directors, for their management duties as members of the Board of Directors of the company, are established up to eight percent of liquid profit, which can only be received after reserves and dividends have been appropriated as per legislation in force. The Board of Directors will distribute amongst its members this share, in the form and amount that it deems necessary, which will be disclosed in the notes to the annual accounts as legally laid down.</p> <p>Subject to agreement of the General Meeting of Shareholders under the terms of the Spanish Public Limited Companies Act, the directors who undertake executive duties shall be entitled to also participate in the incentive plans adopted for the company's executives, which confer remuneration consisting of shares, recognition of share options or remuneration indexed to share value.</p>

Process for establishing payment for the members of the Board of Directors and the statutory clauses
The remuneration forecast in the sections above, resulting from membership on the Board of Directors, will be compatible with our professional or labour-related payments of the Directors for any other executive or advisory duties, which, as the case may be, they undertake for the company other than supervision and decision making as Directors, which are subject to the applicable legislation in force.

Indicate whether or not the Board in its plenary session has reserved the right to adopt the following decisions:

At the proposal of the chief executive of the company, the appointment and possible resignation of senior executives, as well as their compensation clauses.	NO
The remuneration of Directors, as well as, in the case of executives, the additional remuneration through their executive duties and other conditions that their contracts must include.	NO

B.1.15 Indicate whether or not the Board of Directors adopts a detailed payments policy and specify the matters on which it pronounces:

NO

Amount of the fixed elements, with a breakdown if applicable of the allowances for participation on the Board and its Committees and an estimate of the annual fixed remuneration to which they are entitled	
Variable payment concepts	
Main characteristics of the social benefits systems, with an estimate of the equivalent annual cost or amount.	
Conditions to be observed in the contracts of those who exercise senior management functions as Executive Directors	

B.1.16 Specify whether the Board submits a report on the remuneration policy for Directors to voting at the General Meeting as a separate item of the agenda. Where applicable, explain the aspects of the report regarding the salary policy adopted by the Board for future years, the most significant changes in the said policies with regard to that applied during the year and the global summary of how the remuneration policy was applied during the year. Give details of the role played by the Remuneration Committee and, if external consultancy services have been used, the identity of the external consultants that have provided the service:

NO

Have external consultancy services been used?	

B.1.17 Indicate, where applicable, the identity of Board members who are also members of the Boards of Directors, Directors or employees of companies that hold significant stakes in the listed company and/or companies of your group:

Provide details, if appropriate, of the relevant relationships other than those included in the previous heading, of the members of the Board of Directors with the significant shareholders and/or in entities of its Group:

B.1.18 Indicate whether or not there has been any modification to the regulations of the Board during the year:

NO

B.1.19 Indicate the procedures for the appointment, re-election, assessment and removal of Directors. Provide details of the competent bodies, the procedures to be followed and the criteria applicable in each procedure.

Article 10 of the Regulations of the Board of Directors.- Appointment and incompatibilities

The General Meeting of Shareholders or, as the case may be, the Board of Directors, will be competent to appoint its members, in conformity with current applicable legislation and the articles of association.

The Directors shall respect the legally established incompatibilities.

Article 11.- Removal and re-election Directors

The Directors shall be removed from office after the mandate period for which they were appointed has expired, as well in the other cases in conformity with current applicable legislation and the articles of association. They must tender their resignation to the Board and formalise the respective removal whenever they are found to be in situations of incompatibility or legally barred and whenever the Board resolves that the Director has seriously infringed his duties.

B.1.20 Indicate cases in which Directors are compelled to resign.

In conformity with article 11 of the Regulations of the Board of Directors, the Directors of the company must tender their resignation to the Board and formalise their respective removal whenever they are found to be in situations of incompatibility or legally barred and whenever the Board resolves that the Director has seriously infringed his duties.

B.1.21 Explain whether the duties of the chief executive of the Company correspond to the position of Chairman of the Board. If this is the case, indicate the measures which have been taken to limit the risks of accumulation of powers in a single person:

NO

Indicate and, where applicable, explain whether or not rules have been laid down to empower one of the Independent Directors to request the call of a Board meeting or the inclusion of new matters on the agenda to coordinate and report the concerns of the External Directors and direct the assessment by the Board of Directors.

NO

B.1.22 Are reinforced majorities other than those applicable by law required for any type of decision?

NO

Indicate how decisions are taken in the Board of Directors, specifying at least the minimum quorum and the type of majorities for approving decisions:

B.1.23 Indicate if there are specific requirements other than those relating to Directors in order to be appointed as Chairman.

NO

B.1.24 Indicate whether the Chairman has a casting vote:

YES

Matters in which a deciding vote exists
According to article 3 of the Regulations of the Board of Directors, the Chairman shall preside over, as the case may be, the Executive Committee, and represent it, and will have the deciding vote.
In the case of representation, the provisions of article 6 of the Regulations shall prevail. Article 6.- Constitution, representation and adoption of resolutions.
(...) Representation to attend the meetings of the Board can only be granted to another Director or another shareholder, and must be specific to each meeting. Whosoever represents the Chairman shall preside over the meeting only in the absence of the Vice-Chairman, and shall not have the right to cast the deciding vote. (...)

B.1.25 Indicate whether the Articles of Association or the Board Regulations establish any age limit for Directors:

NO

Age limit for Chairman	Age limit for CEO	Age limit for Directors
0	0	0

B.1.26 Indicate whether the Articles of Association or the Board Regulations establish a limited mandate for Independent Directors:

NO

Maximum number of years of mandate	0
---	---

B.1.27 If there are few or no female Directors, explain the reasons or the initiatives adopted to correct this situation.

Explanation of the reasons and the initiatives
We believe that in light of the current structure of the company, we have not found any female candidates. However, we are carrying out systematic actions to include a female Director on the Governing Body of the company.

In particular, indicate whether or not the Appointments and Remuneration Committee has laid down procedures to ensure that the selection processes are not subject to implicit bias that prevents the selection of female Directors and deliberately look for female candidates with the required profile:

NO

B.1.28 Indicate if there are formal processes for delegation of votes in the Board of Directors. If so, describe them briefly.

In conformity with article 19 of the Articles of Association and article 6 of the Regulations of the Board of Directors, the meeting of the Board is validly constituted when the majority of its members are present or represented thereat, and also, without the need for a prior call, when all its members are present and unanimously decide to constitute a meeting of the Board. Written ballots without a meeting shall only be permitted when no Director opposes such a procedure.

The power of representation to attend the meetings of the Board shall only be conferred upon another director or shareholder, and must be made expressly for each meeting. Whosoever represents the Chairman shall preside over the meeting in the absence of the Vice-Chairman, and shall not have the right to cast the deciding vote.

Each Director present or represented shall have the right to vote. The resolutions shall be adopted by absolute majority of the members of the Board of Directors. The resolutions adopted by the Board at each meeting will be transcribed in the Minutes Book and shall be signed by the Chairman and the Secretary.

B.1.29 Indicate the number of meetings that the Board of Directors has held over the year. Also indicate, where applicable, how many times the Board has met without the Chairman being present:

Number of meetings of the Board	7
Number of Board meetings without the Chairman attending	0

Indicate the number of meetings held by the different Board committees over the year:

Number of meetings of the Executive or Delegated Committee	16
Number of meetings of the Audit Committee	5
Number of meetings of the Appointments and Remuneration Committee	1
Number of meetings of the Appointments Committee	1
Number of meetings of the Remuneration Committee	0

B.1.30 Indicate the number of meetings held by the Board of Directors during the year without the attendance of all its members. When calculating the number, representations made without specific instructions shall be considered as non-attendance:

Number of non-attendances of Directors during the year	0
% of non-attendances over the total number of votes during the year	0.000

B.1.31 Indicate if the individual and consolidated Annual Accounts submitted for approval by the Board are certified previously:

NO

Identify, where applicable, the person(s) who has/have certified the Company's individual and consolidated Annual Accounts in order to be drawn up by the Board:

B.1.32 Explain, where applicable, the mechanisms established by the Board of Directors to prevent the individual and consolidated annual accounts it draws up from being submitted to the General Meeting of Shareholders with qualifications in the auditors' report.

The Board of Directors has a single committee, the Audit Committee, whose competency, in conformity with article 20 b of the Articles of Association, and Article 7 of the Regulations of the Board of Directors, is to:

Propose to the Board of Directors for submission to the General Meeting of Shareholders, the appointment of the accounts auditors of the company.

To supervise the internal auditing services should the company have such a body.

To ascertain the process for financial disclosures and the internal control systems relating to the relevant risks that the company faces.

To receive information from the accounts auditors on questions that could put their independence in jeopardy, which are related to the accounts audit, and, in general, on any other issues that are governed by legislation on auditing and the technical auditing standards in force at any time.

B.1.33 Is the Secretary of the Board a Director?

NO

B.1.34 Explain the procedures for appointing and dismissing the Secretary of the Board, indicating whether or not his/her appointment and dismissal have been reported by the Appointments Committee and adopted by the Board in its plenary session.

Appointments and dismissal procedure
In accordance with the provisions of article 16 of the Regulations of the Board of Directors, the latter, upon the proposal of the chairman, shall appoint a Non-member Secretary, Graduate in Law, whose professional activity shall be fully independent.
Furthermore, article 18 of the Articles of Association stipulates the following: The Board of Directors shall be entitled to regulate its own functions and internal organisation. It shall, at least, appoint from amongst its members a Chairman and elect the person to hold the office of Secretary, which can even be held by a non-Director or non-Shareholder. One or several Vice-Chairmen can be appointed.
In relation to the former and current non-Director Secretary of the company, his removal and appointment were not reported by the Appointments and Remuneration Committee given that this Committee had been established thereafter.

Does the Appointments Committee report the appointment?	YES
Does the Appointments Committee report the dismissal?	YES
Does the plenary session of the Board adopt the appointment?	YES
Does the plenary session of the Board adopt the dismissal?	YES

Is the Board Secretary commissioned with the duty of especially supervising the good governance recommendations?

YES

B.1.35 Indicate, where applicable, the mechanisms established by the Company to safeguard the independence of the auditor, financial analysts, investment banks and rating agencies.

The Regulations of the Board of Directors, article 9o stipulates:

Article 9.- Relations with the Auditors

The Board shall establish an objective, professional and ongoing relationship directly or through the Audit Committee with the external Auditor of the company appointed by the General Meeting of Shareholders. In any case, it shall respect the independence of the auditors and ensure that they are given the information they require.

B.1.36 Specify whether the Company has changed external auditor over the year. If appropriate identify the incoming and outgoing auditors:

NO

Outgoing auditor	Incoming auditor

In the case of disagreements with the outgoing auditor, explain the content of the said disagreements:

NO

B.1.37 Indicate if the audit company performs other tasks for the company and/or its group other than auditing activities, and if so, state the amount of the fees received for said activities and the percentage of the fees billed to the company and/or its group:

YES

	Company	Group	Total
Amount of tasks other than auditing activities (in thousands of euros)	152	34	186
Amount of tasks other than auditing/Total amount billed by the audit company (%)	60.000	38.000	54.260

B.1.38 Specify whether the Auditor's report on the Annual Accounts from the previous year includes any reservations or exceptions. Where applicable, indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of the said reservations or exceptions.

NO

B.1.39 Indicate how many years the current audit company has been auditing, without interruption, the Annual Accounts of the Company and/or its Group. Also indicate the percentage of the number of years audited by the current audit company over the total number of years that the Annual Accounts have been audited:

	Company	Group
Number of years without interruption	2	2

	Company	Group
No. of years audited by the current audit company /No. of years the Company has been audited (%)	0.2	0.3

B.1.40 Indicate the holdings of the members of the Board of Directors in the capital of companies which have the same, similar or complementary type of activity that constitutes the business purpose of the Company and of its Group, and of which the Company has been informed. Also indicate the positions or duties that they perform in these companies:

Name or company name of Director	Name of object company	% holding	Position or duties
Mr JOSE MARIA ROGER EZPELETA	REAL WIND, S.L.	100.000	SOLE ADMINISTRATOR
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA CABANILLAS, S.L.	50.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA CAPARROSO, S.L.	50.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA LA BANDERA, S.L.	50.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA MONTES DE CIERZO, S.L.	50.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	100.000	-
BCN GODIA, S.L.	ROTASOL ENERGY, S.L.	40.000	-
CAJA GENERAL DE AHORROS DE GRANADA	ENERGIA ORIENTAL, S.L.	61.180	-
CAJA GENERAL DE AHORROS DE GRANADA	EOLICA DEL ZENETE, S.L.	42.990	-
CAJA GENERAL DE AHORROS DE GRANADA	SILICIO ENERGIA, S.A.	5.000	-

Name or company name of Director	Name of object company	% holding	Position or duties
COMSA EMTE MEDIO AMBIENTE, S.L.	COMSA INVERSIONES SOLARES, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	EOLICA LAS LANCHAS, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	EOLICA SIERRA GADEA, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	EOLICA EL HORNICO, S.L.	100,000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	EOLICA LA CARRASCA, S.L.	100,000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	PARQUE SOLAR VISO DEL MARQUES, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	TFM ENERGIA SOLAR FOTOVOLTAICA, S.A.	75.000	DIRECTOR
COMSA EMTE MEDIO AMBIENTE, S.L.	GOTICA SOLAR, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	PARQUE SOLAR DE ECIJA, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	VILLOLDO SOLAR, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE MEDIO AMBIENTE, S.L.	COMSA ENERGIAS RENOVABLES, S.L.	100.000	DIRECTOR
COMSA EMTE MEDIO AMBIENTE, S.L.	MAIALS SOLAR, S.L.	100.000	SOLE ADMINISTRATOR
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	YNFINITI ENGINEERING SERVICES, S.L.	33.330	-
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	INNOVACIÓN VERDE INVER, S.L. UNIPERSONAL	100.000	-
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	ENERGIA TERMOSOLAR ENERTOL, S.L.	50.000	-
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	EOLICA NAVARRA, S.L.U.	100.000	-
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	INVER BULGARIA, E.O.O.D.	100.000	-
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	CENTRAL EOLICA PAMPA DE MALASPINA, S.A.	10.000	-
Mr IGNACIO GARCÍA-NIETO PORTABELLA	ROTASOL ENERGY, S.L.	5.000	-

B.1.41 Indicate and, where applicable, provide details of whether there is a procedure whereby Directors can have external assessment:

YES

Details of the procedure
<p>Although it is true that there is no formal procedure regulated by the internal regulations of the Company by virtue of which the directors can avail themselves of external advisory and consulting services, there is, however, an unwritten procedure that is well-known by the members of the Board of Directors.</p> <p>That is why any member of the Board of Directors can request the hiring of external advisors, the cost to be borne by the Company, in order to exercise his duties, provided that said advice concerns questions of certain importance and complexity that arise in the undertaking of his remit.</p> <p>The aforementioned procedure consists in asking for the external advice that the director believes necessary, through the Chairman or the Secretary of the Board of Directors or the General Manager of the company, who will submit this request to the Board of Directors or the respective delegated committee for their decision.</p> <p>Furthermore, this practice has been extended to any member of the delegated committees and executive officers of the company.</p>

B.1.42 Indicate and, where applicable, provide details of whether there is a procedure whereby Directors can have the information necessary to prepare the meetings of the Boards of Directors with sufficient time:

YES

Details of the procedure
<p>According to article 5 of the Regulations of the Board of Directors,</p> <p>The Board shall meet at least once every 3 months to discuss the issues relating to the operations of the company, and, in any case, the different points of the proposed agenda.</p> <p>In accordance with the articles of association, the Board shall meet provided that it is called by its Chairman, either on his own initiative or at the behest of two or more Directors.</p> <p>The Chairman shall set the agenda for the meetings of the Board, although one third of the Directors subject to one day's notice shall be entitled to include points on the agenda that they consider pertinent.</p> <p>The Chairman shall be entitled to confer upon any Director the power to call a meeting of the Board and set the agenda of the meetings.</p> <p>The call for each meeting of the Board, which will include the agenda, will be sent to each Director by any written means at least 48 hours in advance of the date indicated for the meeting.</p>

Details of the procedure
<p>In an emergency, the Chairman shall be entitled to call a meeting of the Board, even by telephone, without having to respect the minimum notice period, although the emergency must be perceived by the majority of the attendees at the beginning of the meeting.</p> <p>The Board shall meet in ordinary session at its registered office, although it shall also be entitled to hold its meetings in any other place indicated in the call.</p> <p>Furthermore, it shall be entitled to hold the meetings in different rooms simultaneously, provided that the interactivity and inter-communication between them in real time is assured.</p>

B.1.43 Indicate and, where applicable, give details of whether or not the Company has laid down rules that oblige the Directors to report and, in cases that damage the Company's credit and reputation, resign:

YES

Explain the rules
<p>According to article 11 of the Regulations of the Board of Directors,</p> <p>The Directors shall be removed from office after the mandate period for which they were appointed has expired, as well in the other cases in conformity with current applicable legislation and the articles of association. They must tender their resignation to the Board and formalise the respective removal whenever they are found to be in situations of incompatibility or legally barred and whenever the Board resolves that the Director has seriously infringed his duties.</p>

B.1.44 Indicate whether or not any member of the Board of Directors has informed the Company that he/she has been prosecuted or hearings against him/her have been opened for any of the offences laid down in Article 124 of the Spanish Companies Act:

NO

Indicate whether or not the Board of Directors has analysed the case. If the answer is affirmative, give a reasoned explanation of the decision taken as to whether or not the Director remains in his/her post.

NO

Decision taken	Reasoned explanation

B.2 Committees of the Board of Directors

B.2.1 Provide details of all the committees of the Board of Directors and their members:

AUDIT COMMITTEE

Name	Position	Type
Mr ESTEBAN SARROCA PUNSOLA	CHAIRMAN	INDEPENDENT
MR IGNACIO GARCÍA-NIETO PORTABELLA	BOARD MEMBER	INDEPENDENT
MYTAROS B.V.	BOARD MEMBER	SIGNIFICANT SHAREHOLDER

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Mr ENRIQUE LACALLE COLL	CHAIRMAN	INDEPENDENT
BCN GODIA, S.L.	BOARD MEMBER	SIGNIFICANT SHAREHOLDER
Mr ESTEBAN SARROCA PUNSOLA	BOARD MEMBER	INDEPENDENT

EXECUTIVE COMMITTEE

Name	Position	Type
Mr JOSE MARIA ROGER EZPELETA	CHAIRMAN	EXECUTIVE
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	BOARD MEMBER	EXECUTIVE
GRUPO EMPRESARIAL ENHOL, S.L.	BOARD MEMBER	EXECUTIVE

B.2.2 Specify whether the Audit Committee is responsible for the following:

Supervising the preparation process and integrity of the financial information related to the Company and, where applicable, the Group, reviewing compliance with the standard requirements, the appropriate definition of the consolidation perimeter and the correct application of the bookkeeping criteria.	YES
Regularly reviewing the internal control and risk management systems so that the main risks can be identified, processed and appropriately publicised.	YES
Ensuring the independence and effectiveness of the internal audit duty; propose the selection, appointment, re-election and dismissal of the person in charge of the internal audit service; forward the budget for this service; receive periodic information on its activities, and verify that senior management considers the conclusions and recommendations in its reports.	YES

Setting up and supervising a mechanism that enables employees to communicate any significant irregularities, especially those related to finance and bookkeeping, and to do so in a confidential manner.	NO
Raising the selection, appointment, re-election and substitution proposals concerning the external auditor to the Board, as well as the terms and conditions of his/her contract.	YES
Likewise receiving information from the external auditor on the audit plan and the results of carrying it out and checking that senior management take its recommendations into account	YES
Guaranteeing the independence of the external auditor.	YES
In the event of groups, to see that the group auditor accepts liability for the audits of the companies that make up the group.	YES

B.2.3 Describe the organisational and operational rules and the responsibilities attributable to each of the Board's committees.

Committee name

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief outline

On 5 June 2007 an appointments and remuneration committee was set up as per the Unified Code of Good Governance, whose regulations pursuant to the same have yet to be formulated by the board of directors

Committee name

EXECUTIVE COMMITTEE

Brief outline

Article 20 of the Articles of Association stipulates that:
The Board of Directors shall be entitled to appoint one or more Chief Executive Officers or an Executive Committee in the form and with the powers that can be legally delegated. If these powers are not limited, it is understood that the Chief Executive Officers shall be entitled to exercise all the powers of the Board of Directors, except those that cannot be delegated by law.
Furthermore, article 7o of the Regulations of the Board of Directors, regarding the Committees of the Board of Directors, stipulates that:
7.1. Executive Committee
An Executive Committee can be constituted in order to improve compliance with the duties of the Board.
The composition of the Executive Committee shall reasonably reflect the structure of the Board and respect the balance established between the different types of Directors.
It will be made up of a minimum of 3 and a maximum of 6 Directors, and will meet at least every 3 months.
The appointment of its members will require the favourable vote of at least two thirds of the members of the Board. The Chairman and Secretary of the Board shall undertake the duties of Chairman and Secretary of the Committee.
The powers of the Executive Committee are:
. To exercise the duties relating to the control of the management of the company.
. To study and propose the main lines that define the business strategy and supervise their execution, with special emphasis on actions of diversification.
. To deliberate on and inform, in order to bring the following matters to the Board:
o Budgets of the company, with a breakdown of the forecasts corresponding to each business line.
o Investments and alliances or relevant resolutions.

o Financial operations.

In the judgement of the Chairman or the majority of the members of the Executive Committee, the resolutions whose relevance does so advise shall be submitted for ratification thereafter to the Board.

Committee name

AUDIT COMMITTEE

Brief outline

Article 20 b of the Articles of Association of the company stipulates that:

The Board of Directors shall create a permanent Audit Committee, which shall be made up of a minimum of three members and a maximum of five, appointed by the Board of Directors itself from amongst its members with a majority of non-Executive Directors. A Chairman shall be elected from amongst the members of the Audit Committee, who must be a non-Executive Director.

The members of the Audit Committee shall exercise their office for a maximum period of 4 years, and can be re-elected. The office of chairman shall be exercised for a maximum period of 4 years, and in order to be re-elected at least one year must lapse between their removal and their re-election as a member of the Committee.

The powers of the Audit Committee, in any case, shall be as follows:

- To inform the General Meeting of Shareholders on issues that are raised by the shareholders in the areas of their remit.
- To propose to the Board of Directors, to be submitted to the General Meeting of Shareholders, the appointment of the accounts auditors of the company.
- To supervise the internal auditing services, if such a body exists in the company.
- To ascertain the financial reporting process and the internal control systems related to the relevant risks faced by the company.
- To receive information from the auditors on the issues that may put their independence in jeopardy, which are related to the accounts auditing process, and, in general, any other issues that are contemplated in auditing legislation and in the technical auditing standards in force at any time.
- To oversee compliance with the codes of conduct and good governance of the company, and, especially, the legal provisions in force in those areas.

The Audit Committee shall meet at least twice per year, once per semester, and, in any case, as often as deemed necessary by the Chairman or at the behest of one half of its members.

A meeting of the Audit Committee shall be valid when there are at least half plus one of its members present or represented and it shall adopt its resolutions by a majority vote of its members present or represented. In the event of a tie, the Chairman shall cast the deciding ballot.

The Audit Committee shall submit to the approval of the Board of Directors a report of its activities during the fiscal year that shall be submitted to the shareholders and investors thereafter.

The Board of Directors shall be entitled to lay down the above mentioned Regulations as a whole for the Audit Committee, fostering in any case its functional independence.

Furthermore, article 7.2 of the Regulations of the Board of Directors establishes the following:

7.2. Audit Committee

The Board of Directors shall create a permanent Audit Committee that will be made up of a minimum of 3 and a maximum of 5 Directors from amongst its members with a majority of non-Executive Directors. A Chairman shall be elected from amongst the non-Executive Members of this Committee.

The members of the Audit Committee shall exercise their mandate for a maximum period of 4 years and can be re-elected. The office of Chairman shall be undertaken for a maximum of 4 years. Re-election shall require the lapse of at least one year as from the date of removal, without prejudice of re-election as member of the Committee.

The powers of the Audit Committee, in any case, shall be:

To report to the General Meeting of Shareholders on the matters raised thereat which relate to its powers.

To propose to the Board of Directors, for submission to the General Meeting of Shareholders, the appointment of the accounts auditors.

To oversee the internal auditing services should such a body exist in the company.

To ascertain the financial reporting process and the internal control systems related to the relevant risks faced by the company.

To receive information from the accounts auditors on the matters that could put their independence in jeopardy, which are related to the accounting auditing process, and, in general, on any other matters that are laid down under auditing legislation and the technical auditing standards in force at any time.

To oversee compliance with the codes of conduct and good governance of the company, and, especially, the legal provisions regulating such matters.

The Audit Committee shall meet at least twice per year, once per semester, and, in any case, as often as deemed necessary by the Chairman or at the behest of one half of its members.

A meeting of the Audit Committee shall be valid when there are at least half plus one of its members present or represented and it shall adopt its resolutions by a majority vote of its members present or represented. In the event of a tie, the Chairman shall cast the deciding ballot.

The Audit Committee shall submit to the approval of the Board of Directors a report of its activities during the fiscal year that shall be submitted to the shareholders and investors thereafter.

The Board of Directors shall be entitled to lay down the above mentioned Regulations as a whole for the Audit Committee, fostering in any case its functional independence.

B.2.4 Indicate the faculties for advising, consultancy and, if relevant, appointments, for each of the committees:

Committee name

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief outline

See epigraph: B.2.3.

Committee name

EXECUTIVE COMMITTEE

Brief outline

See epigraph: B.2.3.

Committee name

AUDIT COMMITTEE

Brief outline

See epigraph:B.2.3.

B.2.5 Indicate, where applicable, the existence of Committee Regulations, the location at which they are available for consultation, and the modifications that have been made during the financial year. Also indicate whether any annual report on each Committee's activities has been voluntarily drafted.

Committee name

EXECUTIVE COMMITTEE

Brief outline:

As per article 20 of the Articles of Association and article 7.1 of the Regulations of the Board of Directors, the Executive Committee can exercise all the powers of the Board of Directors, except those which under law or the articles of association cannot be delegated, to wit, the duties referring to the control of company management and deliberation or reporting to the Board on investments and relevant alliances or agreements. The Articles of Association and the Regulations of the Board of Directors are posted on the Company's website.

Committee name

AUDIT COMMITTEE

Brief outline:

The composition, organisation and competencies of the committees of the Board are regulated by the Articles of Association and the Regulations of the Board of directors, which are permanently posted on the Company's website (www.fersa.es) and on the website of the CNMV.

B.2.6 Indicate whether the makeup of the Executive Committee reflects the participation in the Board by the various Directors depending on status:

YES

C - RELATED-PARTY TRANSACTIONS

C.1 Indicate whether the plenary Board has reserved the power to approve the operations that the company carries out with Directors, with major shareholders or shareholders represented on the Board, or with individuals related to these, following a favourable report from the Audit Committee or any other Committee commissioned with this duty:

YES

C.2 Detail the significant operations that imply a transferral of resources or obligations between the Company and entities within its Group and the significant shareholders of the Company:

C.3 Detail the significant operations that imply a transferral of resources or obligations between the Company or entities within its Group and the Administrators or Executives of the Company:

C.4 Detail the important operations carried out by the Company with other companies belonging to the same Group, provided that they are not eliminated in the process of drafting the consolidated financial statements and are not part of the Company's usual trading in terms of its purpose and conditions:

C.5 Indicate whether the members of the Board of Directors have been affected by any conflicts of interest over the year, in accordance with the provisions set forth in Article 127.3 of the Public Limited Companies Act.

NO

C.6 Detail the mechanisms established to detect, determine and resolve possible conflicts of interest between the Company and/or the Group, and its Directors, Executives or significant shareholders.

Article 13 of the Regulations of the Board of Directors stipulate the mechanisms for detecting, determining and, as the case may be, resolving the possible conflicts of interest between the company and/or its group, and its directors, executives or significant shareholders.

Article 13.- Business opportunity and conflict of interest

The administrators shall not be entitled, for their own benefit or that of related parties, undertake investments or any other transactions connected to the assets of the company, of which they have had knowledge stemming from their office, provided that the investment or transaction has been offered to the company or the company has an interest in it and has not waived said investment or transaction without the intervention of the administrator.

Neither shall they be entitled to use the name of the company nor invoke their office as company administrators in order to undertake transactions on their own behalf or that of related persons.

Persons related to the administrator comprise the spouse, or a person affectively analogous; the ascendants, descendants and siblings of the administrator or of the latter's spouse; the spouses of the ascendants, descendants and siblings of the administrator; and the companies in which the administrator, personally or through an intermediary, meet the requirements to qualify as such under article 4 of the Securities Exchange Act, Law 24/1998&28 July.

The administrator that is a legal person comprises the persons related to the shareholders, who, in respect of the administrator, meet the requirements for qualifying as such under article 4 of the Spanish Securities Exchange Act; the administrators, *de jure* or *de facto*, the official receivers and the powers of attorney holding the general powers of a legal person administrator; the companies that form part of the same group, as defined by article 4 of the Spanish Securities Exchange Act; and the persons who in respect of the representative of the legal person administrator qualify as persons related to the administrators in conformity with the provisions of the legal provision mentioned above.

Situations of conflict of interest involving the administrators will be reported to the Board of Directors, and they shall abstain from intervening in the transaction to which the conflict refers.

The administrators shall report their interest in the share capital of a company with the identical, analogous or complementary activity as that which constitutes the corporate purposes of the company, as well as the offices and duties they may hold or exercise on their own behalf or as employees in companies with the identical, analogous or complementary activity as that which constitutes the corporate purposes of the company.

C.7 Is more than one Group Company listed on the stock markets in Spain?

NO

Identify the subsidiary companies that are listed in Spain:

D - RISK CONTROL SYSTEMS

D.1 General description of the risk policies of the Company and/or the Group, detailing and assessing the risks covered by the system, together with justification for the adaptation of the system to the profile of each risk type.

At this time there are no express regulations on the risk management and control policies of the Company, nor is there a governing body that is exclusively competent in these policies.

However, in this sense, it is the Board of Directors, as well as the Audit Committee, through external and internal advisors, which exercise the management and control of the risks to which the Company is exposed.

The Fersa Group, in general, considers Risk to be any future event or contingency that could hamper the Company's ability to successfully meet its business objectives.

D.2 Indicate whether or not any of the various types of risk (operative, technological, financial, legal, reputational, fiscal, etc.) that affect the Company and/or its Group have arisen during the year:

NO

If the answer is Yes, indicate the circumstances that caused them and whether or not the established control systems worked.

D.3 Indicate whether there is a committee or governing body that is responsible for establishing and supervising these control devices:

NO

If the answer is Yes, describe its functions.

D.4 Identification and description of the procedures for compliance with the different Regulations affecting the Company and/or its Group.

At this time there is no express regulation within the Company.

E - GENERAL MEETING

E.1 Indicate and, where applicable, give details of whether or not there are differences between the minimums system laid down in the Spanish Companies Act and the quorum for constituting the General Meeting of Shareholders.

NO

	% of quorum different to the provisions set forth in Article 102 LSA for general cases	% of quorum different to the provisions set forth in Article 103 LSA for these special cases set forth in article 103
Quorum required for the first call to meeting	0	0
Quorum required for the second call to meeting	0	0

E.2 Indicate and, where applicable, give details of whether or not there are differences between the system laid down in the Spanish Companies Act and the system for adopting corporate agreements:

NO

Describe how the system differs from that of the LSA.

E.3 List the shareholders' rights in relation to General Meetings which differ from those of the LSA.

In conformity with the Spanish Public Limited Companies Act, article 3 of the Regulations of the General Meeting of Shareholders, this meeting shall be called by means of an announcement in the Official Gazette of the Mercantile Registry and in one of the major circulation daily newspapers of the province, at least 15 days prior to the date set, except in the event of mergers or de-mergers, in which case the call shall be made 1 month in advance.

The announcement of the call shall be submitted by the company to the Spanish Securities Exchange Commission (CNMV) and to any other governing bodies of markets on which the company's shares are traded, in accordance with legislation in force in the respective markets.

The announcement of the call shall include the date of the meeting on first call and all the matters to be discussed, indicating, as the case may be, the points on the agenda that have been included at the behest of the legitimate shareholders.

Furthermore, the date on which, as the case may be, the General Meeting of Shareholders shall meet on second call may also be included, and at least 24 hours must lapse between the first and second call. If the General Meeting of Shareholders, duly called, is not held on first call, and if the announcement does not include the date of the second call, the latter must be announced in compliance with the same advertising-related requirements as the first call, within the 15 days following the date of the General Meeting of Shareholders not held and subject to 8 days notice prior to the date of the meeting.

The text of the announcement will also be posted on the company's website.

As from the date of the announcement of the call, any shareholder shall be entitled to obtain immediately and free of charge, at the registered office of the company, the annual accounts, the proposed distribution of net income, the directors' report and the auditor's report.

Likewise, such information will be placed at the disposal of the shareholders by being posted on the company's website.

As from the date of the call of the Ordinary and Extraordinary General Meeting of Shareholders, the shareholders shall be entitled to examine, at the registered office of the company, the proposed resolutions, the reports and other documentation, the availability of which is required under Law and the Articles of Association. In the event that it is legally required, the shareholders shall be entitled also to request that the complete text of the documents made available to them at said offices or delivered to them free of charge.

Until the seventh day prior to the date set for the General Meeting of Shareholders, the shareholders shall be entitled to request in writing the reports and clarifications that they deem necessary on the matters on the agenda. The administrators must provide said information, unless the Chairman of the Board of Directors considers that this could damage the corporate interests of the company; said exception however shall not apply if the aforementioned request for reports or clarification has been made by at least one fourth of the share capital.

Notwithstanding the above, the shareholders, as from the call for the General Meeting of Shareholders, shall be entitled to make the comments they deem necessary on the points of the proposed agenda. The General Meeting of Shareholders shall not be notified of said comments, without prejudice to the fact that the Board of Directors can bear them in mind and the right of the shareholder to intervene in said deliberations of the General Meeting of Shareholders in relation to its agenda.

In the same sense, article 7 of the Regulations of the General Meeting of Shareholders sets down the regime for publicising the resolutions, indicating the following:

Article 7.- Publicising the resolutions

Irrespective of the legal and regulatory provisions required in each case, the shareholders shall be entitled to be informed of the resolutions adopted by the General Meeting of Shareholders through the company's website on which their entire text shall be posted.

Furthermore, the resolutions that can be inscribed in registries shall be filed for their inscription in the Mercantile Registry and published in the Official Gazette of said body.

The company shall submit the text of the resolutions adopted to the Spanish Securities Exchange Commission (CNMV) and to the governing bodies of the markets on which its shares are traded, in the manner required by the regulatory regime of each market.

The notification shall be made within the shortest time possible, and, in any case, for the purposes to which it has been established.

E.4 Indicate, where applicable, the measures adopted to encourage participation of the shareholders in General Meetings.

The General Meeting of Shareholders shall be called by means of an announcement in the Official Gazette of the Mercantile Registry and in one of the major circulation daily newspapers of the province, in conformity with the provisions of the Spanish Public Limited Companies Act. Furthermore, the announcement of the call shall be submitted by the company to the Spanish Securities Exchange Commission (CNMV) and to any other governing bodies of markets on which the company's shares are traded, in accordance with legislation in force in the respective markets.

The announcement of the call shall include the date of the meeting on first call and all the matters to be discussed, indicating, as the case may be, the points on the agenda that have been included at the behest of the legitimate shareholders.

Furthermore, the date on which, as the case may be, the General Meeting of Shareholders shall meet on second call may also be included, and at least 24 hours must lapse between the first and second call. If the General Meeting of Shareholders, duly called, is not held on first call, and if the announcement does not include the date of the second call, the latter must be announced in compliance with the same advertising-related requirements as the first call, within the 15 days following the date of the General Meeting of Shareholders not held and subject to 8 days notice prior to the date of the meeting.

The text of the announcement will also be posted on the company's website.

As from the date of the announcement of the call, any shareholder shall be entitled to obtain immediately and free of charge, at the registered office of the company, the annual accounts, the proposed distribution of net income, the directors' report and the auditor's report.

Likewise, such information will be placed at the disposal of the shareholders by being posted on the company's website.

As from the date of the call of the Ordinary and Extraordinary General Meeting of Shareholders, the shareholders shall be entitled to examine, at the registered office of the company, the proposed resolutions, the reports and other documentation, the availability of which is required under Law and the Articles of Association. In the event that it is legally required, the shareholders shall be entitled also to request that the complete text of the documents made available to them at said offices or delivered to them free of charge.

Until the seventh day prior to the date set for the General Meeting of Shareholders, the shareholders shall be entitled to request in writing the reports and clarifications that they deem necessary on the matters on the agenda. The administrators must provide said information, unless the Chairman of the Board of Directors considers that this could damage the corporate interests of the company; said exception however shall not apply if the aforementioned request for reports or clarification has been made by at least one fourth of the share capital.

Notwithstanding the above, the shareholders, as from the call for the General Meeting of Shareholders, shall be entitled to make the comments they deem necessary on the points of the proposed agenda. The General Meeting of Shareholders shall not be notified of said comments, without prejudice to the fact that the Board of Directors can bear them in mind and the right of the shareholder to intervene in said deliberations of the General Meeting of Shareholders in relation to its agenda.

Furthermore, under article 5 of the Regulations of the General Meeting of Shareholders, the Chairman shall call upon the shareholders who wish to intervene in the General Meeting of Shareholders to request information or put forward resolutions in relation to the points on the agenda or make any other representations for the record, subject to prior indication of their particulars and the number of shares they hold, and, as the case may be, those they represent.

The Chairman of the General Meeting of Shareholders and whomsoever he designates shall address the attendees in order to present the reports.

Immediately thereafter, the Chairman shall give the floor to the attendees that have asked to intervene, subject to determination of the order in which they shall do so. The shareholders shall be entitled to, in said period of time, ask for the reports and clarifications they deem necessary on the matters on the agenda.

E.5 Indicate whether the position of Chairman of the General Meeting coincides with that of Chairman of the Board of Directors. Indicate, where applicable, the measures adopted to encourage independence and effective operation of the General Meeting:

YES

Details of measures
Through the presence of the Independent Directors in the Board of Directors, and through the Audit Committee, as well as the Appointments and Remuneration Committee.
Based on article 5 of the Regulations of the General Meeting of Shareholders, the Chairman and Secretary of the General Meeting of Shareholders shall be the Chairman and Secretary of the Board of Directors, and, failing that, the persons that the General Meeting of Shareholders elects.
The resolutions must be adopted by the favourable vote of the majority of the share capital with voting rights present or represented at the General Meeting of Shareholders, without prejudice to the reinforced quorum required for constituting the meeting and voting established by Law or under the Articles of Association.

E.6 Indicate, where applicable, the amendments made during the financial year to the General Meeting Regulations.

No modifications have been made to the Regulations of the General Meeting of Shareholders.

E.7 Indicate the attendance data of the General Meetings held during the financial year to which this report refers:

Attendance data					
Date of General Meeting	% physical presence	% represented	% remote voting		Total
			Electronic ballot	Others	
30/06/2009	52.581	25.613	0.000	0.000	78.194

E.8 Indicate briefly any decisions taken in the General Meetings held during the financial year to which this report refers, and the percentage of votes in the case of each decision.

GENERAL MEETING OF SHAREHOLDERS OF FERSA ENERGÍAS RENOVABLES, S.A.

Held on 30 June 2009

One: Examination and adoption, as the case may be, of the Annual Accounts for the year ended 31 December 2008, as well as the examination and adoption, as the case may be, of the Consolidated Annual Accounts for said year of the Fersa Energías Renovables Group.

Vote: Adopted by virtue of the following vote:

Votes in favour: (107,559,682) (99.883% of the capital present or represented)
 Abstaining: (125,559) (0.117% of the capital present or represented)

Two: Adoption, as the case may be, of the management of the Governing Body in 2008 and of the proposed distribution of net income for 2008.

Vote: Adopted by virtue of the following vote:

Votes in favour: (107,684,741) (100.000% of the capital present or represented)
Votes against: (500) (0.000% of the capital present or represented)

Three: Authorization given to the Board of Directors to increase share capital under the provisions of art. 153.1 b) of the Spanish Public Limited Companies Act, with the possibility of fully or partially suppressing the pre-emptive subscription right, as the case may be, voiding the delegation of power adopted by the General Meeting of Shareholders of 25 June 2008, point four.

Vote: Adopted by virtue of the following vote:

Votes in favour: (107,541,719) (99.867% of the capital present or represented)
Votes against: (143,272) (0.133% of the capital present or represented)
Abstaining: (250) (0.000% of the capital present or represented)

Four: Simplified takeover merger of Energías Renovables Mestral, S.L. ('Mestral') as the merged company by Fersa Energías Renovables, S.A. ('Fersa') as the merging company, under the terms and conditions of the merger project filed with the Mercantile Registry of Barcelona. Adoption of the merger balance sheet at 31 December 2008 and supplementary resolutions thereto.

Vote: Adopted by virtue of the following vote:

Votes in favour: (107,663,914) (99.980% of the capital present or represented)
Votes against: (777) (0.001% of the capital present or represented)
Abstaining: (20,550) (0.019% of the capital present or represented)

Five: Authorisation for the acquisition of treasury shares within the limits and under the requirements laid down in art. 75 of the Spanish Public Limited Companies Act.

Vote: Adopted by virtue of the following vote:

Votes in favour: (107,684,351) (99.999% of the capital present or represented)
Votes against: (777) (0.001% of the capital present or represented)
Abstaining: (113) (0.000% of the capital present or represented)

Six: Conferral of powers to notarise the resolutions for inscription in the Mercantile Registry.

Vote: Adopted by virtue of the following vote:

Votes in favour: (107,685,241) (100.000% of the capital present or represented)

Seven: Miscellaneous.

To ratify the appointment of a director by cooptation made by the Board of Directors of the company at its meeting today, according to following indications:

To cover the vacancy of Mr. Manuel Barange Bofill, who was appointed as Independent Director by virtue of a resolution of the Board of the company of 5 June 2007, and ratified by the Extraordinary General Meeting of Shareholders of 20 February 2008 for the period of time regulated by the articles of association. The Board has appointed by cooptation the shareholder Mr. Enrique Lacalle Coll, bearing National ID nº 37.649.061-Q, married, of Spanish Nationality, residing in Barcelona (C.P. 08040), calle 60, no 19 Sector A, Zona Franca, the period of time regulated by the articles of association, as Independent Director.

Vote: Adopted by virtue of the following vote:

Votes in favour: (99,483,866) (92.384% of the capital present or represented)

Abstaining: (8,201,375) (7.616% of the capital present or represented)

E.9 Indicate whether or not there is a statutory restriction to the minimum number of shares required to attend the General Meeting:

NO

Number of shares required to attend the General Meeting	
--	--

E.10 Indicate and justify the Company's policies with regard to delegation of votes at the General Meeting.

The shareholders shall be entitled to be represented at the General Meeting of Shareholders by another person, by conferring such representation in writing and for each meeting. This power of proxy shall be understood notwithstanding the legal provisions in force regarding cases of familial representation and the conferral of general powers. In any case, said shareholders shall only be entitled to have one representative at the General Meeting of Shareholders.

Representation can always be revoked, and the attendance in person of the person represented at the General Meeting of Shareholders shall constitute revocation of the proxy.

In the event that the administrators of the company themselves, the custodian entities holding the share certificates or the persons responsible for the accounting entries request representation for themselves or for another party, and, in general, provided that the request is publicly filed, the document in which the proxy is presented must contain the agenda or have it appended thereto, along with the request for instructions in order to exercise the voting right.

E.11 Indicate whether the Company is aware of the institutional investors' policy of participating or not in the Company decisions:

NO

E.12 Indicate the address and means of access to corporate governance information on the website.

www.fersa.es

Shareholders and investors

Section: Corporate Governance.

F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the Company's degree of compliance with the recommendations given in the Unified Code of Good Governance.

In the event of failure to comply with any such recommendations, explain the recommendation, standards, practices or criteria in question applied by the Company.

1. The Articles of Association of listed companies should not limit the maximum number of votes that can be issued by the same shareholder or contain other restrictions that prevent the Company from being taken over through the purchase of its shares on the market.

See epigraphs: A.9, B.1.22, B.1.23 and E.1, E.2

Complies

2. When the parent company and the subsidiary are listed, they must both publicly define the following in detail:

- a) The respective areas of activity and possible business relationships between them, as well as those of the dependent listed company with the remaining group companies;
- b) The mechanisms in place to solve possible conflicts of interest that may occur.

See epigraphs: C.4 and C.7

Not applicable

3. Although it is not expressly required in mercantile legislation, they should submit the transactions that involve a modification to the Company's structure for approval by the General Meeting of Shareholders, especially the following:

- a) The transformation of listed companies into holding companies through the creation of subsidiaries or the incorporation of essential activities into dependent enterprises that hitherto had been carried out by the company itself, even though this party holds full domain over the former;
- b) The acquisition or disposal of essential operating assets, when this involves an effective modification of the corporate purpose;
- c) Operations that have the same affect as liquidation of the company.

Complies

4. The detailed proposals of the agreements to be adopted by the General Meeting of Shareholders, including the information referred to in Recommendation 28, should be published with the publication of the announcement of the call to the meeting.

Complies

5. In the General Meeting of Shareholders, the matters that are substantially independent must be voted separately so that shareholders can exercise their voting preferences separately. And the said rule should be applied, in particular:

- a) To the appointment or ratification of Directors, which must be voted on separately;
- b) In the event of amendments to the Articles of Association, to each Article or group of Articles that are substantially independent.

See epigraph: E.8

Complies

6. The companies should allow the division of the vote so that the financial brokers legitimated as shareholders but acting on behalf of different clients can issue their votes in accordance with the instructions given by the said clients.

See epigraph: E.4

Complies

7. The Board should carry out its functions on the basis of a unified purpose and independence, giving the same treatment to all the shareholders and following the Company's interest, understood as maximising the Company's economic value in a sustained manner.

It should also ensure that, in its relations with the stakeholders, the company observes legislation and regulations; fulfils its duties and contracts in good faith; observes the uses and good practices of the sectors and territories in which it operates; and observes the additional principles of social responsibility it has voluntarily accepted.

Complies

8. As the core of its mission, the Board should adopt the Company's strategy and the organisation required for its implementation, as well as supervising and controlling the management's fulfilment of targets and observance of the Company's corporate interest and purpose. Accordingly, in its plenary session, the Board reserves the competency for adopting the following:

- a) The general policies and strategies of the company, and more specifically:
 - i) The strategic or business plan, as well as the management aims and annual budgets;
 - ii) The investment and finance policy;
 - iii) The definition of the group companies structure;
 - iv) The corporate governance policy;
 - v) The corporate social responsibility policy;
 - vi) The remuneration policies and assessment of performance of senior management;
 - vii) The policy for control and management of risks, as well as periodic monitoring of the internal information and control systems;
 - viii) The dividend policy, as well as the treasury stock policy, with special focus on their limits.

See epigraphs: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i). At the proposal of the chief executive of the company, the appointment and possible resignation of senior executives, as well as their compensation clauses.

See epigraph: B.1.14

- ii) The remuneration of Directors, as well as, in the case of executives, the additional remuneration through their executive duties and other conditions that their contracts must include.

See epigraph: B.1.14

- iii) The financial information that must be published periodically, given its status as a listed company.
- iv) All kinds of investment or operations which, due to the amount or special characteristics, are of a strategic nature, unless approval falls to the General Meeting;

v) The creation or acquisition of shareholdings in special purpose enterprises or enterprises with registered offices in countries or territories considered as tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could hamper the Group's transparency.

c) The operations that the company carries out with Directors, with major shareholders or shareholders represented on the Board, or with related parties ("related-party transactions").

However, this authorisation by the Board should not be considered necessary for the related-party transactions that meet the following three conditions:

1. They are carried out by virtue of contracts whose terms and conditions are standardised and applied generally to many clients;
2. They are carried out at prices or rates generally established by the person acting as the supplier of the good or service in question;
3. Their amount does not exceed 1% of the Company's annual revenue.

It is recommended that the Board should approve the associated transactions after a favourable report has been issued by the Audit Committee or, where applicable, any other party to which that function has been commissioned; and, besides not exercising or delegating their right to vote, the members of the Board who are affected should leave the meeting room while the Board deliberates and votes on the matter.

It is recommended that it should not be possible to delegate the competencies attributed to the Board here, except for those mentioned in paragraphs b) and c), which may be adopted in emergencies by the Executive Committee and subsequently ratified by the Board in its plenary session.

See epigraphs: C.1 and C.6

Complies partially

In relation to b i) and ii), the Board of Directors reserves the right to adopt the decisions described in the aforementioned points, even if there is no proposal from chief executive.

However, it is the Appointments and Remuneration Committee of the Company, made up of two independent directors and one board member appointed by a significant shareholder, plus the non-member secretary, which is responsible for studying and proposing to the Board of Directors the appointment and eventual removal of the senior managers, their severance clauses and remuneration.

Once the proposal has been tabled by the Appointments and Remuneration Committee, it is the Board of Directors that will finally adopt it, as the case may be.

Thus, article 21 section b) of the Articles of Association, stipulates that the powers of the Board of Directors, amongst others, are as follows:

'To hire, appoint, direct and inspect, control and remove employees, General Managers [...] and assign to them the remuneration considered suitable, determining their respective powers and remits and working conditions.'

At the same time, the remuneration systems for the directors is established under the Regulations of the Board, under article 14, and in the Articles of Association, article 17b (both precepts have the same wording). Said text is quoted in section B.1.14 of the IAGC, to the which we remit.

With regard to control of risks in the company, there is no express regulation of this control, nor is there a governing body that is exclusively competent for these policies.

9) The Board should have the necessary size for effective, participatory operation, which means that it should not have fewer than five or more than fifteen members.

See epigraph: B.1.1

Complies

10. The external Proprietary and Independent Directors should represent a broad majority of the Board and the number of Executive Directors should be the required minimum, taking into account the complexity of the corporate group and the percentage of participation of the Executive Directors in the Company's capital.

See epigraphs: A.2, A.3, B.1.3 and B.1.14

Complies

11. If there is an external Director who cannot be considered as either a proprietary or independent, the Company should explain the said circumstance and his/her association either with the Company or its executives, as well as with its shareholders.

See epigraph: B.1.3

Not applicable

12. Among the external Directors, the ratio between the number of Proprietary Directors and the Independent Directors should reflect the proportion between the Company's share capital represented by the Proprietary Directors and the rest of the share capital.

This criterion of strict proportionality could be reduced as the weight of the Proprietary Directors is greater than that which would correspond to the total percentage of the share capital they represent:

1° In companies with high capitalisation in which the shareholdings legally considered as majority are very few or non-existent, but there are shareholders with stock that has an absolute high value.

2° When these are companies that do not have a plurality of shareholders represented on the Board, and there are no related-parties between the shareholders.

See epigraphs: B.1.3, A.2 and A.3

Complies

13. The number of Independent Directors should represent at least one third of the total number of Directors.

See epigraph: B.1.3

Explain

The number of independent directors of the Board of Directors makes up one quarter of the total number of directors. However, the Company will try to come into line with this recommendation in the near future.

14. The character of each Director must be declared by the Board before the General Meeting of Shareholders, which shall effect or ratify their appointment, an appointment that shall be confirmed or reviewed annually, as appropriate, in the Annual Corporate Governance Report, with prior confirmation by the Appointments Committee. The said report should also explain the reasons why Proprietary Directors have been appointed at the request of shareholders whose holding is less than 5% of the share capital; and reasons should be given for the rejection, where applicable, of formal requests for presence on the Board from shareholders whose holding is equal to or higher than that of others at whose request Proprietary Directors have been appointed.

See epigraphs: B.1.3 and B.1.4

Complies

15. That when the number of female Directors is very low or non-existent, the Board explains the reasons and the initiatives adopted to correct this situation; and that, more specifically, the Appointments Committee ensures that when new seats on the Board are available:

- a) The selection procedures are not affected by an implicit bias that prevents female Directors from being selected;
- b) The company purposefully seeks women that satisfy the professional profile, including among potential candidates.

See epigraphs: *B.1.2, B.1.27 and B.2.3*

Explain

We believe that in light of the current structure of the company, we have not found any female candidates. However, we are carrying out systematic actions to include a female Director on the Governing Body of the company.

16. That the Chairman, as the person responsible for the effective performance of the Board, ensures that the Directors receive sufficient information beforehand; stimulates the debate and active participation of Directors during the Board Sessions, safeguarding their right to take their own position and express their own opinion; and organises and coordinates the periodic assessment of the Board together with the chairmen of the relevant Committees as well as, if appropriate, that of the Managing Director or chief executive.

See epigraph: *B.1.42*

Complies

17. When the Chairman of the Board is also the Company's chief executive, one of the Independent Directors should be empowered to request the call to meeting of the Board or the inclusion of new matters on the agenda; coordinate and echo the concerns of the external Directors; and direct the Board's assessment of its Chairman.

See epigraph: *B.1.21*

Not applicable

18. The Secretary of the Board should make particularly sure that the Board's actions:

- a) Comply with the content and spirit of the laws and their regulations, including those approved by the regulating bodies;
- b) Are in accordance with the Articles of Association of the company and with the Meeting Rules and Regulations, those of the Board and any others that the company has;
- c) Take into consideration recommendations concerning good governance set forth in this Unified Code which the company has accepted.

And, in order to safeguard the Secretary's independence, impartiality and professionalism, his/her appointment and dismissal must be reported by the Appointments Committee and approved by the Board in its plenary session; and the said appointment and dismissal procedure must be laid down in the Board Regulations.

See epigraph: *B.1.34*

Complies

19. The Board should meet as regularly as necessary to carry out its functions effectively, following the schedule of dates and business laid down at the beginning of the year, where each Director may propose other business for the agenda not considered initially.

See epigraph: *B.1.29*

Complies

20. The non-attendance of the Directors should be reduced to essential cases and quantified in the Annual Corporate governance Report. And if representation is essential, it must be designated with instructions.

See epigraphs: B.1.28 and B.1.30

Complies

21. When the Directors or the Secretary express concern for any proposal or, in the case of the Directors, for the Company's progress and the said concern is not resolved by the Board, it should be recorded in the minutes of the meeting at the request of the person expressing the said concern.

Complies

22. In its plenary session, the Board should assess the following once a year:

- a). The quality and effectiveness of the Board's performance;
- b). Based on the report prepared by the Appointments Committee, the performance of the Chairman of the Board and the chief executive of the company;
- c). The operation of its Committees, based on the report prepared by these.

See epigraph: B.1.19

Complies

23. All the Directors should be able to exercise the right to gather the additional information they consider necessary on business that falls within the competency of the Board. And, unless the Articles of Association or the Regulations of the Board lay down otherwise, they should address their requirement to the Chairman or Secretary of the Board.

See epigraph: B.1.42

Complies

24. All the Directors have the right to obtain the advice they need for the fulfilment of their functions from the Company. The Company should lay down the appropriate ways of exercising this right, which, under special circumstances, could include external advisory services on the Company's account.

See epigraph: B.1.41

Complies

25. The Company should establish a guidance programme to provide new Directors with rapid and sufficient knowledge of the Company, as well as its rules on corporate governance. And that they also offer Directors updated awareness programmes whenever circumstances deem such action advisable.

Complies

26. The Company should require the Directors to devote the time and effort necessary for carrying out their function effectively and, consequently:

- a) That the Directors notify the Appointments Committee of the other professional obligations in case these could interfere with the dedication required;
- b) That the companies establish rules on the number of Boards of which their Directors can form part.

See epigraphs: B.1.8, B.1.9 and B.1.17

Complies partially

The Company requires that the directors devote the time and effort necessary to undertake their offices effectively. However, there is no regulation on the number of boards on which the directors may sit.

27. The proposal for the appointment or re-election of Directors raised by the Board to the General Meeting of Shareholders, as well as their provisional appointment by co-optation, should be approved by the Board:

- a) At the proposal of the Appointments Committee, in the event of Independent Directors.
- b) Following a report from the Appointments Committee, in the event of remaining Directors.

See epigraph: B.1.2

Complies

28. The companies should publish the following information about their Directors on their website and keep the said information up-to-date:

- a). Professional and biographical profile;
- b). Other Boards of Directors to which they belong, whether or not these are listed companies;
- c). An indication of the classification of Director to which they belong, specifying, in the event of proprietary Directors, the shareholder they represent or with whom they are linked.
- d). Date of the first appointment as Director of the company, as well as subsequent appointments; and
- e). Company shares and stock options of which they are the holder.

Complies

29. The Independent Directors should not remain as such for a continued term of more than 12 years.

See epigraph: B.1.2

Complies

30. The Proprietary Directors should present their resignation when the shareholder they represent sells all his/her shares in the Company. They should also present their resignation, in the corresponding number, when the said shareholder lowers his/her shares in the Company to a level that requires a reduction in the number of his /her Proprietary Directors.

See epigraphs: A.2, A.3 and B.1.2

Complies

31. That the Board of Directors does not propose the standing down of any Independent Director prior to compliance with the statutory period for which they were appointed, unless there are good reasons observed by the Board following a report from the Appointments Committee. More specifically, justified reason shall be understood to exist when the Director has breached the duties that are inherent to their post or incurs any of the circumstances described in heading 5 of section III of definitions of this Code.

The dismissal of Independent Directors resulting from takeover bids, mergers or other similar corporate transactions that represent a change to the Company's share capital structure could be proposed when the said changes to the structure of the Board are brought about by the criterion of proportionality indicated in Recommendation 12.

See epigraphs: B.1.2, B.1.5 and B.1.26

Complies

32. The Company should establish rules that oblige the Directors to report and, where applicable, resign in cases that can damage the Company's reputation and credit and, in particular, oblige them to inform the Board of the criminal cases in which they appear as an accused party, as well as their subsequent procedural events.

If the Director is tried or a sentence is issued against him/her for the commencement of a hearing for any of the crimes laid down in Article 124 of the Spanish Companies Act, the Board should examine the case as soon as possible and, in view of the specific circumstances, decide whether or not it is fitting for the Director to continue in his/her post. And, the Board should give a reasoned account of all the events in the Annual Corporate Governance Report.

See epigraphs: B.1.43, B.1.44

Complies

33. All the Directors should clearly express their opposition when they consider that any proposed decision submitted to the Board may be contrary to the Company's interests. And this should apply especially to the Independent Directors and other Directors not affected by the potential conflict of interest in the case of decisions that may damage the shareholders not represented on the Board.

When the Board adopts significant or reiterated decisions on which the Director has formulated serious reservations, the said Director should draw the corresponding conclusions and, if he/she decides to resign, explain the reasons in the letter referred to in the following Recommendation.

The scope of this Recommendation also includes the Secretary of the Board, even though he/she does not have the status of Director.

Complies

34. When, either due to resignation or any other reason, a Director abandons his/her post before the end of his/her mandate, he/she should explain the reasons in a letter sent to all the members of the Board. And, without prejudice to the said resignation being notified as a relevant event, the reason for the resignation should be accounted for in the Annual Corporate Governance Report.

See epigraph: B.1.5

Complies

35. The remuneration policy approved by the Board should indicate at least the following:

- a). Amount of the fixed elements, with a breakdown if applicable of the allowances for participation on the Board and its Committees and an estimate of the annual fixed remuneration to which they are entitled
- b). Variable payment, specifically including:
 - i) Classification of Directors that apply, as well as an explanation of the relative importance of the variable items with regard to the fixed items.
 - ii) Criteria for assessing results on which any rights to payment through shares, stock options or any variable component are based;
 - iii) Fundamental parameters and basis of any annual premium system (bonus) or other benefits not paid in cash; and
 - iv) An estimate of the total amount of variable payments to which the proposed remuneration plan shall lead, in accordance with the degree of compliance with the targets or hypotheses on which it is based.

- c) Key features of the complementary pensions, life-assurance policies and similar, with an estimate of the annual equivalent amount or cost.
- d) Conditions that must be included in the contracts of senior management such as executive Directors:
 - i). Duration;
 - ii). Periods of notice; and
 - iii). Any other clauses concerning joining bonuses, as well as compensation or golden parachute clauses through early termination or termination of the contractual relationship between the company and the executive Director.

See epigraph: *B.1.15*

Explain

The company's remuneration policy is laid down in conformity with article 17b of the Articles of Association.

36. The remuneration made through shares in the company or companies in the Group, options over shares or instruments referenced to the value of the share, variable remuneration associated with the Company's performance or social security systems should be limited to the Executive Directors.

This Recommendation will not cover the provision of shares when it is conditioned to the Directors maintaining them until their resignation as a Director.

See epigraphs: *A.3 and B.1.3*

Complies

37. The remuneration of the external Directors must be the amount necessary for compensating the devotion, qualification and responsibility required by the post; but not so high as to compromise their independence.

Complies

38. The remuneration related to the Company's results should take into account the possible exceptions included in the external auditor's report, which may reduce the said results.

Complies

39. In the case of variable remuneration, the remuneration policies should incorporate the necessary technical precautionary measures to ensure that the said remuneration is related to the professional devotion of the beneficiaries and do not result simply from the general evolution of the markets or the Company's activity sector or other similar circumstances.

Not applicable

40. The Board should submit a report on the Directors' remuneration policy to vote at the General Meeting of Shareholders, as a separate, consultative matter on the agenda. The said report should be made available to the shareholders either separately or in any other way the Company considers appropriate.

The said report should focus particularly on the remuneration policy approved by the Board for the present year, as well as, where applicable, the policies anticipated for future years. It shall include all the matters referred to in Recommendation 35, except for circumstances that may suppose the revelation of sensitive commercial information. It shall underline the most significant changes in the said policies with regard to that applied during the past year to which the General Meeting refers. It shall also include an overall summary of how the remuneration policy was applied during the past year.

The Board should also report on the role played by the salaries committee in the preparation of the remuneration policy and, if external consultancy services are used, on the identity of the external consultants providing the service.

See epigraph: B.1.16

Explain

The Board of Directors has not submitted a remunerations report to a vote of the General Meeting of Shareholders. However, the Company expects to comply with this recommendation very shortly.

41. The report should give details of the individual remuneration paid to Directors during the year, and include:

- a) The individualised breakdown of payment to each Director, which shall include, if appropriate:
 - i) The attendance allowances and other fixed remuneration as Director;
 - ii) Additional payments as chairman or member of any of the Board's committees;
 - iii) Any payment as profit share or bonuses, and the reason why these were given;
 - iv) Defined contributions to pension schemes in favour of the Director; for the increase of the Director's consolidated rights, when these are contributions to defined payment plans;
 - v) Any agreed or paid compensation in the event of termination of their duties;
 - vi) Remuneration received as Director of other group companies;
 - vii) Payments for the performance of senior management duties carried out by executive Directors;
 - viii) Any other payment item other than the foregoing, regardless of their nature or the group company that pays them, especially when it is considered as a related-party operation or leaving it out would distort the true image of total payments received by the Director.
- b) The individualised breakdown of any shares of stock options given to Directors, or any other instrument pegged to the share value, with a breakdown of:
 - i). Number of shares or options granted over the year and the conditions for the exercise of these;
 - ii). Number of options exercised over the year with an indication of the number of shares affected and the price;
 - iii). Number of options pending exercise at the year-end, an indication of their price, date and other requirements to exercise these;
 - iv). Any modification over the year of the terms for exercising the options already granted.
- c) Information on the ratio, the previous year, between the remuneration obtained by executive Directors and the profits or other performance indicators of the company.

Explain

The company's remuneration policy is laid down in conformity with article 17b of the Articles of Association.

42. When there is a Delegated or Executive Committee (hereinafter called "Executive Committee"), the participation structure of the various categories of Directors should be similar to that of the Board itself and its Secretary should be the Secretary of the Board.

See epigraphs: B.2.1 and B.2.6

Complies

43. The Board should always be aware of the matters dealt with and the decisions adopted by the Executive Committee and all the members of the Board should receive a copy of the minutes of the sessions of the Executive Committee.

Complies

44. The Board of Directors should constitute not only the Audit Committee required by the Securities Market Act, but also one or two separate committees: the Appointments Committee and the Remuneration Committee.

The rules governing the make-up and operation of the Audit Committee and the Appointments and Remuneration Committee or Committees should be given in the Regulations of the Board and include the following:

- a) That the Board designates the members of these Committees, in accordance with the knowledge, skills and experience of the Directors and the duties of each Committee; deliberate on the proposals and reports; and report on the activity and the work carried out at the first plenary Board meeting following the committee meetings;
- b) That these Committees are made up exclusively of external Directors, with a minimum of three. The above is understood as without prejudice to the attendance of Executive Directors or senior executives when so agreed expressly by the members of the Committee.
- c) Their Chairmen should be Independent Directors.
- d) That outsourced consultancy can be used whenever deemed necessary for the performance of their duties.
- e) That minutes of their meetings be taken, with a copy sent to all Board members.

See epigraphs: B.2.1 and B.2.3

Complies

45. That the supervision of compliance with the internal codes of conduct and the rules of corporate governance are attributed to the Audit Committee, to the Appointments Committee or, if these are separate, to the Compliance or Corporate Governance Committee.

Complies

46. The members of the Audit Committee and, in particular, its Chairman should be appointed on the basis of their know-how and experience in bookkeeping, audits and risk management.

Complies

47. The listed companies should have an internal audit function which, under the supervision of the Audit Committee, should monitor the correct functioning of the internal control and information systems.

Explain

The Company is already carrying out the functions of the internal audit and is studying the internal procedures to be implemented in order to comply with this duty.

48. The person responsible for the internal audit function should present his/her annual work plan to the Audit Committee; he/she should inform it directly of the incidents occurring during its development; and, at the end of each year, submit an activities report.

Explain

Although the internal audit functions are being carried out, the person responsible for this duty has not been appointed at this time.

49. The risk control and management policies should identify at least:

- a) The different kinds of risk (operational, technological, financial, legal, those affecting the corporate reputation, etc.) which are faced by the company and which include - as part of the financial or economic risks - contingent liabilities and other off-balance sheet risks;
- b) The setting of the risk level that the company believes is acceptable;
- c) The mechanisms to mitigate the impact of the risks identified, in the event that they materialise;
- d) Internal control and information systems which shall be used to control and manage the foregoing risks, including the contingent liabilities or off-balance sheet risks.

See epigraph: D

Complies

50. The Audit Committee should be responsible for the following:

1. In relation to the internal control and information systems:
 - a) Supervising the preparation and completeness of the financial information concerning the company and, if appropriate, the group, checking due compliance with the governing regulations, the proper delimitation of the consolidation criteria and the correct application of accounting criteria
 - b) Periodically checking the internal control systems and risk management, to identify, manage and notify the key risks properly
 - c) Ensuring the independence and effectiveness of the internal audit function; proposing the selection, appointment, re-election and dismissal of the person in charge of the internal audit service; forwarding the budget for this service; receiving periodic information on its activities, and verifying that senior management considers the conclusions and recommendations in its reports.
 - d) Setting up and supervising a mechanism that enables employees to communicate any irregularities of importance, especially those of a financial and bookkeeping nature, and to do so in a confidential manner.
2. In relation to the external auditor:
 - a) Presenting the Board with proposals for selection, appointment, re-election and replacement of the external auditor, as well as their contractual terms.
 - b) Receiving regular information from the external auditor on the audit plan and the results of carrying it out, and checking that senior management take its recommendations into account.

- c) Ensuring the independence of the external auditor and, to this end:
- i) That the company notifies the change of auditor to the CNMV as a relevant event and attaches a declaration on the possible existence of disagreements with the outgoing auditor and, if there are any disagreement, the content thereof.
 - ii) That the company and the auditor be seen to respect the current rules governing the provision of services other than audit services, the limits on business concentration of the auditor and, in general, the other norms established to ensure independence of auditors;
 - iii) In the case of the resignation of the external auditor, it should examine the circumstances leading to the said resignation.
- d) In the event of groups, to see that the group auditor accepts liability for the audits of the companies that make up the group.

See epigraphs: B.1.35, B.2.2, B.2.3 and D.3

Complies partially

The Company has not laid down mechanisms that would allow the employees to confidentially and anonymously report, if considered appropriate, any potentially important irregularities, especially financial and accounting irregularities, that come to their attention in the company.

51. The Audit Committee should be able to call any of the Company's employee or manager, and also have them appear without the presence of any other executive.

Complies

52. The Audit Committee should report to the Board before the Board adopts the corresponding decisions on the following matters indicated in Recommendation 8:

- a) The financial information that must be published periodically, given its status as a listed company. The Committee should ensure that the intermediate accounts are prepared under the same bookkeeping criteria as the annual accounts and, accordingly, consider the appropriateness of a limited review by the external auditor.
- b) The creation or acquisition of shareholdings in special purpose enterprises or enterprises with registered offices in countries or territories considered as tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could hamper the Group's transparency.
- c) The related-party transactions, unless that preliminary report function has been attributed to another of the supervision and control committees.

See epigraphs: B.2.2 and B.2.3

Complies

53. The Board of Directors should seek to present the accounts to the General Meeting without reservation or exception in the auditors' report and, in whatsoever exceptional case, both the Chairman of the Audit Committee and the auditors should clearly explain to shareholders the content and scope of the said reservations or exceptions.

See epigraph: B.1.38

Complies

54. Most of the members of the Appointments Committee (or the Appointments and Remuneration Committee, if there is only one Committee) should be Independent Directors.

See epigraph: B.2.1

Complies

55. Besides the functions indicated in the above recommendations, the following responsibilities should correspond to the Appointments Committee:

- a) Assessing the skills, knowledge and experience required on the Board, subsequently defining the duties and aptitudes required by the candidates to cover each vacancy, and assessing the time and dedication required to correctly perform their duties.
- b) Properly examining and organising the succession of the Chairman and chief executive and, if appropriate, making proposals to the Board to enable the foregoing succession to occur in an organised and well planned manner.
- c) Reporting the appointments and resignations of senior executives proposed to the Board by the chief executive.
- d) Notifying the Board on the gender diversity issues shown in Recommendation 14 of this Code.

See epigraph: B.2.3

Complies

56. The Appointments Committee should consult the Company's Chairman and chief executive, especially with regard to business concerning the Executive Directors.

And that any Director may request the Appointments Committee to consider potential candidates they consider ideal to cover vacancies.

Complies

57. Besides the functions indicated in the above Recommendations, the following responsibilities should correspond to the Remuneration Committee:

- a) Proposing to the Board of Directors:
 - i) The remuneration policy for Directors and senior executives;
 - ii) Individual remuneration of executive Directors and the other conditions of their contracts.
 - iii) The basic contractual conditions of senior executives.
- b) To ensure that the remuneration policy established by the company is duly observed.

See epigraphs: B.1.14 and B.2.3

Complies

58. The Remuneration Committee should consult the Company's Chairman and chief executive, especially with regard to business concerning the Executive Directors and senior executives.

Complies

G - OTHER INFORMATION OF INTEREST

If you consider that there is any important principle or aspect regarding the corporate governance practices applied by your company, which have not been covered in this report, please explain below.

SECTION A.3.

ENERGIA INTELIGENTE ENERGENA, S.L.U. (hereon, ENERGENA) and GROUP EMPRESARIAL ENHOL, S.L. (hereon, ENHOL GROUP) belong to the same Group of Companies, ENHOL GROUP, which holds all the shares of ENERGENA.

Both companies are members of the Board of Directors of FERSA ENERGÍAS RENOVABLES, S.A. (hereon, FERSA). Consequently, ENERGENA and ENHOL GROUP must disclose their indirect shareholdings in the company to the CNMV, indicating that each one holds a total of 30,899,073 indirect voting rights (their total percentage of voting rights in the company comes to 22.070%). The legal persons holding 30,899,073 shares of FERSA directly are the companies in the same business group, with Generación Eólica Internacional, S.L. holding 15,643,344 directly and Eólica India, S.L. holding 15,255,729 shares directly.

Accordingly, section A.3. of this year's Annual Corporate Governance Report, in relation to the voting rights of ENERGENA, states that the direct and indirect voting rights is 0% of the total voting rights, given that if the number of indirect voting rights of ENERGENA and ENHOL GROUP were stated as per the records of the CNMV in conformity with current legislation on the disclosures of significant shareholdings, the IGC template would have automatically calculated the percentages corresponding to each indirectly share of voting rights by adding up the 22.070% of the voting rights twice. Thus, the results of the % of voting rights of the Board would have been higher than that actually held by the Board of Directors of FERSA. That is why we have adopted the measure described above, in order to ensure the accuracy of the information in the IGC.

SECTION B.2.6

If we viewed the Executive Committee *strictu sensu*, i.e., as a governing body, it could be construed that its composition does not reflect the shareholding structure of the different categories of directors on the Board of Directors.

However, the Executive Committee of the Company cannot be understood as a governing body in the strict sense, since, although formally it does receive the name of 'executive committee', it does not act as a governing body, but acts as a joint body of chief executive officers appointed by the Board.

Accordingly, by virtue of a resolution of the Board of Directors of 31 March 2008 executed in a public deed on 23 May 2008 by the notary public of Barcelona Mr. Antonio Rosselló Mestre, under number 2.278 of his official records, the Chairman of the Board and the executive officers of the Enhol, S.L. Group and Energía Inteligente Energena, S.L.U., which are part of the ENHOL GROUP, a strategic industrial shareholder of the company, were appointed chief executive officers, two of whom must act jointly, and always with the Chairman attending. Two of them can act individually or as the executive committee, but subject at all times to that described above.

In other words, we are dealing with a delegation of powers by the Board to three executive officers, two of which act jointly, but we are not dealing with a governing body in the strict sense.

SECTION C.2.

1.- Innovación Verde Inver, S.L.U., a company in the ENHOL GROUP:

In relation to the related-party transactions in 2009, in the management of the subsidiary companies in India (Generación Eólica India Limited, EN Renewable Energy Private Limited, EN Wind Power Private Limited) and Francia (Eoliennes de Beausemblant, SAS), the company Innovación Verde Inver, S.L.U., has invoiced the parent company of the Fersa Group in 2009 an amount of Euros 343 thousand, which breaks down as follows:

EN RENEWABLES ENERGY PRIVATE LIMITED: 166.7

EN WIND POWER PRIVATE LIMITED: 166.7

GENERACION EOLICA INDIA LIMITED: 6.5

EOLIENNES DE BEAUSEMBLANT, SAS: 3.3

The company Innovación Verde Inver, S.L.U. is not a shareholder of the company. However, it is fully owned by the Director of the company ENERGÍA INTELIGENTE ENERGENA, S.L.U., a company belonging to the group of the significant shareholder Generación Eólica Internacional, S.L. (ENHOL GROUP). That is why these Management contracts qualify as Related-Party Transactions within the company.

2.- Caja General de Ahorros de Granada:

The company Parque Eólico Hinojal, S.L. (fully owned by the Fersa Group) has a current account at Caja General de Ahorros de Granada with a balance at 31 December 2009 totalling Euros 3,028 thousand accruing interest in its favour of Euros 17 thousand in 2009. Furthermore, Caja General de Ahorros de Granada, as the upstream bank, together with a bank syndicate, has extended a loan to Parque Eólico Hinojal, S.L.; the amount draw down exclusively from Caja General de Ahorros de Granada at 31 December 2009 totals Euros 6,352 thousand, and has accrued interest of Euros 296 thousand 2009.

3.- Office lease with Real Wind, S.L.:

Furthermore, the amount accrued in 2009, for the lease of the offices where Fersa Energías Renovables, S.A. is located in Barcelona, to Real Wind, S.L. (company fully owned by José M^º Roger Ezpeleta, shareholder and Chairman of the Board of Directors of FERSA Energías Renovables, S.A.) totals Euros 201 thousand. These leases have a term of five years, extendible automatically for periods of one year.

Information on the related party transactions described above cannot be input into the IGC template (relating to section C.2) and that is why these transactions have been included in this section.

Any other information or clarification related to the preceding sections of the report can be included in this section, insofar as they are relevant and not reiterative.

Specifically, please indicate whether the company is subject to legislation other than Spanish in the area of corporate governance, and, as the case may be, include the information that must be disclosed and that differs from that required by this report.

Binding definition of Independent Director:

Indicate whether or not any of the Independent Directors has or has had any relationship with the Company, its significant shareholders or executives which, if sufficiently significant or important, would have meant that the Director could not be considered as independent in accordance with the definition laid down in section 5 of the Unified Code of Good Governance;

NO

Date and signature:

This Annual Corporate Governance Report has been adopted by the Board of Directors of the Company in its session held on

24/02/2010

Indicate whether or not there have been Directors who voted against or abstained from voting on the adoption of this report.

NO