



F E R S A

---

Fersa Energías Renovables, S. A.

RESULTS  
THIRD QUARTER  
**2008**  
Quarterly Report

## **CONTENTS**

1. Executive Summary
2. Key Figures
3. Business Development
4. Profit and Loss Account
5. Balance Sheet
6. Analysis of the Results for the Year
7. Analysis of the Balance Sheet
8. Significant aspects of the parent company
9. Stock market information
10. Companies in which FERSA has a holding
11. Main relevant facts from the third quarter of 2008

## 1.- EXECUTIVE SUMMARY

- Construction and entry into operation of the first Stage of the 2 MW Kisielice wind farm in Poland was completed in the third quarter. As a result, attributable installed power has risen to 137.8 MW, an increase of 1.4% compared with the first half of this year, and of 163.9% compared with the 52.2 MW installed at the third quarter of 2007.
- Attributable production has reached 188.6 GWh in the first nine months of the year, an increase of 173.3% compared with the third quarter of 2007.
- The company has obtained the definitive authorisations for installation of the first wind farm in Panama with total power of 225 MW. The farm consists of a first stage of 150 MW. Works will begin at the end of 2009, and it will enter into operation at the end of 2010. The farm has a very high wind resource of around 3,600 hours of operation annually.
- Consolidated turnover stands at €14,546,800, 191.8% higher than that recorded in the same period last year.
- As at 30<sup>th</sup> September 2008, the international wind business accounted for 17.5% of turnover, a clear indicator of the solid progress of the Group's internationalisation strategy.
- EBITDA stood at €8,957,000, an increase of 2.97 times compared with that obtained in the same period in the previous year.
- Attributable net profit amounted to €2,088,500, an increase of 348.1% compared with €466,000 in the third quarter of 2007.
- The company has a solid financial structure which guarantees its future plan for the start-up of different projects:
  - Equity: €407,466,300
  - Current financial liabilities (short-term): €7,465,800 which represents 1.1% of total liabilities.
  - Cash and cash equivalents: €22,533,000.

## 2. KEY FIGURES

### 2.1 OPERATING FIGURES

The main operating figures for the FERSA Group corresponding to the third quarter of 2008 and 2007 are as follows:

Plants in Operation (MW)	3Q 2008			3Q 2007			Diff % 08-07
	Total	%FERSA	Attributable	Total	%FERSA	Attributable	
Parque Eólico Altos del Voltoya	62.0	30.0%	18.6	62.0	30.0%	18.6	0.0%
Parque Eólico Monte de las Navas	48.8	5.1%	2.5	48.8	5.1%	2.5	0.0%
Eólica el Pedregoso	29.7	80.0%	23.8	29.7	80.0%	23.8	0.0%
Eólica del Pino	14.9	80.0%	11.9	14.9	40.0%	5.9	100.0%
Parque Eólico Hinojal	36.0	100.0%	36.0	0.0	45.0%	0.0	N.A.
<b>Wind Power Spain</b>	<b>191.4</b>		<b>92.8</b>	<b>155.4</b>		<b>50.8</b>	<b>82.7%</b>
Eoliennes de Beausemblant (France)	12.0	80.0%	9.6	0.0	0.0%	0.0	N.A.
Generación Eólica India Ltd (India -Gadaj -)	31.2	100.0%	31.2	0.0	0.0%	0.0	N.A.
Eólica Kisielice (ST) (Poland)	2.0	100.0%	2.0	0.0	0.0%	0.0	N.A.
<b>Wind Power International</b>	<b>45.2</b>		<b>42.8</b>	<b>0.0</b>		<b>0.0</b>	<b>N.A.</b>
<b>Total Wind Power</b>	<b>236.6</b>		<b>135.6</b>	<b>155.4</b>		<b>50.8</b>	<b>166.9%</b>
Gestora Fotovoltaica de Castellón	1.1	76.0%	0.8	0.0	76.0%	0.0	N.A.
<b>Solar Spain</b>	<b>1.1</b>		<b>0.8</b>	<b>0.0</b>		<b>0.0</b>	<b>N.A.</b>
Invetem Mediterránea	2.0	70.8%	1.4	2.0	70.8%	1.4	0.0%
<b>Biogas Spain</b>	<b>2.0</b>		<b>1.4</b>	<b>2.0</b>		<b>1.4</b>	<b>0.0%</b>
<b>Total Installed capacity (MW)</b>	<b>239.7</b>		<b>137.8</b>	<b>157.4</b>		<b>52.2</b>	<b>163.9%</b>

Production (GWh)	3Q 2008			3Q 2007			Diff % 08-07
	%FERSA	Attributable	Total	%FERSA	Attributable	%FERSA	
Parque Eólico Altos del Voltoya	87.0	30.0%	26.1	88.0	30.0%	26.4	-1.1%
Parque Eólico Monte de las Navas	74.2	5.1%	3.8	55.1	5.1%	2.8	34.8%
Eólica el Pedregoso	42.7	80.0%	34.2	34.4	80.0%	27.5	24.3%
Eólica del Pino	17.6	80.0%	14.1	18.4	40.0%	7.4	91.0%
Parque Eólico Hinojal	69.1	100.0%	69.1	0.0	45.0%	0.0	N/A
<b>Wind Power Spain</b>	<b>290.6</b>		<b>147.3</b>	<b>195.9</b>		<b>64.1</b>	<b>129.8%</b>
Eoliennes de Beausemblant (France)	17.8	80.0%	14.2	0.0	0.0%	0.0	N.A.
Generación Eólica India Ltd (India -Gadaj -)	21.3	100.0%	21.3	0.0	0.0%	0.0	N.A.
Eólica Kisielice (ST) (Poland)	0.2	100.0%	0.2	0.0	0.0%	0.0	N.A.
<b>Wind Power International</b>	<b>39.3</b>		<b>35.7</b>	<b>0.0</b>		<b>0.0</b>	<b>N.A.</b>
<b>Total Wind Power</b>	<b>329.9</b>		<b>183.0</b>	<b>195.9</b>		<b>64.1</b>	<b>185.6%</b>
Gestora Fotovoltaica de Castellón	0.9	76.0%	0.7	0.0	76.0%	0.0	N.A.
<b>Solar Spain</b>	<b>0.9</b>		<b>0.7</b>	<b>0.0</b>		<b>0.0</b>	<b>N.A.</b>
Invetem Mediterránea	7.0	70.8%	5.0	7.0	70.8%	5.0	0.1%
<b>Biogas Spain</b>	<b>7.0</b>		<b>5.0</b>	<b>7.0</b>		<b>4.9</b>	<b>0.1%</b>
<b>Total Production (GWh)</b>	<b>337.8</b>		<b>188.6</b>	<b>202.8</b>		<b>69.1</b>	<b>173.3%</b>

Results third quarter 2008

As a result, attributable installed power has risen to 137.8 MW, an increase of 1.4% compared with the first half of this year, and of 163.9% compared with the 52.2 MW installed at the third quarter of 2007.

The most noteworthy aspects of the third quarter are:

- The installation works for the Gadag farm in India, the first operative farm in that country, are fully finalised. The farm has total power of 31.2 MW and is made up of 39 Enercon wind turbines with nominal power of 800 KW. The turbines have been started up progressively since the beginning of the year. Accumulated production during the first months of operation amounted to 21.3 GWh, although the farm is estimated to generate 80 GWh annually, which represents 2,550 equivalent hours.
- Construction and entry into operation of the first Stage of the 2 MW Kisielice wind farm in Poland were completed. An Enercon wind turbine with 2.0 MW nominal power was installed and this milestone marks the installation of FERSA's first wind farm in Poland. The Kisielice farm has a second stage of an additional 40 MW. Works will begin in the fourth quarter of this year. This is going to involve the installation of 20 2.0 MW Enercon wind turbines and is planned to enter into operation towards the end of 2009. The total joint investment of both stages is going to amount to over €60 million and is financed through a Project Finance structure. Total estimated production for the combined two stages is 108.6 GWh annually, which represents 2,586 equivalent hours.
- Generally, the wind resource in the third quarter was somewhat lower than planned, especially in Spain, which led to a lower production level than budgeted. However, the entry into operation of the new plants, as well as the increase in the holdings in the existing plants and the incorporation of new companies with plants in operation led to a noticeable growth in FERSA's attributable production, which stood at 188.6 GWh during the first nine months of the year, an increase of 173.3% compared with the same period of the previous year.
- The Pedregoso and Pino farms in Tarifa, although they continue presenting operating problems and have not yet reached their expected operating parameters, have notably improved their production even with a wind resource which was lower than expected. Combined production of both farms was 60.3 GWh, 14.2% higher than the 52.8 GWh recorded in the same period of the previous year.
- The Hinojal wind farms in Tarifa, which began operating at the end of 2007, have recorded very satisfactory production, also against a background of a low wind resource.

### 3. BUSINESS DEVELOPMENT

#### 3.1. WIND ENERGY: FERSA continues to consolidate its internationalisation strategy

Power attributable to FERSA, including the farms in operation, authorised and under development as at 30<sup>th</sup> September 2008 amounted to 10,990 MW, compared with the 1,647 MW which it had at the end of the third quarter of the previous year.

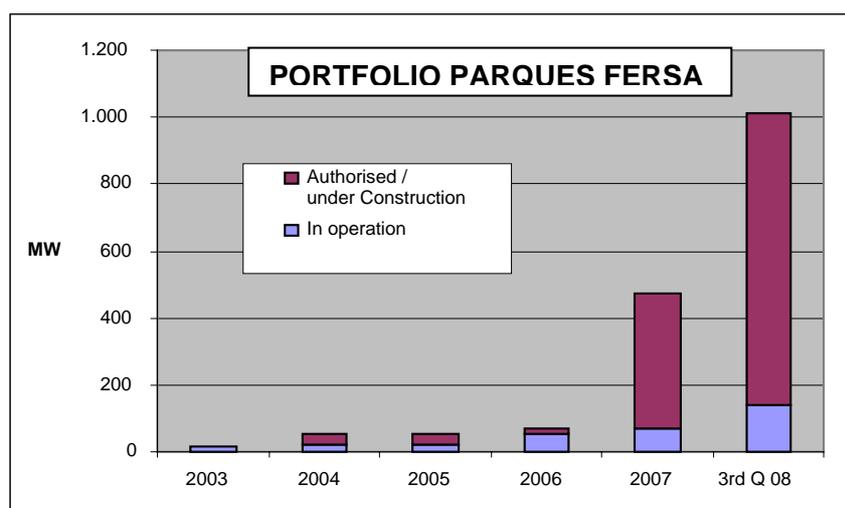
The geographical distribution of the MW attributable to FERSA at the close of the third quarter of 2008, compared with the third quarter of the previous year is as follows:

MW	3rd Q 08				08 vs. 07			
	O	A/C	D	TOTAL	O	A/C	D	TOTAL
<b>Spain</b>	<b>95</b>	<b>346</b>	<b>773</b>	<b>1,214</b>	<b>82.0%</b>	<b>416.6%</b>	<b>172.0%</b>	<b>201.0%</b>
France	10	0	0	10	0.0%	N.A.	N.A.	0.0%
Poland	2	160	0	162	N.A.	-1%	N.A.	0.0%
Italy	0	0	2,400	2,400	N.A.	N.A.	788.9%	788.9%
Estonia	0.0	56	0	56	N.A.	0%	N.A.	0.0%
<b>Rest of Europe</b>	<b>12.0</b>	<b>216.0</b>	<b>2,400</b>	<b>2,628</b>	<b>20.0%</b>	<b>-0.5%</b>	<b>788.9%</b>	<b>932.9%</b>
India	31	151	0	182	N.A.	-17.2%	N.A.	-0.2%
Panama	0	138	230	368	N.A.	N.A.	-37.5%	0.0%
China	0	23	4,800	4,823	N.A.	N.A.	N.A.	N.A.
Others	0	0	1,775	1,775	N.A.	N.A.	812.1%	812.1%
<b>Rest of the World</b>	<b>31</b>	<b>312</b>	<b>6,805</b>	<b>7,148</b>	<b>N.A.</b>	<b>93.7%</b>	<b>0.0%</b>	<b>2.6%</b>
<b>TOTAL</b>	<b>138</b>	<b>873</b>	<b>9,978</b>	<b>10,990</b>	<b>121.9%</b>	<b>86.9%</b>	<b>793.5%</b>	<b>567.4%</b>

O: Operation

A/C: Authorised / Under Construction

D: Development



## Spain

Installed power in operation at the close of the third quarter amounted to 95 MW attributable, an increase of 82% compared with 52 MW in the same period of the previous year. This significant increase in installed power was mainly due to the start-up in the last quarter of 2007 of Parque Eólico Hinojal, S.L., located in the province of Cádiz, with total power of 36 MW.

Attributable production in the quarter amounted to 36.9 GWh, giving accumulated production as at 30<sup>th</sup> September 2008 of 147.2 GWh, an increase of 129.8% compared with production in the first nine months of 2007.

The project portfolio in Spain at the close of the third quarter of 2008 amounted to 1,119 MW, of which 346 MW have the corresponding authorisations and licences.

During September, Fersa has contracted the civil works, electrical installation and transformer sub-station of the “Mudéfer” and “Mudéfer II” 57.6 MW farms located in Caseres (Tarragona). The Project Finance is also being finalised with the financial institutions. Construction of these farms is planned to begin in the first quarter of 2009.

## Panama

The FERSA Group is developing farms in different areas of the country which total 400 MW (368 MW attributable).

In September it obtained the definitive authorisations for installation of the Toabré wind farm – the first in Panama - for 225 MW (207 MW attributable).

The farm will be developed in two stages: construction of the first, of 150 MW, to begin at the end of 2009 with entry into

operation at the end of 2010. Construction of the second stage of 75 MW is planned to begin in 2011.

In addition, the FERSA Group’s portfolio of projects in Panama amounts to 175 MW (161 MW attributable).

## India

The FERSA group is present in India with a wind farm in operation (Gadaj wind farm) in the state of Karnataka with total power of 31.2 MW.

In addition, at 30<sup>th</sup> September 2008, FERSA had three farms in the construction stage in the states of Karnataka and Maharashtra with total power of 101.2 MW. These farms are expected to begin operating between 2009 and 2010.

## Poland

The FERSA Group is developing wind power projects of 162 MW which have all the licences and authorisations.

Construction and entry into operation of the first Stage of the 2 MW Kisielice wind farm in Poland was completed in the third quarter (Kisielice Single Turbine). During the fourth quarter of this year, construction work will begin on the second Stage of this farm with an additional 40 MW.

Construction work for the remaining 120 MW developed by FERSA is planned to begin between 2009 and 2010.

## Estonia

The signing of turnkey construction contracts is being finalised for a 75 MW farm (56 MW attributable) in the town of

Païte-Vaivina. Construction is expected to begin in 2009.

### France

The FERSA Group is present in France with a wind farm in operation with installed power of 12 MW (9.6 MW attributable) through the company Eoliennes de Beausemblant, in which FERSA holds an 80% stake.

Attributable production in the quarter amounted to 4 GWh, giving accumulated production of 14.2 GWh as at 30<sup>th</sup> September 2008.

### China

FERSA develops, together with the Chinese company Lubei Enterprise Group through a joint venture in which FERSA holds a 48% stake, a set of wind farms in the coastal region of the Shandong province with total power of 10,000 MW, of which 4,800 MW are attributable to FERSA.

During the third quarter of 2008, FERSA incorporated its subsidiary in China, Fersa Business Consulting Co., Ltd, with the aim of supporting all its operations in that country.

At the same time, FERSA and its Chinese partner, Lubei Enterprise Group, have created and obtained the business licence for their joint venture, Shandong Lusa Wind Power Co., Ltd., as well as all the licences and connection permits necessary for construction of the first stage of 48 MW (23 MW attributable) of the first wind power area in development with power of 894 MW (429 MW attributable).

### Italy

In February 2008, an agreement was signed for the acquisition of 50% of Nextwind SrL, an Italian wind farm development company.

The company has an important portfolio of farms in different stages of development, over which FERSA has a purchase option of 100% when they are constructed.

### Russia

In 2008, an agreement was reached with Russian developers to develop wind farms in the country with installed power of 575 MW. FERSA will have a purchase option for 100% of the farms once they are developed.

Evaluation work for the wind resource began in the third quarter of 2008.

The FERSA Group is present in Russia through its subsidiary Fersa Cherkessk, which is 100% owned by FERSA.

## **3.2 OTHER RENEWABLE TECHNOLOGIES: FERSA is committed to diversification**

The FERSA Group is present in other renewable energies, such as photovoltaic solar energy, biogas and biomass.

### Photovoltaic solar energy

Installed power at the close of the third quarter of 2008 amounts to 1.1 MW through the company Gestora Fotovoltaica de Castellón, S.L., in which FERSA has a 76% holding.

Attributable production in the quarter amounted to 0.3 GWh, giving accumulated

production of 0.7 GWh as at 30<sup>th</sup> September 2008.

Attributable production in the quarter amounted to 1.7 GWh, giving accumulated production of 5 GWh as at 30<sup>th</sup> September 2008.

#### Biogas

FERSA is currently present in this technology through the company Invetem Mediterránea, S. L, in which FERSA has a 70.8% holding, which operates a biogas installation in Valencia, with installed power of 2 MW.

#### Biomass

The FERSA Group has different biomass projects through the company Fergest Biomasa, S. L., in which it holds 100% of the share capital.

### 4.- CONSOLIDATED PROFIT AND LOSS ACCOUNT

Profit and loss account	3Q 2008	3Q 2007	%
Net turnover	14,546.8	4,984.8	191.8%
Other revenue	26.5	0.0	N.A.
<b>OPERATING REVENUE</b>	<b>14,573.3</b>	<b>4,984.8</b>	<b>192.4%</b>
Procurements	(370.9)	(287.1)	29.2%
<b>GROSS MARGIN</b>	<b>14,202.4</b>	<b>4,697.7</b>	<b>202.3%</b>
Operating expenses	(5,245.4)	(1,683.3)	211.6%
<b>EBITDA</b>	<b>8,957.0</b>	<b>3,014.4</b>	<b>197.1%</b>
Depreciation and provisions	(5,660.2)	(2,305.4)	145.5%
<b>EBIT</b>	<b>3,296.8</b>	<b>709.0</b>	<b>365.0%</b>
Financial income	2,733.6	2,078.7	31.5%
Financial expenses	(4,624.2)	(2,081.0)	122.2%
Result for variation in financial assets	1.0	(16.8)	-106.2%
Share of profit from related undertakings	943.3	276.2	241.6%
<b>Total Financial Profit/Loss</b>	<b>(946.3)</b>	<b>257.1</b>	<b>-468.1%</b>
Other profit or loss	368.0	12.2	2912.4%
<b>PROFIT BEFORE TAX</b>	<b>2,718.5</b>	<b>978.3</b>	<b>177.9%</b>
Corporation tax	(281.6)	(240.6)	17.0%
<b>CONSOLIDATED PROFIT FOR THE YEAR</b>	<b>2,436.9</b>	<b>737.7</b>	<b>230.3%</b>
Profit attributable to minority interests	(348.5)	(271.6)	28.3%
<b>NET PROFIT ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>2,088.5</b>	<b>466.1</b>	<b>348.1%</b>

Thousands of Euros

## 5. CONSOLIDATED BALANCE SHEET

ASSETS	3Q 2008	Dec-07	Variation
Tangible fixed assets	210,840.9	65,866.2	144,974.7
Goodwill	111,333.2	33,472.7	77,860.5
Other intangible assets	294,946.7	1,993.4	292,953.3
Non-current financial assets	5,936.4	7,344.2	(1,407.8)
Equity method investments	11,437.6	10,995.7	441.9
Deferred tax assets	9,997.2	1,907.6	8,089.6
Other non-current assets	0.0	6.0	(6.0)
<b>TOTAL NON-CURRENT ASSETS</b>	<b>644,492.0</b>	<b>121,585.8</b>	<b>522,906.3</b>
Trade and other receivables	20,154.8	3,364.4	16,790.4
Other current financial assets	2,075.3	53,580.8	(51,505.5)
Other current assets	58.4	299.1	(240.7)
Cash and cash equivalents	22,533.0	74,672.9	(52,139.9)
<b>TOTAL CURRENT ASSETS</b>	<b>44,821.5</b>	<b>131,917.2</b>	<b>(87,095.7)</b>
<b>TOTAL ASSETS</b>	<b>689,313.5</b>	<b>253,503.0</b>	<b>435,810.6</b>

EQUITY AND LIABILITIES	3Q 2008	Dec-07	Variation
Capital	140,003.8	75,511.8	64,492.0
Other reserves	269,937.5	113,083.2	156,854.3
Conversion differences	(11,129.0)	0.0	(11,129.0)
Retained earnings	2,088.4	1,506.7	581.7
Treasury stock	(11,897.0)	(794.2)	(11,102.8)
Minority interests	18,462.5	3,053.4	15,409.1
<b>EQUITY</b>	<b>407,466.2</b>	<b>192,360.9</b>	<b>215,105.3</b>
Loans from credit institutions	131,871.2	45,031.1	86,840.1
Other non-current liabilities	115,266.6	6,687.8	108,578.7
<b>NON-CURRENT LIABILITIES</b>	<b>247,137.8</b>	<b>51,718.9</b>	<b>195,418.8</b>
Trade creditors	7,617.6	1,689.5	5,928.1
Current financial liabilities	7,465.8	7,266.1	199.8
Other current liabilities	19,626.1	467.6	19,158.6
<b>CURRENT LIABILITIES</b>	<b>34,709.5</b>	<b>9,423.2</b>	<b>25,286.5</b>
<b>TOTAL LIABILITIES</b>	<b>689,313.5</b>	<b>253,503.0</b>	<b>435,810.6</b>

Thousands of Euros

## 6.- ANALYSIS OF THE RESULTS FOR THE YEAR

### REVENUE FROM OPERATIONS

Revenue from operations in the third quarter of 2008 amounted to €14,573,300, an increase of 192.4 % compared with the same period of the previous year.

Turnover	3Q 2008	3Q 2007	% Variation
Eólica el Pedregoso, S.L.	4,631.3	2,823.8	64.0%
Eólica del Pino, S.L.	1,970.6	1,493.6	31.9%
Parque Eólico Hinoja, S.L.	4,174.2	0.0	N.A.
<b>Wind power Spain</b>	<b>10,776.1</b>	<b>4,317.4</b>	<b>149.6%</b>
Eoliennes de Beausemblant (France)	1,477.2	0.0	N.A.
Generación Eólica India Ltd (India -Gadaj-)	1,075.6	0.0	N.A.
<b>Wind power International</b>	<b>2,552.8</b>	<b>0.0</b>	<b>N.A.</b>
<b>Total wind power</b>	<b>13,328.9</b>	<b>4,317.4</b>	<b>208.7%</b>
Gestora Fotovoltaica de Castellón, S.L.	422.4	0.0	N.A.
<b>Solar Spain</b>	<b>422.4</b>	<b>0.0</b>	<b>N.A.</b>
Invetem Mediterránea, S.L.	769.5	635.3	21.1%
<b>Biogas Spain</b>	<b>769.5</b>	<b>635.3</b>	<b>21.1%</b>
<b>Other companies</b>	<b>26.0</b>	<b>32.1</b>	<b>-19.0%</b>
<b>Other revenue</b>	<b>26.5</b>	<b>0.0</b>	<b>N.A.</b>
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>14,573.3</b>	<b>4,984.8</b>	<b>192.4%</b>

Thousands of Euros

This sharp increase in invoicing of 192.4% is due to the improvement in the wind resource and the production of the farms which already existed in 2007, the acquisition and entry in operation of new farms, as well as to a significant increase in the sale price of electricity compared with 2007.

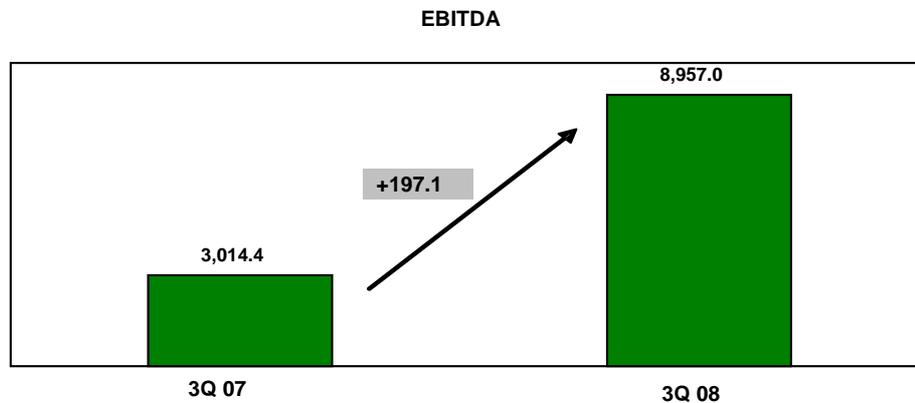
Net Turnover from the International wind power business at 30<sup>th</sup> September 2008 accounted for 17.5% of the total revenue from operations of the FERSA Group. This is a clear indicator of the progress in consolidating the Group's internationalisation strategy.

### OPERATING EXPENSES

Operating expenses amounted to €5,245,400, an increase of 211.6 % compared with the same period in the previous year, basically as a result of the incorporation of the new plants in operation.

## EBITDA

EBITDA stood at €8,957,000, 197.1% higher than in the same period of the previous year.



The contribution to the EBITDA in the third quarter of 2008 compared with the same period in the previous year is broken down as follows:

EBITDA	3Q 2008	3Q 2007	% Variation
Eólica el Pedregoso, S.L	4,000.1	2,245.8	78.1%
Eólica del Pino, S.L	1,695.3	1,203.0	40.9%
Parque Eólico Hinojal, S.L	3,543.2	0.0	N.A.
<b>Wind power Spain</b>	<b>9,238.6</b>	<b>3,448.8</b>	<b>167.9%</b>
Eoliennes de Beausemblant (France)	1,174.1	0.0	N.A.
Generación Eólica India Ltd (India -Gadaj-)	1,033.9	0.0	N.A.
<b>Wind power International</b>	<b>2,208.0</b>	<b>0.0</b>	<b>N.A.</b>
<b>Total wind power</b>	<b>11,446.6</b>	<b>3,448.8</b>	<b>231.9%</b>
Gestora Fotovoltaica de Castellón	357.8	(22.0)	-1727.8%
<b>Solar Spain</b>	<b>357.8</b>	<b>(22.0)</b>	<b>-1727.8%</b>
Invetem Mediterránea	403.1	243.5	65.6%
<b>Biogas Spain</b>	<b>403.1</b>	<b>243.5</b>	<b>65.6%</b>
<b>FERSA (Holding)</b>	<b>(3,059.5)</b>	<b>(1,018.1)</b>	<b>200.5%</b>
Other companies	(206.9)	377.3	-154.8%
Adjustments	15.9	(15.1)	-204.9%
<b>Total Rest</b>	<b>(191.0)</b>	<b>362.2</b>	<b>-152.7%</b>
<b>TOTAL EBITDA</b>	<b>8,957.0</b>	<b>3,014.4</b>	<b>197.1%</b>

Thousands of Euros

The contribution to the EBITDA of the Solar and Biogas businesses amounted to €760,900 (8.5% of total EBITDA), an increase of €331,100 (43.5%) compared with the previous quarter.

## FINANCIAL RESULTS

The financial loss amounted to €946,200, which means an increase in expenses of €1,203,300 compared with the financial results from the same period in the previous year.

This variation is basically due to the greater amount of financial expenses caused by the consolidated debt incurred for financing the farms (Project Finance) of the companies Parque eólico Hinojal (consolidated by the global integration method in 2008) and Eoliennes de Beausemblant (France) (not integrated in the consolidation scope in 2007). This was partially offset by the greater contribution from the companies consolidated using the equity method (basically, Parque Eólico Altos del Voltoya).

The Production, Invoicing and Pre-Tax Profit figures for the company Parque Eólico Altos del Voltoya, S. A in the third quarter of 2008 compared with the same period in the previous year are as follows:

Parque Eólico Altos de Voltoya, S.A.	3Q 2008	3Q 2007	% variation
Production (GWh)	87.0	88.0	-1.1%
Invoicing	8,976.4	6,688.3	34.2%
Profit before tax	3,957.0	1,604.7	146.6%

Thousands of Euros

## NET PROFIT

Net Profit stood at €2,088,500, an increase of 348.1% compared with the €466,100 obtained in the third quarter of the previous year.

The breakdown of consolidated Net profit during the third quarter of 2008 compared with the third quarter of the previous year was as follows:

NET PROFIT	3Q 2008	3Q 2007	% Variation
Eólica el Pedregoso, S.L	1,023.7	(319.4)	-420.5%
Eólica del Pino, S.L.	282.8	(98.8)	-386.2%
Parque Eólico Hinojal, S.L.	320.7	5.4	5838.9%
Altos de Voltoya, S.A. companies using equity method (*)	831.1	325.1	155.6%
<b>Wind power Spain</b>	<b>2,458.3</b>	<b>(87.7)</b>	<b>-2903.1%</b>
Eoliennes de Beausemblant (France)	(12.2)	0.0	N.A.
Generación Eólica India Ltd (India -Gadaj-)	341.5	0.0	N.A.
<b>Wind power International</b>	<b>329.3</b>	<b>0.0</b>	<b>N.A.</b>
<b>Total wind power</b>	<b>2,787.6</b>	<b>(87.7)</b>	<b>-3278.6%</b>
Gestora Fotovoltaica de Castellón	258.1	(19.7)	-1410.2%
<b>Solar Spain</b>	<b>258.1</b>	<b>(19.7)</b>	<b>-1410.2%</b>
Invetem Mediterránea	171.7	54.6	214.5%
<b>Biogas Spain</b>	<b>171.7</b>	<b>54.6</b>	<b>214.5%</b>
<b>FERSA (Holding)</b>	<b>(371.8)</b>	<b>293.9</b>	<b>-226.5%</b>
Other companies	105.8	376.8	-71.9%
Adjustments	(863.0)	(151.8)	468.5%
<b>Total Rest</b>	<b>(757.2)</b>	<b>225.0</b>	<b>-436.5%</b>
<b>TOTAL NET PROFIT</b>	<b>2,088.4</b>	<b>466.1</b>	<b>348.1%</b>

Thousands of Euros

It is worth pointing out the improvement in the results of the wind power business in Spain, basically caused by the companies Eólica el Pedregoso and Eólica del Pino, due to improvement in production and the sale price, which have gone from losses of €319,400 and €98,700 in the third quarter of 2007 to profits of €1,023,700 and €282,800 in the third quarter of 2008 respectively.

It is also worth highlighting the improvement in the contribution from Parque Eólico Altos del Voltoya and Parque Eólico Hinojal, as well as the contribution to Consolidated Net Profit of €258,100 by the company Gestora Fotovoltaica de Castellón.

(\*) The net profit corresponding to Hinojal was adjusted on 20<sup>th</sup> February as a result of the shareholding corresponding to FERSA (45%) for an amount of €220,400, within the companies using the equity method.

## 7.- ANALYSIS OF THE BALANCE SHEET

	3Q 2008	Dec-07	%
Total assets	689,313.5	253,502.9	171.9%
Tangible fixed assets	210,840.9	65,866.2	220.1%
Goodwill	111,333.2	33,472.6	232.6%
Equity	407,466.2	192,360.9	111.8%
Loans from credit institutions	131,871.1	45,031.1	192.8%

Thousands of Euros

### TANGIBLE FIXED ASSETS AND GOODWILL

The significant increase in these headings of the consolidated Balance Sheet is basically due to the incorporation, executed in February 2008, of companies with wind farms and projects in different development stages by means of a non-monetary capital increase. In addition, Fersa acquired greater holdings in companies in which it already held a stake.

The incorporation of these assets involved an investment of €274.8 million, broken down as follows:

	€m
Wind Power India	65.0
Wind Power Poland	61.9
Wind Power France	4.8
Wind Power Spain	117.9
Others	25.2
<b>Total</b>	<b>274.8</b>

### LOANS FROM CREDIT INSTITUTIONS

The increase under the heading Loans from credit institutions is basically due to the inclusion of the Project Finance of the companies Parque eólico el Hinojal, S. L. and Eoliennes de Beausemblant (France), consolidated by the global integration method on 30<sup>th</sup> September 2008, as well as the debt linked to the repayments to the supplier of wind turbines for the farms belonging to the company Catalana de Energías Renovables, S.L., which is 100% owned by Fersa.

The FERSA Group increased its holding in the company Parque eólico el Hinojal S. L. to 100% in the first half of 2008.

The Beausemblant wind farm (France) was incorporated into the FERSA Group's consolidation scope in 2008.

## **8. SIGNIFICANT ASPECTS OF THE PARENT COMPANY**

FERSA ENERGÍAS RENOVABLES, S. A., the parent company, acquired four companies in India during the first half of 2008. Due to the devaluation of the rupee of more than 15% (functional currency of these holdings) between the acquisition date on 20<sup>th</sup> February 2008 and 30<sup>th</sup> September 2008, the recoverable value of these holdings in the individual balance sheet of the parent company underwent a reduction. Consequently, and in accordance with the New General Accounting Plan, the parent company has had to make a provision for these investments of €14,838,100, which together with the other portfolio provisions of the parent company total €15,783,700 as at 30<sup>th</sup> September 2008. It is important to point out that the value impairment of the investment in India may be reversible if the recoverable value improves, and that, in addition, it has been transferred to the Group's consolidated balance sheet through the Reserve for conversion differences.

FERSA has also acquired four companies in Poland. It is worth pointing out that the opposite effect has occurred with the appreciation of the Zloty (functional currency of investments in Poland). In accordance with the New General Accounting Plan, the appreciation of the investment, estimated at €5,635,100, has not been recorded in the individual balance sheet.

In this regard, it is important to point out that from 30<sup>th</sup> September 2008 up to the issue date of this report, the quote price of the rupee has recovered a large part of the devaluation suffered against the euro, specifically 9.7%. Therefore, the loss in value of the holdings in India would be reduced by €8,842,300.

The Parent Company's individual Balance Sheet and Profits and Loss Account as at 30<sup>th</sup> September 2008 are shown below:

### Individual Balance Sheet

<b>ASSETS</b>	<b>3Q 2008</b>	<b>Dec-07 (*)</b>	<b>Var. %</b>
Tangible fixed assets	123.1	0.0	N.A.
Other intangible assets	9.6	0.0	N.A.
Non-current financial assets	475,948.7	60,364.7	688.5%
Provision Group companies	(15,784.0)	(1,209.7)	1204.8%
Deferred tax assets	3,678.7	1,830.0	101.0%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>463,976.1</b>	<b>60,985.0</b>	<b>660.8%</b>
	3,923.3	727.7	439.1%
Trade and other receivables	4,589.3	55,196.9	-91.7%
Other current financial assets	64.4	300.0	-78.5%
Other current assets	13,614.6	73,240.0	-81.4%
Cash and cash equivalents	<b>22,191.6</b>	<b>129,464.6</b>	<b>-82.9%</b>
<b>TOTAL ASSETS</b>	<b>486,167.7</b>	<b>190,449.6</b>	<b>155.3%</b>

<b>EQUITY AND LIABILITIES</b>	<b>3Q 2008</b>	<b>Dec-07 (*)</b>	<b>Var. %</b>
Capital	140,003.8	75,512.0	85.4%
Reserves	307,817.4	109,667.3	180.7%
Retained earnings	(11,839.9)	1,271.0	-1031.5%
<b>Equity</b>	<b>435,981.3</b>	<b>186,450.3</b>	<b>133.8%</b>
Other non-current liabilities	33,685.9	3,284.9	925.5%
<b>NON-CURRENT LIABILITIES</b>	<b>33,685.9</b>	<b>3,284.9</b>	<b>925.5%</b>
Trade creditors	496.6	302.1	64.4%
Other current liabilities	16,003.9	412.3	3781.6%
<b>CURRENT LIABILITIES</b>	<b>16,500.5</b>	<b>714.4</b>	<b>2209.7%</b>
<b>TOTAL LIABILITIES</b>	<b>486,167.7</b>	<b>190,449.6</b>	<b>155.3%</b>

Thousands of euros

### Individual profit and loss account

	3Q 2008	3Q 2007 (*)	Var. %
Net turnover	296.3	119.9	147.1%
Other revenue	25.9	15.0	72.7%
<b>OPERATING REVENUE</b>	<b>322.2</b>	<b>134.9</b>	<b>138.8%</b>
Operating expenses	(3,381.7)	(1,138.0)	197.2%
<b>EBITDA</b>	<b>(3,059.5)</b>	<b>(1,003.1)</b>	<b>205.0%</b>
Depreciation and provisions	(14,078.3)	(603.8)	2231.6%
<b>EBIT</b>	<b>(17,137.8)</b>	<b>(1,606.9)</b>	<b>966.5%</b>
Financial income	3,167.7	1,931.0	64.0%
Financial expenses	(6.7)	(44.4)	-84.9%
Share of profit from related undertakings	403.9	926.7	-56.4%
<b>Total financial profit/loss</b>	<b>3,564.9</b>	<b>2,813.3</b>	<b>26.7%</b>
Other profit or loss			
<b>LOSS BEFORE TAX</b>	<b>(13,572.9)</b>	<b>1,206.4</b>	<b>-1,225.1%</b>
Corporation tax	1,733.0	(132.7)	-1,406.0%
<b>LOSS FOR THE YEAR</b>	<b>(11,839.9)</b>	<b>1,073.7</b>	<b>-1,202.7%</b>

Thousands of Euros

(\*) This financial information has been prepared under the regulations of the New General Accounting Plan, published in RD 1514/2007 and approved on 20<sup>th</sup> November 2007. The previously published financial information was prepared under the regulations of the previous General Accounting Plan. The adjustments and reclassifications necessary in order to adopt the New General Accounting Plan were performed with effect from 1<sup>st</sup> January 2007, the date of the first application.

The new accounting standards requires that the investment impairment provisions (mainly caused by the depreciation of the rupee), which in the consolidated accounts have been recorded against reserves, must be charged in the individual accounts on the income statement. This explains why the individual income statement records losses of €11,839,900. As we mentioned above, these losses would be significantly lower if we considered the partial recuperation of the rupee that has taken place since 30<sup>th</sup> September.

It is estimated that if the rupee's recovery trend continues in the coming months, this provision for depreciation may be largely recovered, and therefore the individual result would improve substantially.

## 9. STOCK MARKET INFORMATION

The summary of the main stock market information is given in the following table:

Stock market information		3Q 2008
Total number of shares admitted to listing	Num.	140,003,778
Close quote for the period (30.09.08)	€ / share	3.09
Highest quote (30.06.09 / 30.09.08)	€ / share	4.50
Lowest quote (30.06.09 / 30.09.08)	€ / share	2.84
Number of traded shares (30.06.09 / 30.09.08)	Num.	4,867,471
Cash volume (30.06.09 / 30.09.08)	€	18,616,442
Daily volume of traded shares (average) (30.06.09 / 30.09.08)	Num.	67,412
Cash daily volume (30.06.09 / 30.09.08)	€	258,051

On 16<sup>th</sup> July, Fersa paid the dividend corresponding to 2007. The dividend payment placed the two series of shares existing on 4<sup>th</sup> June 2008 on the same level. On that date, the shares issued in the non-monetary capital increase of 20<sup>th</sup> February 2008 were admitted to trading.

## 10.- COMPANIES WHICH FORM PART OF THE CONSOLIDATION SCOPE

Company	Country	Direct + indirect shareholding
Invetem Mediterránea, S.L.	Spain	70.8%
Fergest Biomasa, S.L.	Spain	100.0%
Parque Eólico Altos del Voltoya, S.A.	Spain	30.0%
Eólica el Pedregoso, S.L.	Spain	80.0%
Eólica del Pino, S.L.	Spain	80.0%
Parque Eólico Hinojal, S.L.	Spain	100.0%
Empordavent, S.L.	Spain	100.0%
Energía Renovable Mestral, S.L.	Spain	100.0%
Energía Renovable Mestral Eólica, S.L.	Spain	50.0%
Catalana de Energías Renovables, S.L.	Spain	100.0%
Eólica Cijara, S.L.	Spain	50.0%
Energía Cijara, S.L.	Spain	50.0%
Siljan Port	Spain	80.0%
Gestora fotovoltaica de Castellón, S.L.	Spain	76.0%
Parc Eòlic L´Arram, S. L.	Spain	100.0%
Parc Eòlic Coll de Som, S. L.	Spain	100.0%
Explotación Eólica La Pedrera, S. L.	Spain	100.0%
Fercom Eólica, S.L.	Spain	100.0%
Sinergia Andaluza, S. L.	Spain	60.0%
Energías Renovables del Guadiana Menor, S. L.	Spain	50.0%
Castellwind-03, S.L.	Spain	67.4%
Oü Est Wind Power	Estonia	75.0%
Enrilews, S.A.	Panama	92.0%
Generación Eólica India Limited	India	100.0%
EN Wind Power Private Limited	India	100.0%
EN Renewable Energy Private Limited	India	100.0%
EN Green Energy Private Limited	India	100.0%
Eólica Postolin, S.p.zoo	Poland	100.0%
Eólica Kisielice Sp	Poland	100.0%
Eólica Ceiplowody Sp	Poland	100.0%
Eólica Warblewo Sp	Poland	100.0%
Eoliennes de Beausemblant SAS	France	80.0%
Fersa Cherkessk	Russia	100.0%
Fersa Montenegro (*)	Montenegro	100.0%
Fersa China (*)	China	100.0%
Shandong Lusa New Energy Co ltd (*)	China	48.0%

(\*) Companies incorporated into the consolidation scope in the third quarter of 2008

## 11.- MAIN RELEVANT FACTS FROM THE QUARTER

Date	Register Number	Item
16/01/2008	88196	The Company forwards the resolutions adopted by the Board of Directors including details of the share capital increase in the first item on the Agenda
01/02/2008	88915	FERSA closes the purchase of 67.39% of Castellwind-03, S.L., which develops wind farms in Tarragona with total power of 115 MW.
01/02/2008	88915	FERSA reaches an agreement for the development of wind farms in China
01/02/2008	88916	Proposal to the General Shareholders' Meeting for a capital increase with non-monetary contributions
14/02/2008	89289	Definitive agreement with Castellwind
18/02/2008	89450	FERSA reaches an agreement to develop farms with an entity which manages a venture capital fund in which the European Investment Bank (EIB) has a stake
18/02/2008	89450	FERSA reaches an agreement to develop farms with a developer in Russia
26/02/2008	89791	FERSA incorporates a joint venture with the Chinese company Shandong Lubei Enterprise Group Company to develop up to 10,000 MW.
26/02/2008	89791	FERSA acquires 50% of Nextwind, S. r. L., an Italian company which has a portfolio of 3,500 MW of farms under development
05/03/2008	90315	FERSA signs a wind turbine supply and financing agreement with Banc Sabadell for Catalana d'Energies Renovables, S.A., 100% owned by FERSA
01/04/2008	91272	Acquisition of 24.6% of Parque Eólico Hinojal, S.L., with 36 MW of power in operation
21/05/2008	93613	FERSA presents the results for the first quarter of 2008
23/05/2008	93718	FERSA forwards the Corporate Governance annual report for 2007
23/05/2008	93774	Supplement to the Management report corresponding to 2007
23/05/2008	93775	FERSA announces the calling of the Ordinary General Shareholders' Meeting for 25 June 2008
04/06/2008	94159	Register of prospectus corresponding to the admission for trading of the shares issued in the capital increase of February 2008

---

04/07/2008	95368	Resolutions adopted in the Ordinary General Shareholders' Meeting of 25 <sup>th</sup> June 2008
29/08/2008	97184	Fersa forwards the information about the first half year results for 2008
03/10/2008	98246	Fersa informs about having obtained Definitive Authorisation for the installation of the first wind farm in Panama for 225 MW