

**FERSA ENERGIAS RENOVABLES GROUP**

Consolidated Annual Accounts as at 31 December 2012

Consolidated Balance Sheet  
Consolidated Income Statement  
Consolidated Statement of Comprehensive Income  
Consolidated Statement of Changes in Net equity  
Consolidated Cash Flows Statement  
Notes to the Consolidated Annual Accounts

*Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails.*

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

1. We have audited the consolidated financial statements of Fersa Energías Renovables, S.A.: (the Parent) and Subsidiaries (the Group), which comprise the consolidated balance sheet at 31 December 2012 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended. As indicated in Note 2 to the accompanying consolidated financial statements, the Parent's directors are responsible for the preparation of the Group's consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated financial statements taken as a whole based on our audit work performed in accordance with the audit regulations in force in Spain, which require examination, by means of selective tests, of the evidence supporting the consolidated financial statements and evaluation of whether their presentation, the accounting principles and policies applied and the estimates made comply with the applicable regulatory financial reporting framework.
2. In our opinion, the accompanying consolidated financial statements for 2012 present fairly, in all material respects, the consolidated equity and consolidated financial position of Fersa Energías Renovables, S.A. and Subsidiaries at 31 December 2012, and the consolidated results of their operations and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union and the other provisions of the regulatory financial reporting framework applicable to the Group.
3. The financial statements for 2011 were audited by other auditors who issued their auditors' report, in which they expressed an unqualified opinion, on 29 February 2012.
4. The accompanying consolidated directors' report for 2012 contains the explanations which the Parent's directors consider appropriate about the Group's situation, the evolution of its business and other matters, but is not an integral part of the consolidated financial statements. We have checked that the accounting information in the consolidated directors' report is consistent with that contained in the consolidated financial statements for 2012. Our work as auditors was confined to checking the consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Fersa Energías Renovables, S.A. and Subsidiaries.

DELOITTE, S.L.  
Registered in ROAC under No. S0692

Juan Antonio Bordas

February 28, 2013

**INDEX OF THE CONSOLIDATED ANNUAL ACCOUNTS OF THE FERSA ENERGIAS  
RENOVABLES GROUP**

<b>Note</b>	<b>Description</b>	<b>Page</b>
	Consolidated balance sheet	1
	Consolidated income statement	2
	Consolidated statement of comprehensive income	3
	Consolidated statement of changes in net equity	4
	Consolidated cash flow statement	5
<b>1</b>	General information	6
<b>2</b>	Basis of presentation, accounting policies and valuation norms	6
<b>3</b>	Regulatory framework	26
<b>4</b>	Segment reporting	30
<b>5</b>	Intangible assets	33
<b>6</b>	Property, plant and equipment	38
<b>7</b>	Investments as per equity accounting	39
<b>8</b>	Financial assets	41
<b>9</b>	Derivative financial instruments	42
<b>10</b>	Assets and liabilities held for sale	43
<b>11</b>	Trade and other receivables	45
<b>12</b>	Cash and other cash equivalents	45
<b>13</b>	Net equity	46
<b>14</b>	Provisions	49
<b>15</b>	Financial liabilities	49
<b>16</b>	Other liabilities	52
<b>17</b>	Trade and other payables	53
<b>18</b>	Risk management	54
<b>19</b>	Tax situation	57
<b>20</b>	Staff costs	59
<b>21</b>	Net financial income (expense)	60
<b>22</b>	Cash flows	60
<b>23</b>	Joint ventures	60
<b>24</b>	Related party transactions	61
<b>25</b>	Information on members of the Board of Directors and Senior Management	63
<b>26</b>	Auditors fees	64
<b>27</b>	Commitments and contingencies	65
<b>28</b>	Environment	68
<b>29</b>	Greenhouse gas emissions rights	68
<b>30</b>	Subsequent events	68
	Appendices	69
	Consolidated Directors' Report	111

**FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED BALANCE SHEET**  
(in Thousands of Euros)

ASSETS	Note	31.12.12	31.12.11	LIABILITIES AND NET EQUITY	Note	31.12.12	31.12.11
<b>NON-CURRENT ASSETS</b>		<b>348,952</b>	<b>523,362</b>	<b>NET EQUITY</b>	<b>13</b>	<b>134,346</b>	<b>211,161</b>
Intangible assets:	5	89,892	192,947	<b>NET EQUITY</b>		<b>166,093</b>	<b>235,091</b>
Goodwill		11,388	38,856	Capital		140,004	140,004
Other intangible assets		78,504	154,091	Share premium account		278,948	278,948
Property, plant and equipment	6	240,415	315,830	Reserves		(177,108)	(74,629)
Investments as per equity accounting	7	4,104	1,887	Shares and holdings in own net equity		(6,768)	(6,768)
Non-current financial assets	8	6,209	4,548	Profit for year attributable to the parent company		(68,983)	(102,464)
Deferred tax assets	19	8,332	8,150	<b>VALUE ADJUSTMENTS</b>		<b>(35,480)</b>	<b>(40,878)</b>
				Hedging operations		(12,458)	(10,054)
				Translation differences		(23,022)	(30,824)
				<b>NET EQUITY ATTRIBUTED TO THE PARENT COMPANY</b>		<b>130,613</b>	<b>194,213</b>
				<b>MINORITY INTERESTS</b>		<b>3,733</b>	<b>16,948</b>
<b>CURRENT ASSETS</b>		<b>100,445</b>	<b>44,299</b>	<b>NON-CURRENT LIABILITIES</b>		<b>244,212</b>	<b>303,825</b>
Non-current assets held for sale	10	56,513	-	Non-current provisions	14	3,431	3,780
Trade and other receivables:	11	14,079	10,154	Non-current financial liabilities :	15	213,630	225,792
a) Trade receivables for sales and services rendered		3,466	6,721	Bank loans and bonds and other negotiable securities		189,551	206,769
b) Other receivables		10,613	3,433	Other non-current financial liabilities		24,079	19,023
Other current financial assets	8	3,840	8,513	Deferred tax liabilities	19	23,688	45,792
Other current assets		82	140	Other non-current liabilities	16	3,463	28,461
Cash and other cash equivalents	12	25,931	25,492	<b>CURRENT LIABILITIES</b>		<b>70,839</b>	<b>52,675</b>
				Liabilities linked to non-current assets held for sale	10	33,823	-
				Current financial liabilities:	15	22,834	43,622
				Bank loans and bonds and other negotiable securities		22,648	42,541
				Other financial liabilities		186	1,081
				Trade and other payables	17	6,688	6,380
				Other creditors		6,100	6,019
				Current tax liabilities		588	361
				Other current liabilities	16	7,494	2,673
<b>TOTAL ASSETS</b>		<b>449,397</b>	<b>567,661</b>	<b>TOTAL LIABILITIES AND NET EQUITY</b>		<b>449,397</b>	<b>567,661</b>

Notes 1 to 30 and the joint Appendix I and II are an integral part of the consolidated annual accounts of 31st of December 2012

<b>FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED INCOME STATEMENT</b>			
<b>(in Thousands of Euros)</b>			
	Note	2012	2011
Net turnover	4	44,646	43,009
Own work capitalised		795	973
Other operating income		140	402
Staff costs	20	(1,904)	(2,447)
Other operating expenses		(11,803)	(12,025)
Amortisation and depreciation	5,6	(18,117)	(20,022)
Impairment of fixed assets	5,6	(92,445)	(145,451)
Results of disposals of fixed assets	2.5	(524)	6.153
<b>OPERATING PROFIT (LOSS)</b>		<b>(79,212)</b>	<b>(129,408)</b>
Financial income		1,372	4,632
Financial expenses		(15,443)	(15,978)
Exchange differences		59	(104)
Results of disposals of financial instruments		-	(146)
<b>NET FINANCIAL INCOME (EXPENSE)</b>	<b>21</b>	<b>(14,012)</b>	<b>(11,596)</b>
Profit (loss) from companies consolidated by equity accounting	7	(43)	(63)
<b>PROFIT (LOSS) BEFORE TAX</b>		<b>(93,267)</b>	<b>(141,067)</b>
Corporate Income Tax	19	14,873	31,127
<b>CONSOLIDATED PROFIT (LOSS) FOR THE YEAR</b>		<b>(78,394)</b>	<b>(109,940)</b>
a) Profit (loss) attributed to the parent company		(68,983)	(102,464)
b) Profit (loss) attributed to minority interest		(9,411)	(7,476)

		2012	2011
<b>PROFIT PER SHARE</b>			
<b>(Euros per share)</b>			
Basic	13	(0,498)	(0,741)
Diluted	13	(0,498)	(0,741)

Notes 1 to 30 and the joint Appendix I and II are an integral part of the consolidated annual accounts of 31st of December 2012

<b>FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>			
<b>(in Thousands of Euros)</b>			
	<b>Note</b>	<b>2012</b>	<b>2011</b>
<b>CONSOLIDATED PROFIT (LOSS) FOR THE YEAR</b>		<b>(78,394)</b>	<b>(109,940)</b>
<b>INCOME AND EXPENSES CHARGED DIRECTLY TO NET EQUITY</b>		<b>2,172</b>	<b>(26,343)</b>
Cash flow hedges		(8,027)	(10,527)
Translation differences	13	7,802	(18,864)
Tax effect		2,397	3,048
<b>RELEASES TO THE INCOME STATEMENT</b>		<b>2,731</b>	<b>2,718</b>
Cash flow hedges	9	3,886	3,847
Tax effect		(1,155)	(1,129)
<b>TOTAL RECOGNISED INCOME/(EXPENSES)</b>		<b>(73,491)</b>	<b>(133,565)</b>
Attributed to the parent company		(63,585)	(125,608)
Attributed to minority interest		(9,906)	(7,957)

Notes 1 to 30 and the joint Appendix I and II are an integral part of the consolidated annual accounts of 31st of December 2012

**FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY**

(in Thousands of Euros)

	Capital	Share Premium account	Reserves	Treasury Shares	Profit and loss	Value adjustments	Total Parent Company	Minority Interests	Total
<b>Balances as at 31-12-10</b>	<b>140,004</b>	<b>278,948</b>	<b>(25,277)</b>	<b>(8,774)</b>	<b>(47,919)</b>	<b>(17,734)</b>	<b>319,248</b>	<b>22,821</b>	<b>342,069</b>
<b>Comprehensive income for the year</b>	-	-	-	-	(102,464)	(23,144)	(125,608)	(7,957)	(133,565)
<b>Transactions with shareholders and minority interest</b>									
Dividends	-	-	-	-	-	-	-	(189)	(189)
Divestments	-	-	(229)	-	-	-	(229)	2,273	2,044
Operations with treasury shares	-	-	(1,523)	2,006	-	-	483	-	483
<b>Other changes in net equity</b>									
Distribution of results	-	-	(47,919)	-	47,919	-	-	-	-
Other movements	-	-	319	-	-	-	319	-	319
<b>Balances as at 31-12-11</b>	<b>140,004</b>	<b>278,948</b>	<b>(74,629)</b>	<b>(6,768)</b>	<b>(102,464)</b>	<b>(40,878)</b>	<b>194,213</b>	<b>16,948</b>	<b>211,161</b>
<b>Comprehensive income for the year</b>	-	-	-	-	(68,983)	5,398	(63,585)	(9,906)	(73,491)
<b>Transactions with shareholders and minority interest</b>									
Dividends	-	-	-	-	-	-	-	(33)	(33)
Divestments	-	-	-	-	-	-	-	(3,276)	(3,276)
<b>Other changes in net equity</b>									
Distribution of results	-	-	(102,464)	-	102,464	-	-	-	-
Other movements	-	-	(15)	-	-	-	(15)	-	(15)
<b>Balances as at 31-12-12</b>	<b>140,004</b>	<b>278,948</b>	<b>(177,108)</b>	<b>(6,768)</b>	<b>(68,983)</b>	<b>(35,480)</b>	<b>130,613</b>	<b>3,733</b>	<b>134,346</b>

Notes 1 to 30 and the joint Appendix I and II are an integral part of the consolidated annual accounts of 31st of December 2012

<b>FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED CASH FLOW STATEMENT</b>			
<b>(in Thousands of Euros)</b>			
	<b>Note</b>	<b>2012</b>	<b>2011</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
	<b>22</b>	<b>24,619</b>	<b>13,771</b>
<b>Profit (loss) before tax</b>		<b>(93,267)</b>	<b>(141,067)</b>
<b>Adjustments to results</b>		<b>125,141</b>	<b>170,729</b>
Amortisation and depreciation	5.6	18,117	20,022
Impairment losses	5.6	92,445	145,451
Results of disposals of financial instruments	2.5	524	(6,153)
Interest income	21	(1,372)	(4,632)
Borrowing costs	21	15,443	15,978
Exchange differences	21	(59)	-
Profit (loss) from companies consolidated by equity accounting	7	43	63
<b>Changes in working capital</b>		<b>6,275</b>	<b>(854)</b>
<b>Other cash flows from operating activities</b>		<b>(13,530)</b>	<b>(15,037)</b>
Interest paid		(12,881)	(14,295)
Collection of interests		746	672
Collections (payments) of corporate income tax		(311)	(225)
Other payments (collections)		(1,084)	(1,189)
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
		<b>(8,672)</b>	<b>(16,980)</b>
<b>Payment of investments</b>		<b>(22,201)</b>	<b>(31,305)</b>
Tangible, intangible assets and real estate investments	5.6	(16,401)	(24,567)
Other financial assets	8	(1,432)	(1,303)
Other assets		(4,368)	(5,435)
<b>Collection on divestment</b>		<b>13,529</b>	<b>14,325</b>
Group and associated companies and business units	2.5	13,521	11,639
Tangible, intangible assets and real estate investments		-	2,174
Other financial assets		8	512
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
		<b>(15,508)</b>	<b>10,413</b>
<b>Payments for net equity instruments</b>		<b>-</b>	<b>483</b>
Acquisition of treasury shares		-	(131)
Disposal of treasury shares		-	614
<b>Collections/ (payments) for financial liabilities</b>	<b>15</b>	<b>(15,475)</b>	<b>10,119</b>
Issues		42,079	42,815
Returns and amortisation		(57,554)	(32,696)
<b>Payments for dividends and the remuneration of other net equity instruments</b>		<b>(33)</b>	<b>(189)</b>
<b>EFFECT OF CHANGES IN EXCHANGE RATES</b>			
		<b>-</b>	<b>-</b>
<b>INCREASE / (REDUCTION) IN NET CASH AND EQUIVALENTS</b>			
		<b>439</b>	<b>7,204</b>
<b>NET CASH AND EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
		<b>25,492</b>	<b>18,288</b>
<b>NET CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD</b>			
		<b>25,931</b>	<b>25,492</b>
<b>BREAKDOWN OF NET CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD</b>			
Cash and banks		17,050	17,461
Other financial assets		8,881	8,031
<b>TOTAL NET CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD</b>			
		<b>25,931</b>	<b>25,492</b>

Notes 1 to 30 and the joint Appendix I and II are an integral part of the consolidated annual accounts of 31st of December 2012



**NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS OF FERSA ENERGÍAS RENOVABLES GROUP 2012**

**NOTE 1 – GENERAL INFORMATION**

Fersa Energías Renovables, S.A., (hereinafter, the parent Company), was incorporated in Barcelona on 10 July 2000 for an indefinite period of time.

Its registered address is calle 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 2011 were approved by the General Meeting of Shareholders on 26 June 2012.

The consolidated annual accounts of the Group for the year 2012 were formulated by the Directors of the parent Company on 28 February 2013 and will be submitted for adoption to the General Meeting of Shareholders, and are expected to be approved without modification.

The figures presented in these consolidated annual accounts are stated in Thousand Euros, unless expressly indicated otherwise.

**NOTE 2 - BASIS OF PRESENTATION, ACCOUNTING POLICIES AND VALUATION NORMS**

**2.1 Application of International Financial Reporting Standards adopted by the European Union (IFRS-EU)**

The consolidated annual accounts of the Fersa Group for 2012 have been prepared by the parent Company's Directors in accordance with the provisions of International Financial Reporting Standards adopted by the European Union (IFRS-EU), as per the Regulations (CE) nº 1606/2002 of the European Parliament and the Council. Other principles, accountancy norms and mandatory valuation criteria, such as the Commercial Code, the Spanish Corporation Law, the Stock Exchange Market Law and any other applicable commercial legislation have also been considered.

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

### 2.2 Fair view and accounting policies

The consolidated annual accounts present fairly the consolidated net equity and consolidated financial position of the Fersa Group at 31 December 2012, and the consolidated results of its operations, the changes in the statement of comprehensive income, changes in consolidated net equity and consolidated cash flows that have taken place in the Fersa Group in the year then ended. The consolidated annual accounts have been prepared under the historical cost method, modified albeit by the revaluation of the financial instruments which under the standards for financial instruments are recorded at fair value, taking into account the criteria for recording business combinations.

The consolidated annual accounts for 2012 of the Fersa Group have been prepared on the basis of the accounting records of Fersa Energías Renovables, S.A. and the other companies in the Group. Each company prepares its annual accounts under the accounting principles and standards in force in the country in which it carries out its operations, and, accordingly, the adjustments and reclassifications necessary have been introduced during the consolidation process in order to harmonise these principles and criteria and bring them into line with IFRS-EU. Furthermore, the accounting policies have been modified for the consolidated companies, when necessary, in order to ensure their consistency with the accounting policies adopted by the Fersa Group.

The information set out in these consolidated annual accounts is the responsibility of the parent Company's Management.

In 2012 the Fersa Group has registered impairments for goodwill, intangible assets, property, plant and equipment and other assets totaling Euros 92,44 million (Note 5). These impairments arise mainly from the following factors, most of which have taken place in the last quarter of 2012:

- On 27 December 2012 it was approved in Spain the law 15/2012 of fiscal measures for the energetic sustainability. This law approved, among other aspects, a tax on the electric energetic production of a 7%. This tax affects both the production and the incorporation to the electrical system of electrical energy.
- Changes in the price of the farms for which there is no fixed price agreements, especially in Spain. The RD 1/2012/27 January 2012 confirmed the premium (a component of the final price) for the operating wind farms and for the pre-assigned farms prior to 31 December 2012. During the year 2012, the Fersa Group has proceeded by not considering the premium for the Spanish farms that are still under development.

As a direct consequence of these two factors, the totality of the accounting import of the Spanish farms under development has been impaired during the year 2012 by a total amount of Euros 41 million.

- Review and restructuring of the portfolio of projects:

As a consequence of the deal signed by Fersa Energías Renovables S.A., Alster French Holdings SAS and Impax Polish Wind Holdings BV for the sale of 100% shares of the companies Eólica Kisielice Sp and Management Kisielice (Note 10) the Group has registered an impairment for these assets amounting to Euros 23 million, which have been classified as assets held for sale.

In the year 2012 the Fersa Group has estimated that the risk of losing the right to develop the Warblewo wind farm is provable (see Note 27), for this reason it has been considered convenient to impair the whole value of the wind farm that the company Eólica Warblewo, SP planned to develop. The impact of this impairment in the year

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

2012 amounts to Euros 23 million.

The Fersa Group has also considered in the year 2012 that the loss of the money paid in advance for the construction of the Estonia wind farm is provable (see Note 5), due to delays in the placement of orders. For this reason, the Group has considered convenient to impair the whole amount of this advanced payment. The impact of this impairment in the year 2012 amounts to Euros 7 million.

### **2.3 Comparison of the information**

As requested by the IFRS, the information contained in the annual consolidated accounts for the year 2012 is presented uniquely and exclusively, for comparative purposes with the relative information from the previous year.

### **2.4 Relative importance**

So as to determinate the information that needs to be broken down in the memory for each of the different accounting items, the Group has considered its relative importance in relation with the current consolidated annual accounts for the year 2012.

### **2.5 Consolidation principles and standards**

#### **a) Consolidation methods**

The consolidated companies are listed in the Appendix I to these consolidated annual accounts. In its consolidation the Group has applied the full consolidation method to the subsidiary companies, the proportional consolidation method to joint ventures and the equity accounting method to its associates.

#### Full consolidation method – Subsidiary Companies

The subsidiary companies have been fully consolidated, and all their assets, liabilities, income, expenses and cash flows have been integrated in the consolidated annual accounts after making the respective adjustments and derecognitions for intra-group operations. Subsidiary companies are those in which the parent Company controls the majority of the voting rights, or failing that, having the power to direct their financial policies. The Appendix I sets out the companies consolidated by this method.

The consolidation process eliminates the transactions, balances and unrealised gains between Group companies. The unrealised losses are eliminated, unless the transactions provide proof of an impairment loss of the asset transferred.

The acquisition method is used to book the acquisition of subsidiaries. The cost of acquisition is the fair value of the assets handed over, the net equity instruments issued and the liabilities incurred or assumed on the swap date. Any contingent consideration to be transferred by the Group is recognised at its fair value at the acquisition date. Subsequent variations to the fair value of contingent consideration which are considered to be an asset or liability are recognised in accordance with IAS 39 in net income or as a change in other global net income. Any contingent consideration which is classified as net equity is not revalued and its subsequent payment is booked in net equity. The costs directly attributable to the acquisition are booked directly in the income statement.

The results of subsidiary companies acquired or sold during the year are taken to consolidated profit or loss as from the effective date of the operation.

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially valued at their fair value at the acquisition date. For each business combination, the Group may opt to recognise any non-controlling stake in the subsidiary, joint venture or associate acquired in the operation at its fair value or at the proportional part of the recognised amounts of the subsidiary, joint venture or associate's identifiable net assets corresponding to the non-controlling stake.

The participation of third parties in net equity and the net income of the group companies is presented under "Minority interest" on the consolidated balance sheet and under "Net income attributable to minority interests" in the consolidated income statement. In the case of acquisition of minority interests, the overprice paid in relation to the net book value is recognised directly in net equity.

Transactions with non-controlling shares which do not result in a loss of control are recognised as net equity transactions, i.e. as transactions with the owners in their capacity as owners. The difference between the fair value of the amount paid and the corresponding acquired proportion of the book value of the subsidiary's net assets is recorded in net equity. Gains or losses from disposals of non-controlling shares are also recorded in net equity.

### Proportional consolidation method – Joint Ventures

This method is applied to "joint ventures", understood as contractual agreements between two or more entities that carry out operations or hold assets so that any strategic decision of a financial nature that affects them requires the unanimous consent of all the venturers. The Appendix I also sets out the companies consolidated by this method.

Through this consolidation method, the aggregation of the balances and the subsequent eliminations take place solely in the proportion of the group's interest to the capital of the joint venture.

The assets and liabilities that are jointly controlled with other venturers are stated on the consolidated balance sheet classified in accordance with their specific nature. Likewise, the income and expenses generated by joint ventures are stated in the consolidated income statement in accordance with their nature.

### Equity accounting method – Associates

The equity accounting method has been used to consolidate the associates. These are companies in which the Company has a direct or Indirect stake of between 20% and 50% of share capital, or where, if these percentages are not held, the Company has a significant influence on their management. The Appendix I also sets out the companies consolidated by equity accounting.

A significant influence is understood to exist when the Group has a stake in the associate and can intervene in the decisions regarding the associate's financial and operating policies but does not control the associate.

Investments in associates are recorded using equity accounting. The share in the gains or losses after the acquisition of an associate is recognised in the consolidated income statement and the share in the net equity movements after acquisition is recognised in reserves.

If the stake in an associate is reduced but the Company continues to have a significant influence on its management, only the stake in proportion to the amounts previously recognised in other global net income are reclassified to net income when this is appropriate.

Dilution gains and losses generated in investments in associates are recognised in the income statement.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

An investor will stop applying the equity accounting method from the date on which it stops having a significant influence on an associate's management and, as from this moment, it will recognise the investment in accordance with IAS 39. If a significant influence on the associate's management is lost, the investor will value the investment which it holds in the former associate at fair value and will recognise the difference between the following in net income:

- i) The fair value of the investment held and the product of the sale or drawdown by any other means of part of the stake in the associate, and
- ii) The booked amount of the investment on the date when significant influence is lost.

**b) Consolidation scope**

The Appendix I includes the companies in which Fersa Energías Renovables, S.A. has a direct or indirect shareholding, and which have been included in the consolidation scope at 31 December 2012

**Year 2012**

The main variations to the consolidation scope in 2012 have been as follows:

- a) Changes in the shareholding or changes in the consolidation method:

Company	31.12.12			31.12.11	
	% shareholding	Consolidation method	Effective date of transaction	% shareholding	Consolidation method
Fersa Italia, S.R.L.	0,00%	N/A	08/10/2012	100,00%	F.C.
Fersa Panamá, S.A.	30,00%	E.A.	24/10/2012	81,67%	F.C.
Energía Renovable Mestral Conca, S.L.	0,00%	N/A	03/12/2012	33,00%	P.C.

"F.C. - Full Consolidation; P.C. -Proportional Consolidation; E.A. - Equity Accounting"

On 8 October 2012, the Directors of the company Fersa Italia, S.R.L proceeded by dissolving this company. The impact of this operation was a loss before corporate taxes of Euros 27 thousand.

On 24 October 2012 Fersa Energías Renovables S.A. reached an agreement with the Panamanian company Recursos Eólicos S.A. ("RESA") which concluded with the transfer, from Fersa Energías Renovables S.A. to RESA, of representative shares amounting to a 70% of the share capital of the Panamanian subsidiary Fersa Panamá, S.A. (previously Fersa Energías Renovables, S.A. had acquired the whole amount of shares in Fersa Panamá, S.A.).

The ownership of the shares is going to be transmitted to RESA in different stages during 2012 and 2013. In each of these stages, RESA will pay part of the price and will acquire a specific number of shares. The total price of the purchase-sale contract, which RESA has to pay to Fersa, amounts to USD 10,438 thousand (Euros 7,911 thousand at 31 December 2012). The impact of this operation in the consolidated income statement before corporate taxes has been a loss of Euros 524 thousand.

As a consequence of the mentioned purchase-sale contract, the company Fersa Panamá S.A. has stopped applying the full consolidation method and has started using the equity accounting method.

On 3 December 2012 the company Energía Renovable Mestral Conca, S.L. was dissolved. This dissolution has implied a loss before corporate taxes of Euros 2 thousand.

- b) Additions to the consolidation scope:

There have been no additions to the consolidation scope during the year 2012.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**Year 2011:**

The main variations to the consolidation scope in 2011 have been as follows:

a) Changes in the shareholding or changes in the consolidation method:

Company	31.12.11			31.12.10	
	% shareholding	Consolidation method	Effective date of transaction	% shareholding	Consolidation method
Fersa Panamá, S.A.	81.67%	F.C	Feb-Mar-Apr/2011	93.67%	F.C
Ferrolterra Renovables, S.L.	36.99%	E.A	06/06/2011	40.00%	E.A
Empordavent, S.L	0.00%	N/A	14/07/2011	100.00%	F.C
Aprofitament d'Energies Renovables de L'Ebre S.L.	10.58%	N/A	14/07/2011	20.34%	E.A
Eólica Cijara, S.L.	0.00%	N/A	20/11/2011	50.00%	P.C
Parque Eólico Valcaire S.L.	0.00%	N/A	22/12/2011	33.75%	E.A

"F.C.- Full Consolidation; P.C.- Proportional Consolidation; E.A.- Equity Accounting".

On 14 July 2011, Fersa Energías Renovables, S.A. sold all its shares in Empordavent, S.L. to Acciona Energía, S.A. for Euros 10,687 thousand. This operation generated profits before taxes totaling Euros 7,570 thousand.

As a result of this operation, the Group furnished a first-demand guarantee for Euros 1,300 thousand to Acciona Energía, S.A. to guarantee the payment of a possible supplementary tax assessment for tax on constructions, installations and works. The Group considered that a provision should be recorded to cover the risk of the final tax assessment for this tax and, consequently, the loss of the guarantee (Note 14 and Note 27). Therefore, the profits generated from this sale in 2011 totalled Euros 6,250 thousand.

As a result of the sale of Empordavent, S.L., the Fersa Group's stake in Aprofitament d'Energies Renovables de L'Ebre, S.L. was reduced, since 9.76% of this company was owned by the former company. After this sale the Group's stake in AERE fall to 10.58% and, consequently, it was no longer recorded using equity accounting.

During the first quarter of 2011, Fersa Energías Renovables, S.A. completed sales for a total of 12% of its stake in Fersa Panamá, S.A. The amount of this operation is Euros 2,033 thousand and it had a negative effect on the Group's net equity of Euros 229 thousand.

On 20 November 2011, Fersa Energías Renovables, S.A. sold its 50% stake in Eólica Cijara, S.L. to Montes de Cijara, S.A. This operation generated losses before Corporate Income Tax totalling Euros 117 thousand.

On 22 December 2011, Sinergia Andaluza, S.L., 75% of which is owned by Fersa Energías Renovables, S.A., sold its total stake in Parque Eólico Valcaire, S.L. (45% of the company's total shares) to Urbaenergía, S.L. This operation generated losses before Corporate Income Tax totalling Euros 112 thousand.

b) Additions to the consolidation scope:

Company	31.12.11			
	Transaction	Effective date of transaction	% shareholding	Consolidation method
Infraestructures Comunes d'Evacuació Ribera d'Ebre, S.L.	Incorporation	26/10/2011	72.06%	F.C

"F.C.- Full Consolidation; P.C.- Proportional Consolidation; E.A.- Equity Accounting".

No significant business combination has taken place during the years 2012 and 2011.

**c) Homogenisation of the accounts of the companies in the consolidation scope.**

The criteria applied in the homogenisation have been as follows:

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

- Temporary homogenisation: the accounts of the companies in the consolidation scope are referred to at 31 December 2012 and 2011.
- Homogenisation of measurement: the measurement criteria applied by the subsidiary companies to the assets, liabilities, income and expenses coincide basically with the criteria applied by the parent Company.
- Homogenisation for internal transactions.
- Homogenisation for aggregation: for consolidation purposes, the necessary reclassifications have been made to adapt the structures of the subsidiary companies accounts to that of the parent Company and to IFRS-EU.

### 2.6 Transactions in foreign currency

The items included in the consolidated annual accounts of each entity in the Fersa Group are stated using the currency of the main economic environment in which the entity operates (functional currency). The consolidated annual accounts are presented in thousand Euros, which is the presentation currency of the Fersa Group.

The transactions in foreign currency are translated into the functional currency using the exchange rates in force on the transaction dates. The gains and losses in foreign currency from the settlement of these transactions and the translation to year end exchange rates of the monetary assets and liabilities denominated in foreign currency are recognised in the consolidated income statement.

The net income and financial position of all the companies in the Fersa Group (none of which are trading in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- The assets and liabilities of each balance sheet presented are translated at the exchange rate in force at the balance sheet date.
- The income and expenses of each income statement are translated at monthly average exchange rates, unless this measure does not reasonably reflect the accumulated impact of the exchange rates on the transaction dates, in which case the income and expenses are translated at the date of the transactions.
- All the exchange differences are recognised as separate components in net equity (translation differences).

The adjustments to goodwill and fair value arising from the acquisition of a foreign entity are treated as the assets and liabilities of the foreign entity and translated at the year end exchange rate.

The exchange rates against the Euro of the main currencies of the companies in the Fersa Group at 31 December 2012 and 2011 have been:

	31 December 2012		31 December 2011	
	Closing rate	Accumulated average rate	Closing rate	Accumulated average rate
American Dollar	1,3194	1,2932	1,2939	1,3951
Polish Zloty	4,0740	4,1900	4,4580	4,1256
Estonian Crown (*)	15,6466	15,6466	15,6466	15,6466
Indian Rupee	72,5600	68,9965	68,7130	65,1068
Chinese Yuan Renminbi	8,2207	8,1461	8,1588	9,0140

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

(\*) Fixed exchange rate with the Euro.

## **2.7 Segment reporting**

Operating segments are reported in a manner consistent with the internal information reported to Group Management. The operating segments are the components of the Group that involve business activities from which revenue is obtained and expenses are incurred, including ordinary income and expenses from transactions with other components of the same Group. With regards to these segments, the financial information is separated and operating results are reviewed regularly by Management in order to decide what resources must be assigned to the segment and to evaluate its performance.

## **2.8 Intangible assets**

### **a) Goodwill**

Goodwill represents the surplus, on the acquisition date, of the costs of the business combination over the fair value of the net identifiable assets of the subsidiary, joint venture or associate acquired in the operation. The goodwill related to the acquisitions of subsidiaries or joint ventures are included under intangible assets and that related to acquisitions of associated is included under investments consolidated by equity accounting.

Prior to the coming into force of International Financial Reporting Standards, and as per IFRS 1, goodwill arising from the acquisitions before 1 January 2004 was recorded in the amount recognised as such in the consolidated annual accounts at 31 December 2003 prepared under Spanish accounting principles.

The cost of the combination is determined by the aggregation of:

- The fair value of the transferred assets on the acquisition date, the liabilities incurred or assumed and the equity instruments emitted.
- The fair value of any of the contingent considerations depends on the future events or the compliance with the predetermined conditions.

Costs related with the emission of equity instruments or financial liabilities exchanged for the acquired assets are not part of the combination costs.

Additionally, fees paid to legal advisors or other professionals that have intervened in the combination, and of course those costs generated internally with the same nature, are not considered part of the combination costs. Instead, these costs are directly attributed to the income statement.

If the business combination is done in different stages, in such a way that before the acquisition date (obtaining the effective control) it already existed an investment, goodwill or the negative difference will be obtained by computing the difference between:

- The cost of the business combination, plus the fair value on the acquisition date of any previous share of the acquiring company in the acquired company, and,
- The value of the identifiable acquired assets minus the liabilities assumed, determined according to what was indicated previously.

Any profit or loss incurred as a consequence of the valuation at fair value on the date in which effective control is obtained over the shares of the acquired company, will be recognized in the



## **FERSA ENERGIAS RENOVABLES GROUP**

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

consolidated income statement. If the investment has been valued previously according to its fair value, the valuation adjustments pending to be included in the year's result will be transferred into the income statement. On the other hand, it is presumed that the cost of the business combination is the best reference point to estimate the fair value on the acquisition date of any previously issued share.

Any goodwill coming from the acquisition of a company whose functional currency is not the Euro, will be valued in that distinct currency. The Euro conversion will take place on the balance sheet date.

Goodwill is not amortized and needs to be revised annually so as to check if any impairment needs to be done. The ending value of goodwill will be its cost value minus the accumulated impairment value. Any impairment loss is considered an immediate expense and cannot be reversed in the future.

If the combination difference happened to be negative, it would be registered in the income statement as a revenue.

If at the closing date of the year in which the combination takes place the valuation processes needed to apply the acquisition method described above had not been concluded, this accounting entry would be considered provisional, thus future adjustments on the provisional values would be allowed during the period it took to acquire the required information, which under no circumstances can be more than a year. The effects of the adjustments done during this period will be accounted for retroactively, modifying the comparative information if needed.

The subsequent changes in the fair value of the contingent consideration will be adjusted against results, unless such consideration has been classified as net equity in which case its further changes on fair value will not be recognized.

If after taking the efficient control selling transactions take place or subsidiary shares are bought without losing it, the impact of these transactions without changes in control will be accounted as net equity and will not modify the value of the consolidated goodwill.

### b) 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 on a straight-line basis over their estimated useful life (four years).

Expenses relating to software 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.

### c) Other intangible assets

Intangible assets are recorded at their cost of acquisition or fair value when acquired through business combinations, less accumulated amortisation, which begins when the asset is made available for use, and less any impairment in value occurs.

These assets arise mainly from measuring at fair value, in business combinations, certain milestones in the development and implementation of a wind farm, such as the finding of ideal sites for the farm, wind measurements, obtaining licenses and authorisation from official bodies for the construction of a wind farm, etc. They include own work capitalised (basically staff costs) under intangible assets when the requirements of IAS 38 are met. These intangible assets are amortised on a straight-line basis over the farm's useful life, which begins when the assets are

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

put into operation.

The net book value of the intangible assets is tested for possible impairment before their amortisation begins and if changes or events indicate that their net book value cannot be recovered.

There are no intangible assets with an indefinite useful life other than goodwill.

## **2.9 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. This account also includes own work capitalised (basically staff costs) for property, plant and equipment when the requirements of IAS 16 are met. The provisions for dismantling, under contract, which are recorded upon start up at their current value as property, plant and equipment (with a counter-entry under provisions), form part of the cost and are depreciated over the useful life of the wind farm.

The net financial expenses, and other expenses directly attributable to property, plant and equipment, are included in the acquisition cost until they 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 carrying 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>
Furniture and other plant	5 - 10
Computer hardware	4
Machinery and plant	25

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

At the end of July 2012 the Fersa Group, taking into account the results of a study conducted by an independent and well-known entity, has concluded the analysis that was being conducted in regard of the useful life of its wind farms. This analysis, which has been done using both internal and external information sources, has concluded that the best estimate, taking into account the current situation, is 25 years as useful life.

As a consequence, the account "Depreciation of Property, Plant and Equipment" in the consolidated income statement includes the impact of this change in useful life, from 20 to 25 years, as from 1 July 2012, which has been of a decrease in the depreciation costs amounting to Euros 2,362 thousand. The Fersa Group estimates that after 2013 this modification over the useful life will imply an annual decrease of depreciation costs amounting to Euros 4,724 thousand approximately. This import will decrease over time until the useful life of the wind farms concludes.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

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 the income statement.

## **2.10 Impairment of non-financial assets**

Assets are reviewed for impairment provided that an event or change in circumstances indicate that the amount booked may not be recoverable. Additionally, goodwill is tested annually. Accordingly, the assets and goodwills are allocated to the Cash Generating Units (CGUs); for example, in the Wind segment, each wind farm corresponds to a CGU.

An impairment loss is expensed in the amount of the difference between the net book value of the asset and the recoverable amount. The recoverable amount is the greater of the fair value of an asset less the costs of sale or its value in use. In order to evaluate the impairment, the assets are grouped at the lowest level for which there are separately identifiable cash flows. When evaluating value in use, the estimated future cash flows are calculated at present value.

## **2.11 Financial assets and liabilities**

### 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.

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 consolidated income statement.

#### b) Available-for-sale financial assets:

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

Non-derivative financial assets that are carried under this account are recognised initially at their fair value.

The unrealised gains and losses from changes in fair value are recognised in net equity. When sold or impaired, the accumulated adjustments in value adjustment reserve are taken to the

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

consolidated income statement.

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 net 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.

If there is objective proof of impairment, the Group 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 Group 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 Group.

c) Investments held to maturity:

Financial assets held to maturity are debt instruments with fixed or determinable collections and fixed maturities which Group Management effectively intends, and has the capacity to, hold until they mature. If the Group sells a significant amount of financial assets held to maturity, the whole category would be 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.

d) Financial assets held for trading and other financial assets at fair value through the income statement:

The assets held for trading that are acquired for sale in the short term or that form part of a portfolio of instruments identified and managed jointly in order to obtain short-term gains, as well as the financial assets assigned by the Group upon initial recognition for inclusion in this account based on more relevant information, qualify as financial assets at fair value through the income statement. The derivatives are also classified as held for trading provided that they do not constitute a financial guarantee agreement nor have been designated as hedging instruments.

These financial assets are stated initially and in valuations thereafter, at their fair value, and the changes that arise in this value are taken to the income statement for the year. The costs of the transaction directly attributable to the acquisition are recognised in consolidated profit and loss for the year.

e) Cash and other cash equivalents:

Cash and other cash equivalents include cash, short-term highly liquid time deposits and other short-term investments with an initial maturity within no more than three months as from the acquisition date.

The financial assets are written-off from the balance sheet when the risks and rewards of ownership of the asset have been substantially transferred. In the specific case of accounts receivable, this occurs in general when the insolvency and default risks have been transferred.

The valuations at fair value made are classified using a prioritisation of fair value reflecting the variables used to make these measurements. This prioritisation has three levels:

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

- Level 1: Valuations based on the share price of identical instruments in an official market.
- Level 2: Valuations based on variables that can be observed for assets or liabilities.
- Level 3: Valuations based on variables that are not based on observable market information.

The financial assets that qualify as hedges are subject to the measurement requirements of hedge accounting (Note 2.12).

### Financial liabilities:

#### a) Borrowings:

Borrowings are recognised initially at their fair value, net of the costs of the transaction. Any difference between the amount received and the repayment value is recognised in the income statement during the period of repayment of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless they mature in twelve months as from the balance sheet date, or include tacit renewal clauses to be exercised by the Fersa Group.

#### b) Trade and other payables:

Trade and other payables are short-term financial liabilities stated at fair value and do not accrue explicit interest and are recorded at their nominal value.

Trade payables are obligations to pay for goods or services acquired from suppliers during normal trading activities. Trade payables are recorded as current liabilities if the payments accrue within one year or less (or accrue during normal trading activities, if longer). Otherwise, they are recorded as non-current liabilities. Trade payables are initially recognised at fair value and are subsequently valued at their amortised cost using the effective interest rate method.

## **2.12 Derivatives and other financial instruments**

The financial derivatives are recognised at fair value on the contract date, and are successively recalculated at fair value. The method for recognising the gain or loss depends on whether the derivative is classified as a hedging instrument, and if so, the nature of the asset hedged.

The Fersa Group documents the relationship between the hedging instruments and the assets or liabilities hedged at the beginning of the transaction, as well as the purpose of the risk management and hedging strategy.

A hedge is considered to be highly effective when the changes in the fair value or the cash flows of the assets hedged are offset by the change in the fair value or cash flows of the hedging instrument, with an effectiveness ranging from 80% to 125%.

### Types of hedges:

#### a) Cash flow hedges:

For these derivatives, the effective part of changes in the fair value of the derivatives designated and qualifying as cash flow hedges is recognised in net equity. The gain or loss relating to the non-effective part is recognised immediately in the consolidated income statement. The amounts accumulated in net equity are released to the consolidated income statement in the year in which the hedged items affects profit or loss.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

b) Hedges of net foreign investments:

Operations of this type are used to hedge the exchange rate risk of investments in subsidiaries and associates, joint ventures and branches, whose activities are based on or carried out in a functional currency other than that of the company that prepares the financial statements. The net foreign investment is made up of, in addition to the holding in net equity, any monetary items payable or receivable, which settlement is not contemplated or likely to occur in the foreseeable future, excluding trade receivables and payables.

The accounting treatment of these hedges is similar to that for cash flow hedges and the account used to carry the variations in the value of the hedging instrument on the consolidated balance sheet is called "Translation differences" under net equity. The accumulated valuation under reserves is transferred to the consolidated income statement as the foreign investment that generated them is sold or in the event that the posting of the hedge is no longer valid, either because the hedging instrument has expired or because it no longer complies with the effectiveness rules. In these cases, the accumulated gains and losses in reserves as a result of the valuation of the hedging instruments are released to the consolidated income statement as the hedged operation materialises (unless the latter gives rise to a non-financial asset or liability, in which case this balance is taken into account when initially posting the asset or liability generated by the hedging operations).

c) Fair value hedge:

The changes in the fair value of the derivatives that are designated and qualify as fair value hedges are posted in the consolidated income statement, together with any change in the fair value of the asset or liability hedged that is attributable to the risk hedged.

### **2.13 Non-current assets held for sale**

The Fersa Group classifies all the related assets and liabilities for which active measures have been taken for their sale and if the sale is expected to take place within the next twelve months, as assets held for sale.

These assets are stated at the lower of their book value and their fair value less the costs of sale and are not subject to depreciation, as from the time in which they are classified as non-current assets held for sale.

The non-current assets held for sale are stated on the consolidated balance sheet as follows: the assets in a single account called "Non-current assets held for sale" and the liabilities also in a single account called "Liabilities linked to non-current assets held for sale".

### **2.14 Treasury shares**

In the event of the acquisition of treasury shares of the parent Company, 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.

### **2.15 Share capital**

Share capital is represented by ordinary shares.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The cost of the issue of new shares or options, net of tax, is subtracted from net equity.

The dividends from ordinary shares are recognised as less net equity when approved by the Company's shareholders.

## **2.16 Provisions and contingent liabilities**

The Directors of the Fersa Group have established a difference in the consolidated annual accounts between:

- a) Provisions: credit balances that cover current obligations related with past events. Its settlement is likely to originate an outflow of cash, however the moment and the amount of the settlement cannot be determined.
- b) Contingent liabilities: possible obligations arising as a consequence of past events whose future materialization is subject to whether or not one or more than one of these events ends up taking place. These events are independent of the Groups' will.

Provisions are recognised when the Fersa Group 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 can be reliably estimated. No provisions are recognised for future operating losses.

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

Provisions are stated at current value of the amount necessary to settle the liability at the balance sheet date, according to the best estimation 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.

## **2.17 Corporate income tax**

The corporate income tax accrued includes the expense for the deferred tax and the current tax understood as the amount payable (or refundable) relating to the tax profit for the year.

The current tax is the amount that the Group pays as a consequence of the fiscal liquidations arising from Corporate Income Taxes for the year. Deductions and other fiscal advantages affecting the amount of taxes payable, excluding any account retention or payment, as well as fiscal losses that can be compensated from past years and that are effectively applicable during the current year, give rise to a lower amount of current taxes payable.

The deferred tax is recorded by comparing the temporary differences that arise between the taxable income from the assets and liabilities and the accounting profit on the consolidated annual accounts using the tax rates that are expected to be in force when the assets and liabilities are realised. No tax is recorded for the profit of the subsidiaries not distributed when the Fersa Group can control the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Liabilities arising from deferred taxes are recognized for all the temporary differences on tax bases, except for those derived from the initial recognition of goodwill or other assets and liabilities in an operation that does not affect neither the fiscal result nor the accounting result and that is not included in a business combination.

## **FERSA ENERGIAS RENOVABLES GROUP**

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The deferred tax arising from charges or credits made directly in the net equity accounts are also recorded as charges or credits to net equity.

Additionally, any difference that might exist between the consolidated value of an acquired company and its fiscal base will also be considered at a consolidated level. In general these differences arise from the accumulated results generated after the acquisition date, from fiscal deductions associated with the investment and from the exchange difference, in the case where the acquired company uses a currency that is not the Euro. Deferred tax assets and liabilities originated from these differences can be recognized except for, and in the case of taxable differences, those in which the investor has control over the moment of reverting the difference and in the case of the deductible differences, if it can be expected that such difference has consequences on the foreseeable future and if it is likely that the company has a tax profit of a sufficient amount.

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.

In every closure of the accounting cycle the assets registered as deferred taxes receivable are reconsidered and the needed corrections are done in the cases where doubts exist about their future payment. Moreover, in every closure, the assets that have not been registered as deferred taxes in the balance sheet are evaluated and recognized if their future recoverability in the form of future tax profits is likely.

### **2.18 Recognition of income and expenses**

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 Fersa Group's normal course of business, minus returns, price reductions, discounts and value added tax.

The sales of goods are recognised when the products have been delivered to the customer, when the customer has accepted them, even if they have not been invoiced, or as the case may be, the services have been provided and the collection of the respective accounts receivable is reasonably assured. The sales for the year include the estimate of the energy supply that has not yet been invoiced.

The CERs are recognised in the consolidated income statement when the energy which generates them is produced provided that there is reasonable assurance that such CERs will be obtained (for example, the requirements to obtain the CERs are met).

Note 3 describes the basic features of the regulations in the electricity sector that are applicable.

The interest income is recognised using the effective interest rate method.

### **2.19 Leases**

Leases in which the lessee substantially holds all the risks and reward of ownership are classified as finance leases. They are recognised at the beginning of the lease at the lower of the fair value of the asset and the present value of the lease payments including, as the case may be, the purchase option. Each lease payment is broken down between the reduction of the debt and the financial charge, so that a constant interest rate is obtained on the outstanding debt. The payment obligation arising from the lease, net of the financial charge, is recognised under liabilities in the consolidated balance sheet. The part of the interest on the financial charge is taken to consolidated income statement during the period of the lease in order to obtain a constant periodical interest rate on the outstanding debt to be paid in each period. The



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

property, plant and equipment acquired under finance leases is depreciated over the useful life of the asset.

Leases in which the lessor retains a major part of the risks and benefits arising from ownership are classified as operating leases. Operating lease payments are charged to the income statement for the year in which they accrue on a straight-line basis over the term of the lease.

## **2.20 Cash flow statement**

The consolidated cash flows statement have been prepared using the indirect method, and, using the following expressions with the meeting set out below:

- a) Operating activities: activities that make up the ordinary group revenues, and other activities that cannot qualify as investment or financing.
- b) Investment activities: investment, sale or disposal by other means of long-term assets and other investments not included under cash and cash equivalents.
- c) Financing activities: activities that cause changes to the volume and composition of net equity and the liabilities that do not form part of the operating activities.

When it is possible to identify a tax flows in individual operations, such as, for example, Value Added Tax, which give rise to receipts and payments classified as investment and financing activities, these will be classified the same as the transaction to which it refers.

## **2.21 Profit per share**

Basic profit per share is calculated using consolidated profit or loss for the year attributable to the parent Company between the average number of ordinary shares in circulation during this period, excluding the average number of treasury shares held by the Group.

Diluted profit per share is calculated using the consolidated profit or loss for the year attributable to the ordinary shareholders adjusted by the effect attributable to the potential ordinary shares having a dilutive effect and the average number of ordinary shares in circulation during this period, adjusted by the average weighted number of ordinary shares that would be issued if all the potential ordinary shares were converted into ordinary shares of the Company.

## **2.22 New accounting standards IFRS-EU and interpretations IFRIC**

- a) Effective norms and interpretations in the current year

Those norms, modifications and interpretations that have been approved during the year 2012 (which are detailed in the following table), have been taken into account from the 1<sup>st</sup> of December 2012 onwards without any significant impact in the elaboration of the current consolidated annual accounts:

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Modification of IAS 1– Presentation of Other Comprehensive Income (published in June 2011)	Minor modification in relation with the presentation of the Other Comprehensive Income.	Accounting years started on 1 July 2012.
Modification of IFRS 7-Financial instruments: Disclosures- Transfer of financial assets (published in October 2010)	Expands and reinforces the disclosures on financial assets transfers.	Accounting years started on 1 July 2011.

b) Emitted norms and interpretations which are not in force

On the date of formulation of the current annual consolidated accounts, the following norms, modifications and interpretations had been published by the IASB but were not yet in force, either because its due date was subsequent to the date of formulation of the current annual consolidated accounts or because they had not been adopted by the European Union:

New norms, modifications and interpretations		Mandatory application from
Modification of IAS 12 - Corporate Income Tax - Deferred taxes related with property, plant and equipment (published on December 2010)	About the calculation of deferred taxes related with property, plant and equipment according to the fair value model of IAS 40.	Accounting years started on 1 January 2013
IFRS 9 Financial assets: classification and valuation (published on November 2009 and in October 2010) and subsequent modification of IFRS 9 and IFRS 7 about the effective date and transition disclosures (published on December 2011)	Substitutes the requirements of classification, asset and financial liabilities valuation and derecognition of IAS 39,	Accounting years started on 1 January 2015
IFRS 10 Consolidated financial statements (published on May 2011)	Substitutes the current consolidation requirements of IAS 27.	Accounting years started on 1 January 2014
IFRS 11 Joint Ventures (published in May 2011)	Substitutes the current IAS 31 about joint ventures.	Accounting years started on 1 January 2014
IFRS 12 Disclosures about shares in other entities (published on May 2011)	Unique norm that establishes the disclosures related with dependent non-controlling stake on the subsidiaries, partners, joint business and non-consolidated entities.	Accounting years started on 1 January 2014
IFRS 13 Measurement of Fair Value (published on May 2011)	Establishes the framework of the fair value valuation.	Accounting years started on 1 January 2013
IAS 27 (Revised) Individual financial statements (published on May 2011)	The norm is revised, given that after the emission of IFRS 10 now it will only contain the separated financial statements of a company.	Accounting years started on 1 January 2014
IAS 28 (Revised) Investment in subsidiaries and joint ventures (published on May 2011)	Parallel revision in relation with the emission of IFRS 11 Joint agreements.	Accounting years started on 1 January 2014
Modification of IAS 19 Employee benefits (published on June 2011)	The modifications fundamentally affect the benefit plans defined given that one of the fundamental	Accounting years started on 1 January 2013

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

	changes is the elimination of the "fluctuating band".	
Modification of IAS 32 Compensation of financial assets with liabilities (published on December 2011)	Additional clarifications about the compensation rules of financial assets and liabilities of IAS 32 and introduction of new disclosures related to IFRS 7.	Accounting years started on 1 January 2014
Modification of IFRS 7 Compensation of financial assets with liabilities (published on December 2011)		Accounting years started on 1 January 2013
Improvements on the IFRS Cycle 2009-2011 (published on May 2012)	Minor modifications of a group of norms.	Accounting years started on 1 January 2013
Transition norms: Modification of IFRS 10, 11 and 12 (published on June 2012)	Clarification of the transition rules of these norms.	Accounting years started on 1 January 2013
Interpretation of IFRIC 20: Extraction costs during the production phase of an open mine (published on October 2011)	The Interpretation Committee of IFRS deals with the accounting treatment of the dismantling costs of the residual materials in the open mines.	Accounting years started on 1 January 2013

The Group has not considered the anticipated application of the norms and interpretations just detailed however their application is going to be considered by the Group once approved, if that is the case, by the European Union.

In any case, the Directors of the parent Company have evaluated the potential impacts of the future application of these norms and consider that its enforcement will not have a significant effect on the consolidated annual statements of the Group, except for the ones mentioned below:

- The application of IFRS 11 will imply, under the current control circumstances, the register of certain companies that are currently proportionally consolidated as per equity accounting. This will imply the reclassification of all the assets and liabilities of each of the subsidiaries previously consolidated using the proportionally consolidated method. This reclassification will be registered on the balance sheet as "Investments as per equity accounting", being therefore its effect on the equity side neutral. The subsidiaries that are going to be affected by the IFRS 11 norm are detailed in the joint Appendix I.
- Additionally, the application of the norm IFRS 13 will imply the fair value revaluation of the financial assets derived from the Group (Note 9). At the formulation date of the current annual accounts, the Group is evaluating the possible impact the application of this norm will have on the financial statements of the Group, however, it is estimated that it will not be significant.

### **2.23 Significant accounting estimates and judgements**

The preparation of consolidated financial statements requires the formulation of estimates and judgements. These estimates and judgements, by definition, will rarely coincide with real future data. We set out below the estimations and judgements where there is a significant risk that they will give rise to a material adjustment to the amounts of assets and liabilities recorded in the following financial year:

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

### a) *Non-financial asset impairment*

The Group verifies whether goodwill, the remaining intangible assets and property, plant and equipment have suffered a loss for impairment of assets in accordance with the accounting policy stated in Note 2.8. The recoverable amounts of CGUs have been calculated on the basis of the calculations of value in use from discounted cash flows based on the Group's assumptions. These calculations require the use of judgements, which, amongst others, mainly include the discount rate, the production hours and sales prices of electricity (Note 5). In addition, the Group's activities are subject to existing regulation whose amendments may affect the valuation of the assets. Consequently, if the real data differs from the estimates and judgements used, the recoverable amounts resulting from the various CGUs may vary and, consequently, require a higher or lower impairment of assets. To be able to report how sensitive this calculation of impairment is, Note 5 sets out a sensitivity analysis for reasonable variations of key judgements which has been established by Group Management.

### b) Provisions

In general, liabilities are recorded when it is probable that a liability or obligation will give rise to an indemnity or payment. The Fersa Group 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 estimations are subject to the interpretation of current events and circumstances, projections of future events and estimates of their financial effects.

### c) Corporate income tax and deferred income tax assets

The calculation of the corporate income tax expense requires interpretations of tax legislation in the jurisdictions in which the Fersa Group operates. The determination of expected outcomes of outstanding disputes and litigation requires the preparation of significant estimates and judgments.

The Fersa Group 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.

### d) Revenue recognition

Revenue from energy sales is recognized when the electricity is delivered to the customer on the basis of estimated energy production.

Historically, no material adjustments have been made to the amounts recorded as revenue for the estimate of the energy produced pending invoicing and no adjustments are expected in the future.

### e) Business combinations

In the purchase prices allocation process in business combinations, estimates and certain judgements must be made when identifying and measuring certain existing intangible assets. To do so the Fersa Group uses valuation reports of independent third parties.

### f) Fair value of derivatives

The fair value of the financial instruments that are traded on official markets is based on market prices at the balance sheet date. The market quotation price that is used for financial assets is the current buyer price.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The fair value of the financial instruments that are not listed on an official market is determined using valuation techniques. The fair value of interest rate swaps is calculated as the present value of the future estimated cash flows.

g) Useful life of property, plant and equipment and intangible assets

The accounting treatment of investments in property, plant and equipment and intangible assets includes estimates for determining their useful lives for depreciation and amortisation purposes, and for determining the fair value at the acquisition date, for assets acquired in business combinations.

The determination of useful life requires estimates of their degree of use, maintenance as well as expected technological evolution. The assumptions regarding the degree of use, technological framework and future development involve a significant degree of judgement, insofar as the timing and nature of future events are difficult to foresee.

On 1 July 2012, the Fersa Group modified its estimates of the useful life of its wind turbines, which is now of 25 years (Note 2.9).

#### **2.24 Actions causing an impact on the environment**

Currently they are registered as an expense or as an investment, depending on the nature, the carried out payments that are needed to comply with the legal requirements related with environmental issues. Imports registered as an investment are amortized as a function of their useful life.

No provision for risks and costs related with environment issues has been considered given that there exist no contingencies related with the environment protection.

#### **2.25 Related party transactions**

The Group undertakes operations with related parties at market values. Additionally, the transfer prices are adequately justified so it is estimated that no significant risks exist, thus none of them is expected to generate any future obligation that needs to be considered.

### **NOTE 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 operates.

#### **Spain**

The wind energy industry is a regulated sector and has as a reference the legal framework stipulated by the law 54/1997/27 November of the Wind Energy Sector, which has been modified by the law 17/2007, as well as by the subsequent regulations developed.

Among these subsequent regulations, most notable is RD 661/2007/25 May, that regulates the production of electricity under the special regime (regime for electricity produced from renewable sources), and that allows for either a regulated tariff regime or for a market plus premium one.

This remunerative and legal framework is mandatory 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

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

producers will operate under RD 661/2007. Accordingly, the plants in operation prior to 2008 can remain under the previous regulatory framework, RD 436/2004/12 March, which establishes the methodology for revising and systematising the economic-legal regime for electricity production under the special regime, which must be abandoned by law at 31 December 2012.

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.

Notwithstanding, this economic and legal regime for electricity production activities regulated by the special regime has been reformed by RD 1565/2010/19 November, which regulates and amends certain matters relating to electricity production activities regulated by the special regime, and by RD 1614/2010/7 December, which regulates and amends certain matters relating to activities for the production of electricity using solar, thermoelectric and wind energy technologies.

On the other hand, another of these subsequent regulations worth highlighting is Royal Decree 6/2009/30 April, which adopted certain measures for the energy industry, and the social bond, established the limits for meeting the increase in the tariff deficit.

RDL 14/2010/23 December, which establishes urgent measures to correct the tariff deficit for the electricity industry, regulates the estimated provisional imbalance of payments of the regulated activities and establishes the periods for reviews of tolls for access to electricity energy transport and distribution networks and the increase of the social bond for a further six months. Accordingly, the electricity companies will bear the cost of the energy savings and efficiency strategy measures in order to contribute to mitigating the excess costs of the system. And, finally, the hours having the right to a premium for solar energy plants will be limited.

A law on sustainable economy has at the same time been approved in Spain, the Sustainable Economy Act 2/2011/4 March, which establishes in Article 78 of the act the national minimum targets for energy saving and efficiency and renewable energies for 2020 and the target that at least 20% of the final gross energy consumption in Spain should be generated from the exploitation of renewable sources by this date.

As the Renewable Energies Plan 2005-2010 has now expired in accordance with the mandate established in current legislation, i.e. RD 661/2007 establishing the electricity energy production activity regulated by the special regime, and subsequently the Sustainable Economy Act 2/2011/4 March, an agreement of Spain's Council of Ministers dated 11 November 2011 has approved the Renewable Energies Plan 2011-2020 which establishes the target that at least 20% of the final gross energy consumption in Spain should be generated from the exploitation of renewable sources in 2020. The targets of the Renewable Energies Plan 2011-2020 are in line with the Community Directive 2009/28/EC of the European Parliament and Council of 23 April 2009 on the promotion of the use of energy from renewable sources.

On 27 January 2012, the Spanish government enacted RDL 1/2012/27 January, in accordance with which the remuneration pre-assignment procedures are suspended and the economic incentives for new electricity energy production facilities based on cogeneration, sources of renewable sources and waste materials.

Basically two measures have been adopted with this law:

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

1. Elimination of the economic incentives for electricity energy production facilities regulated under the special regime. Specifically, the values of the regulated tariffs, premiums and limits established in RD 661/2007/25 May and the incentive payments for efficiency and reactive energy regulated in RD 661/2007/25 May are eliminated.
2. Suspension of the remuneration pre-assignment procedures for the granting of the private economic regime.

The measure has affected facilities which had still not been registered in the pre-assignment register of the special regime on the date when RDL 1/2012/27 January came into force and the facilities regulated under the ordinary regime which, at the date in which the regulation came into force, 28 January 2012, had not been granted a permit by the relevant authorities, the Spanish General Directorate of Energy Policy and Mines.

In addition, this new regulation establishes that those facilities under development that have not been registered in the pre-assignment on the date when the RDL comes into force will have the opportunity to desist from the registration on the pre-assignment register, in which case they are going to be reimbursed the whole amount of the guarantees made available. Moreover, the guarantees will also be returned to those facilities registered in the pre-assignment that, during the subsequent twelve month after the RDL 1/2012/27 January comes into force, that is on 28 March 2012, choose not to proceed with the installation.

The new regulation is not retroactive and therefore it will not apply to installations already in operation, to premiums already authorised or installations already registered in pre-assignment registries.

At the end of the year 2012 it was approved the RDL 15/2012/27 December, of fiscal measures for the energetic sustainability. Under the current law, it is stipulated, among others, a new tax, the Tax on the value of production of electrical energy, which levies a tax on the production activities and incorporations to the electrical energy system of a 7% rate.

Recently it has been approved the RDL 2/2013, of urgent measures in the electricity sector as well as in the financial sector. This new RDL modifies the RD 661/2007/25 May, since it eliminates the option of market price plus premium. It establishes that all the facilities that on the date of enforcement of the RDL were selling its energy to the market, on an automatic basis and from the 1<sup>st</sup> of January 2013 onwards, will have to start selling its energy at a regulated tariff, except if prior to 15 February 2013, they had chosen to sell it to the market, under the conditions established by the RDL, that is, without a premium, as indicated previously.

Additionally, the RDL 2/2013, regulates the substitution of the actualization of payments of the electrical system activities of the Consumer Price Index by the Consumer Price Index without elaborated food products and energy products.

### France

In France the electricity facilities must hold authorisations for operations under the following legislation:

- Law n° 2000-108/10 February 2000, on the modernisation and development of the electricity utilities.
- Decree n° 2000-877/7 September of that year on the authorisation for operating electricity facilities.

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

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

to inflation on 1 November of each year. In 2012, the tariff applied to the company in the Fersa Group in France was Euros 8.838 cents per KWh until 1 November, and from that date, Euros 8.954 cents per KWh.

### 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 provisions 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 and before 3 March 2012 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.

### Poland

The production of electricity from renewable energy sources is regulated in Poland by the *Polish Energy Act* of 4 March 2005, which stipulates the following:

- Purchase obligation. The distributors are obligated to purchase energy generated by renewable sources connected to the network. The minimum price of acquisition of electricity is determined by the average market price during the preceding calendar year, and is set by the President of the URE before 31 March of each year. The price that the President of the URE announced for 2012 was PLN 198.90 per MWh.
- Certificates of origin. On the other hand, Polish legislation provides for a parallel quota and market mechanism for "Green Certificates": for each MWh generated, the renewable energy producer obtains a "Green Certificate" that can be sold on the spot market or under bilateral agreements. The distributors are obligated to justify (either through own generation or the purchase of "Green Certificates") that a percentage of the energy they sell is from renewable sources. If they do not, they must pay a penalty. This penalty is now PLN 286.74 per MWh, which is revised annually in line with the CPI.

In August 2008, the current Green Certificates system was extended by three years, and the renewable energy quotas that the suppliers must meet until 2017 were published, to wit: 5.1% (2007); 7.0% (2008); 8.7% (2009); 10.4% (2010-2011-2012); 10.49% (2013); 11.4% (2014); 11.9% (2015); 12.4% (2016) and 12.9% (2017).



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**NOTE 4 – SEGMENT REPORTING**

a) Format for presentation of business segment reporting

The business segments of the Fersa Group are wind, biogas and solar energy. Profit and loss by segment breaks down as follows:

31 December 2012	Wind					Total	Solar	Biogas	TOTAL
	Spain	Other countries in Western Europe	Eastern Europe	Asia	Latin America		Western Europe	Western Europe	
Turnover	23,720	2,754	5,672	11,136	-	43,282	871	493	44,646
EBITDA (*)	16,028	2,137	4,100	9,430	(400)	31,295	538	41	31,874
Depreciation charge	(10,516)	(869)	(2,436)	(3,944)	-	(17,765)	(345)	(7)	(18,117)
Impairment of fixed assets	(38,336)	(22)	(53,703)	(565)	70	(92,556)	104	7	(92,445)
Gains/losses on disposal of non current assets	-	-	-	-	(524)	(524)	-	-	(524)
Operating profit (loss)	(32,824)	1,246	(52,039)	4,921	(854)	(79,550)	297	41	(79,212)
Net financial income (expense)	(7,675)	(572)	(2,042)	(3,409)	1	(13,697)	(315)	-	(14,012)
Participation in profit for the year of associates	(43)								(43)
Profit before tax									(93,267)
Corporate Income Tax									14,873
Consolidated Profit (loss) for the year									(78,394)
a) Profit (loss) attributed to the parent company									(68,983)
b) Profit (loss) attributed to minority interest									(9,411)

(\*)EBITDA: Operating profit plus depreciation and impairment

31 December 2011	Wind					Total	Solar	Biogas	TOTAL
	Spain	Other countries in Western Europe	Eastern Europe	Asia	Latin America		Western Europe	Western Europe	
Turnover	25,202	2,092	6,058	8,334	-	41,686	767	556	43,009
EBITDA (*)	22,473	1,520	4,450	7,326	(402)	35,367	520	178	36,065
Depreciation charge	(11,994)	(811)	(2,958)	(3,801)	-	(19,564)	(345)	(113)	(20,022)
Impairment of fixed assets	(70,075)		(32,730)	(41,899)	-	(144,704)	(629)	(118)	(145,451)
Operating profit (loss)	(59,596)	709	(31,238)	(38,374)	(402)	(128,901)	(454)	(53)	(129,408)
Net financial income (expense)	(4,603)	(492)	(2,090)	(4,067)	(1)	(11,253)	(343)	-	(11,596)
Participation in profit for the year of associates	(63)								(63)
Profit before tax									(141,067)
Corporate Income Tax									31,127
Consolidated Profit (loss) for the year									(109,940)
a) Profit (loss) attributed to the parent company									(102,464)
b) Profit (loss) attributed to minority interest									(7,476)

(\*)EBITDA: Operating profit plus depreciation and impairment

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

b) Format for presentation of financial information according to geographic segments

Given the Fersa Group's presence in various countries, information is grouped by geographic actions. The Fersa Group's registered office, where its main operations are carried-out, is currently in Spain. The main areas of operations cover different geographic groups, including, of special note:

- Western Europe, which includes Spain and France.
- Eastern Europe, which includes Poland, Estonia and Montenegro.
- Asia, which includes India and China.
- Latin America, which includes Panama.

Net turnover of the Fersa Group by geographic group is set out below:

	2012	2011
<b>Western Europe</b>	<b>27,838</b>	<b>28,617</b>
Spain	25,084	26,525
France	2,754	2,092
<b>Eastern Europe (Poland)</b>	<b>5,672</b>	<b>6,058</b>
<b>Asia (India)</b>	<b>11,136</b>	<b>8,334</b>
<b>Total</b>	<b>44,646</b>	<b>43,009</b>

The only countries that currently own operating wind farms are Spain, France, Poland and India.

The assets and liabilities by segments are as follows:

a) By business segment

	Assets	Investment as per equity accounting	Goodwill	Liabilities
<b>As at 31.12.12</b>				
Wind	382,533	4,104	11,388	20,460
Biogas	162	-	-	573
Solar	6,898	-	-	43
<b>Total</b>	<b>389,593</b>	<b>4,104</b>	<b>11,388</b>	<b>21,076</b>

	Assets	Investment as per equity accounting	Goodwill	Liabilities
<b>As at 31.12.11</b>				
Wind	472,733	1,887	38,856	40,678
Biogas	169	-	-	573
Solar	7,313	-	-	43
<b>Total</b>	<b>480,215</b>	<b>1,887</b>	<b>38,856</b>	<b>41,294</b>

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

### b) By geographic segment

As at 31.12.12	Assets	Investment as per equity accounting	Goodwill	Liabilities
Western Europe	222,821	392	1,525	18,956
Eastern Europe	80,030	-	6,505	538
Asia	86,742	-	3,358	1,582
Latin America	-	3,712	-	-
<b>Total</b>	<b>389,593</b>	<b>4,104</b>	<b>11,388</b>	<b>21,076</b>

As at 31.12.11	Assets	Investment as per equity accounting	Goodwill	Liabilities
Western Europe	280,136	1,887	2,458	38,640
Eastern Europe	100,348	-	16,701	1,483
Asia	96,705	-	3,165	1,159
Latin America	3,026	-	16,532	12
<b>Total</b>	<b>480,215</b>	<b>1,887</b>	<b>38,856</b>	<b>41,294</b>

The assets by segments consist mainly of property, plant and equipment, intangible assets, customers and debtors. Financial assets, goodwill, deferred taxes receivable, cash and other cash equivalents are excluded. The assets that have not been considered amount to Euros 59,804 thousand as at 31 December 2012 and Euros 87,446 thousand as at 31 December 2011.

Liabilities by segments consist of operating liabilities. Excluding financial debt (Note 15) and deferred taxes payable. The liabilities that have not been considered amount to Euros 260,152 thousand at 31 December 2012 and Euros 315,206 thousand at 31 December 2011.

The detailed list of fixed assets, detailing Spain and the rest of the foreign countries, taking just into account those countries that are relevant, is the following:

As at 31.12.12	Goodwill	Intangible assets	Property, plant and equipment	Total
Spain	665	36,552	160,719	197,936
India	3,358	20,488	63,189	87,035
Poland	5,716	17,473	2,549	25,738
Rest of the world	1,649	3,991	13,958	19,598
<b>Total</b>	<b>11,388</b>	<b>78,504</b>	<b>240,415</b>	<b>330,307</b>

As at 31.12.11	Goodwill	Intangible assets	Property, plant and equipment	Total
Spain	1,598	75,417	183,019	260,034
India	3,165	23,892	70,463	97,520
Poland	15,912	50,571	38,103	104,586
Rest of the world	18,181	4,211	24,245	46,637
<b>Total</b>	<b>38,856</b>	<b>154,091</b>	<b>315,830</b>	<b>508,777</b>

As a consequence of the asset provision made (Note 5), the totality of the accounting amount of the fixed assets related with Spanish wind farms under development has been impaired.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**NOTE 5 – INTANGIBLE ASSETS**

The movement for the year at 31 December 2012 and 2011 in the accounts under Intangible assets is as follows:

	Goodwill	Other intangible assets	Total Intangible assets
Cost	110,295	299,404	409,699
Accumulated amortisation	-	(6,485)	(6,485)
Impairment	(34,662)	(16,370)	(51,032)
<b>Net book value as at 01/01/2011</b>	<b>75,633</b>	<b>276,549</b>	<b>352,182</b>
Investment	259	188	447
Divestment/Disposals	(2,174)	0	(2,174)
Amortisation	-	(4,244)	(4,244)
Impairment	(31,355)	(103,060)	(134,415)
Translation differences	(3,507)	(15,342)	(18,849)
<b>Net book value as at 31/12/11</b>	<b>38,856</b>	<b>154,091</b>	<b>192,947</b>
Cost	104,873	284,250	389,123
Accumulated amortisation	-	(10,729)	(10,729)
Impairment	(66,017)	(119,430)	(185,447)
<b>Net book value as at 31/12/11</b>	<b>38,856</b>	<b>154,091</b>	<b>192,947</b>
Investment	-	183	183
Divestment/ disposals (Note 2.5)	(16,532)	(1,971)	(18,503)
Amortisation	-	(4,049)	(4,049)
Transfers (Note 10)	(6,320)	(21,953)	(28,273)
Impairment	(5,926)	(51,085)	(57,011)
Translation differences	1,310	3,288	4,598
<b>Net book value as at 31/12/12</b>	<b>11,388</b>	<b>78,504</b>	<b>89,892</b>
Cost	83,331	263,797	347,128
Accumulated amortisation	-	(14,778)	(14,778)
Impairment	(71,943)	(170,515)	(242,458)
<b>Net book value as at 31/12/12</b>	<b>11,388</b>	<b>78,504</b>	<b>89,892</b>

In the account “Divestment and disposals” it is included the effect of the sale of shares of Fersa Panamá, S.A. (Note 2.5) which amounts to Euros 18,503 thousand. This has supposed the deconsolidation by full consolidation of the subsidiary.

Transfers amounting to Euros 28,273 thousand included in goodwill and other intangible assets are basically a consequence of the reclassification of assets associated with the Kisielice (Polonia) project, classified now as Non-current assets held for sale (Note 10).

The translation differences include basically the impact of the valuation of the assets belonging to the investments done in India, Panama and Poland. The positive impact is due mainly to the appreciation of the Polish Zloty against the Euro.

At 31 December 2012 and 2011 there are no fully amortised intangible assets still in use. Set out below is a summary by segment of the allocation of Goodwill:

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

	As at 31.12.12				As at 31.12.11			
	Wind	Solar	Biogas	Total	Wind	Solar	Biogas	Total
Western Europe	1,525	-	-	1,525	2,458	-	-	2,458
Eastern Europe	6,505	-	-	6,505	16,701	-	-	16,701
Asia	3,358	-	-	3,358	3,165	-	-	3,165
Latin America	-	-	-	-	16,532	-	-	16,532
<b>Total</b>	<b>11,388</b>	<b>-</b>	<b>-</b>	<b>11,388</b>	<b>38,856</b>	<b>-</b>	<b>-</b>	<b>38,856</b>

Set out below is a summary by segment of the allocation of Other intangible assets:

	As at 31.12.12				As at 31.12.11			
	Wind	Solar	Biogas	Total	Wind	Solar	Biogas	Total
Western Europe	40,542	1	-	40,543	79,625	2	-	79,627
Eastern Europe	17,473	-	-	17,473	50,572	-	-	50,572
Asia	20,488	-	-	20,488	23,892	-	-	23,892
Latin America	-	-	-	-	-	-	-	-
<b>Total</b>	<b>78,503</b>	<b>1</b>	<b>-</b>	<b>78,504</b>	<b>154,089</b>	<b>2</b>	<b>-</b>	<b>154,091</b>

Impairment test:

The Fersa Group has conducted impairment tests using cash flow projections in order to determine recoverable value. The impairment tests were made on 31 December 2012 and 2011, and, as a result, as indicated in Note 2.2, an impairment provision has been recorded of Euros 92,445 thousand at 31 December 2012 (Euros 145,451 thousand at 31 December 2011), which breaks down as follows:

	2012	2011
Goodwill	5,926	31,355
Other intangible assets	51,086	103,060
Property, plant and equipment	21,966	10,678
Assets held for sale (Note 10)	23,345	-
Other non-current assets (Note 16)	(12,040)	-
Other assets	2,162	358
<b>Total</b>	<b>92,445</b>	<b>145,451</b>

The breakdown of the impairment provision by geographic segment is as follows:

	2012	2011
Spain	38,240	70,822
Eastern Europe	53,727	32,730
Asia	478	41,899
<b>Total</b>	<b>92,445</b>	<b>145,451</b>

As a result of this impairment, the amount of Euros 15,539 thousand (Euros 30,955 thousand in 2011) in deferred tax liabilities (Note 19) has been reversed. Moreover, the impact of this impairment on Minority interest has been Euros 8,922 thousand (Note 13).

The key assumptions used to calculate value in use are as follows:

- a) Discount rate. Discount rates have been calculated using the weighted average cost of capital ("wacc") calculated after tax on the basis of the following variables:
  - The temporal value of the money or risk-free rate of each country corresponding to the profitability of 10-year government bonds in the corresponding country, as detailed by segment in the following table:

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

	Western Europe		Eastern Europe	Asia	Latin America
	Spain	France			
2012	5,27%	2,00%	3,73%	8,05%	N/A
2011	5,08%	3,14%	5,88%	8,56%	5,18%

- The estimated risk premium considering the estimated betas of comparable companies of the sector and a market risk premium, which are after-tax observable variables.
- The structure and conditions of self-financing for each farm forecasted for the entire project (for those operating farms).

The detail of the Weighted average cost of capital (WACC) resulting for the main geographic segments is the following:

	Western Europe		Eastern Europe	Asia	Latin America
	Spain	France			
Weighted average cost of capital (WACC) 2012	9,88%	7,72%	9,94%	11,49%	N/A
Weighted average cost of capital (WACC)2011	9,01%	7,16%	10,11%	12,27%	9,31%

The ranges of discount rates used for each of the farms during the year 2012 are shown in the following table:

Western Europe		Eastern Europe	Asia
Spain	France		
7,16% - 13,66%	6,56%	8,24% - 13,24%	10,33% - 16,44%

Those farms that enjoy better financial conditions have a lower discount rate if compared with those that do not have any financing source yet, the farms under development.

- b) Production hours: the production hours employed in the calculation of the impairment test have been based, for the operating farms, on the average of the historical value of the hours employed in former years (eliminating those years that appear as outliers because of high or low wind levels) and for the farms under development, on the estimated wind hours predicted by the wind studies carried out both internally and externally (for three different external entities). The range of hours employed for each of the farms is comprised between 1.543 and 2.743 annual hours.
- c) Prices: The sale prices of electricity have been estimated on the basis of past experience and external sources of information. In relation to the wind farms in Spain, the prices have been revised taking into account the changes in the regulatory framework adopted up to the date of the preparation of these consolidated annual accounts (Note 3). For those Spanish farms under development and not pre-assigned, as economic incentives have been temporarily suspended with RD 1/2012/27 January, it has been considered that they will not have a premium, thus they will be valued at a fair price. For countries in which there are power purchase agreements, such as India or Poland, the agreed-upon price has been used.

As a result of not considering the premium for the Spanish farms under development, together with the negative effect for the Group of the law 15/2012 and the RD 2/2013

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

(see Note 3), whose main impact is the 7% tax on the electrical energy production, as well as the fact that, starting from 1 January 2013 onwards, the Spanish wind farms can only chose a fixed and unique tariff for the whole useful life of the project and the future increase in prices which will now be the “underlying” CPI -0.5%, respectively, the Fersa Group has impaired the totality of the assets related to development activities in Spain, which amounts (in gross terms) to Euros 41 million.

The net total energy prices for the year 2013, which have been considered for the main geographic segments are the followings:

- Spain: 8.421 c€/KWh (corresponding to 8.1247 c€/KWh for the regulated tariff and 0.296 c€/KWh for the net price complement for tolls, reactive energy, gaps and deviations).
- France: 8.954 c€/KWh.
- Eastern Europe (Poland): 44.39 Zloty/KWh.
- Asia (India): 3.4 and 3.7 Rupees/KWh.

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:

- Useful life of the project: 25 years, without considering any residual value at the end of its useful life.
- Start up of new projects: For projects that have not been started up, the forecast start up date has been estimated taking into account the milestones achieved in the process of obtaining the licenses required as well as the status of the negotiations for obtaining the financing. For the farms under development in Spain there is no forecasted start up date.
- 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 future sales price of the farms.
- 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.

As a result of the impairment test carried out following the listed hypothesis, the Group has estimated necessary to establish an account amounting to Euros 51,142 thousand.

Resulting from the registered impairments, some Group farms under development have no value left. As a consequence the Group estimates that it will not need to face any deferred payment related with the achievement of determined milestones for these farms (Note 16). The positive effect of the revision of these deferred payments, previously accounted as liabilities, has amounted to Euros 12,040 thousand.

Additionally, as a consequence of the existing litigation in the company Eólica Warblewo Sp (a company belonging 100% to the Fersa Group), as explained in Note 27, the Directors of the Group have considered necessary to impair the totality of the investment made in the project by a gross amount of Euros 22,887 thousand (without considering the deferred associated import).

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

On the other hand, and as a consequence of the deal signed by Fersa Energías Renovables S.A., Alster French Holdings SAS and Impax Polish Wind Holdings BV for the sale of 100% of the shares of the companies Eólica Kisielice Sp and Managment Kisielice Sp (Note 10), the Group has registered an impairment for these assets amounting to Euros 23,345 thousand.

Moreover, and as a consequence of the expiration of the due date for the construction of a farm located in Estonia, the Group has provisioned the pre-payments to the wind turbine supplier amounting to Euros 7,121 thousand.

### *Sensitivity Analysis:*

As already mentioned, there are certain assumptions whose variations could significantly affect the recoverable value of the assets subject to the impairment testing, which are the discount rate and the sale prices of electricity. The sensitivity of the results to reasonably possible changes in these assumptions, on which Management have based their determination of the recoverable amount of the wind farms, is as follows:

	Effect on net income (Thousand Euros)	
	2012	2011
Increase in the discount rate of a 10%		
Western Europe	(2,200)	(15,662)
Eastern Europe	(3,961)	(3,604)
Asia	(1,237)	(8,540)
Latin America	-	-
<b>Total</b>	<b>(7,398)</b>	<b>(27,806)</b>

Decrease in the discount rate of a 10% *		
Western Europe	-	13,003
Eastern Europe	3,537	4,382
Asia	1,276	702
Latin America	-	-
<b>Total</b>	<b>4,813</b>	<b>18,087</b>

	Effect on net income (Thousand Euros)	
	2012	2011
Increase in the price of electricity of a 10% *		
Western Europe	-	15,525
Eastern Europe	3,373	4,238
Asia	1,607	1,260
Latin America	-	-
<b>Total</b>	<b>4,980</b>	<b>21,023</b>

Decrease in the price of electricity of a 10%		
Western Europe	(6,361)	(20,709)
Eastern Europe	(3,684)	(4,238)
Asia	(1,461)	(2,061)
Latin America	-	-
<b>Total</b>	<b>(11,506)</b>	<b>(27,008)</b>



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**NOTE 6 – PROPERTY, PLANT AND EQUIPMENT**

The movement for 2012 and 2011 in the accounts under Property, plant and equipment is as follows:

	Property, plant and equipment in use	Property, plant and equipment under construction	Total property, plant and equipment
Cost	284,792	83,567	368,359
Accumulated depreciation	(29,067)	-	(29,067)
Impairment provision	(1,873)	(1,310)	(3,183)
<b>Net value as at 31/12/10</b>	<b>253,852</b>	<b>82,257</b>	<b>336,109</b>
Investment	4,803	20,921	25,724
Divestment/ disposals	-	(4,604)	(4,604)
Transfers and others	44,084	(44,084)	-
Depreciation	(15,778)	-	(15,778)
Impairment	83	(10,761)	(10,678)
Translation differences	(11,629)	(3,314)	(14,943)
<b>Net value as at 31/12/11</b>	<b>275,415</b>	<b>40,415</b>	<b>315,830</b>
Cost	322,050	52,486	374,536
Accumulated depreciation	(44,845)	-	(44,845)
Impairment provision	(1,790)	(12,071)	(13,861)
<b>Net value as at 31/12/11</b>	<b>275,415</b>	<b>40,415</b>	<b>315,830</b>
Investment	545	15,673	16,218
Divestment/ disposals	(8,495)	(10,917)	(19,412)
Transfers and others	(36,779)	793	(35,986)
Depreciation	(14,068)	-	(14,068)
Impairment	1,790	(23,756)	(21,966)
Translation differences	300	(501)	(201)
<b>Net value as at 31/12/12</b>	<b>218,708</b>	<b>21,707</b>	<b>240,415</b>
Cost	277,621	57,534	335,155
Accumulated depreciation	(58,913)	-	(58,913)
Impairment provision	-	(35,827)	(35,827)
<b>Net value as at 31/12/12</b>	<b>218,708</b>	<b>21,707</b>	<b>240,415</b>

The most significant investments carried out in 2012 have been the start of the construction works of a wind farm called Kita of 20 MW located in India, which is expected to start its business during the year 2013, for an amount of Euros 9,478 thousand.

The most significant investments carried out in 2011 were works to complete the Hanumanhatti farm of 50.4 MW situated in India.

As a result of the impairment test (Note 5), a provision for Property, plant and equipment totalling Euros 21,966 thousand (Euros 10,678 thousand in 2011) has been recorded.

Divestment/disposals correspond, mainly, to the recovery of the pre-payments made to wind turbine suppliers for the construction of the wind farms in India amounting to Euro 10,146 thousand in accordance with the deal signed during the year 2011 with the supplier and contractor (Note 5), according to which, the capacity of the parks was reduced from 180 MW to 20 MW.

Transfers are mainly a consequence of the classification of the tangible assets of Eólica

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Kisielice SP as Non-current assets held for sale totalling Euros 37,087 thousand (Note 10).

Financial expenses (interest) capitalised during 2012 total Euros 2,260 thousand (Euros 1,211 thousand during 2011). This interest relates entirely to the financial costs of borrowed funds for the construction of the farms, until their start up. These financial expenses were deducted from financial expenses in the consolidated income statement.

At 31 December 2012, the Group has commitments for the purchase of fixed assets, mainly wind turbines for wind farms in Poland and India, totalling Euros 27 million (Euros 61 million at 31 December 2011). These commitments are subject to obtaining the respective financing (Project Finance) for the different wind farms.

The Group has recorded as fixed assets under construction the amount withheld by the purchaser in the purchase-sale operation of Empordavent, S.L.U. totalling Euros 1,130 thousand (see Note 2.5) as an advance fund and guarantee for the execution of a contract with Acciona Windpower, S.A. for the supply of 15 MW wind turbines before 31 December 2013.

Translation differences mainly include the impact on the measurements of assets relating to the investments in India and Poland due to the positive evolution of the Zloty and the negative evolution of the Rupee in 2012.

At 31 December 2012 and 2011 there is no fully depreciated property, plant and equipment still in use.

The assets associated to the farms holding loans from credit entities under the modality of Project Finance are presented as a safeguard of the mentioned credits (Note 15).

Additionally, on 4 September 2009, Invetem Mediterránea S.L. took out a mortgage on its property, plant and equipment totalling Euros 906 thousand in favour of the Tax Authorities for the assessment signed in disagreement raised in relation to the Special Hydrocarbons Tax for the years 2001 to 2004 (Note 27).

It is the policy of the Fersa Group to take out all the insurance policies deemed necessary to cover the exposure of its property, plant and equipment as possible.

### NOTE 7 – INVESTMENTS AS PER EQUITY ACCOUNTING

The movement 2012 in investments recorded by equity accounting is as follows:

<u>Company</u>	Balance 31.12.11	Participation in the results	Changes in the consolidation scope	Impairment provision	Other	Balance 31.12.12
Berta Energies Renovables, S.L. Aprofitament d'Energies	1,380	(62)	-	(1,318)	-	-
Renovables de la Terra Alta, S.A.	376	30	-	-	-	406
Ferrolterra Renovables, S.L.	131	(11)	-	(143)	9	(14)
Fersa Panamá S.A. (Note 2.5)	-	-	3,712	-	-	3,712
<b>Total</b>	<b>1,887</b>	<b>(43)</b>	<b>3,712</b>	<b>(1,461)</b>	<b>9</b>	<b>4,104</b>

As a consequence of the sales operation of 70% of the shares of the company Fersa Panamá S.A. on 9 November 2012, this entity now uses the equity accounting method (Note 2.5).

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The movement in 2011 in the investments recorded by equity accounting was as follows:

Company	Balance	Participation in the results	Changes in the			Balance 31.12.11
	31.12.10		consolidation scope	Impairment provision	Other	
Berta Energías Renovables, S.L.	1,411	(31)	-	-	-	1,380
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	382	(6)	-	-	-	376
Aprofitament d'Energies Renovables de L'Ebre S.L.	284	(24)	(260)	-	-	-
Ferrolterra Renovables, S.L.	136	-	(136)	-	-	-
Fersa Panamá S.A. (Note 2.5)	52	(2)	68	-	13	131
<b>Total</b>	<b>2,265</b>	<b>(63)</b>	<b>(328)</b>	<b>-</b>	<b>13</b>	<b>1,887</b>

On 14 July 2011, Fersa Energías Renovables, S.A. sold all of the shares of Empordavent, S.L. As a result of this sale, the Group has reduced its stake in Aprofitament d'Energies Renovables de L'Ebre, S.L. and the equity accounting method is no longer applied for this stake (Note 2.5).

On 22 December 2011, Sinergia Andaluza, S.L., 75% of which is owned by Fersa Energías Renovables, S.A., sold its total stake in Parque Eólico Valcaire, S.L. (45%). As a result, Parque Eólico Valcaire, S.L. has left the Fersa Group (Note 2.5).

The most significant information relating to the associates consolidated as per equity accounting is as follows:

	Country	Asset	Liability	Income	Net Income	% Shareholding
As at 31-12-12						
Ferrolterra Renovables, S.L.	Spain	301	1	-	(4)	36,99%
Berta Energías Renovables, S.L.	Spain	6,797	2,302	1,032	244	29,09%
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	Spain	1,376	80	391	(100)	27,15%
Fersa Panamá S.A.	Panama	3,543	2,228	-	(212)	30,00%
<b>Total</b>		<b>12,017</b>	<b>4,611</b>	<b>1,423</b>	<b>(72)</b>	

	Country	Asset	Liability	Income	Net profit	% Shareholding
A 31-12-11						
Ferrolterra Renovables, S.L.	Spain	306	2	-	(5)	36,99%
Berta Energías Renovables, S.L.	Spain	5,754	1,043	-	(108)	29,09%
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	Spain	1,309	113	154	(21)	27,15%
<b>Total</b>		<b>7,369</b>	<b>1,158</b>	<b>154</b>	<b>(134)</b>	

At 31 December 2012 and 2011 none of the associates are listed companies.

The information from these associates has been obtained from their not audited financial statements on 31 December of 2012 and 2011.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**NOTE 8 - FINANCIAL ASSETS**

The breakdown of the financial assets is as follows:

	Available-for-sale financial assets	Loans and other receivables	Investments held to maturity	Other financial assets at fair value through profit and loss	Total
<b>As at 31 December 2012</b>					
Net equity instruments	12	-	-	-	12
Other non-current financial assets	-	4,897	1,300	-	6,197
<b>Non-current financial assets</b>	<b>12</b>	<b>4,897</b>	<b>1,300</b>	<b>-</b>	<b>6,209</b>
Other current financial assets	-	147	3,693	-	3,840
<b>Current financial assets</b>	<b>-</b>	<b>147</b>	<b>3,693</b>	<b>-</b>	<b>3,840</b>

	Available-for-sale financial assets	Loans and other receivables	Investments held to maturity	Other financial assets at fair value through profit and loss	Total
<b>As at 31 December 2011</b>					
Net equity instruments	21	-	-	-	21
Other non-current financial assets	-	1,318	1,300	1,909	4,527
<b>Non-current financial assets</b>	<b>21</b>	<b>1,318</b>	<b>1,300</b>	<b>1,909</b>	<b>4,548</b>
Other current financial assets	-	184	8,329	-	8,513
<b>Current financial assets</b>	<b>-</b>	<b>184</b>	<b>8,329</b>	<b>-</b>	<b>8,513</b>

No debt securities have been issued, purchased or paid in 2012 or 2011.

There are no financial assets in default at the date of presentation of the consolidated annual accounts of the Fersa Group for 2012.

**Loans and other receivables**

The breakdown at 31 December 201 and 2012 is as follows:

	31.12.12	31.12.11
Deposits and guarantees	178	196
Other loans	4,006	16
Other assets	713	1,106
<b>Total loans and other non-current items</b>	<b>4,897</b>	<b>1,318</b>
Other loans	147	184
<b>Total other current assets</b>	<b>147</b>	<b>184</b>

The additions for the year included in non-current "Other loans" are due to contributions and investments done by Fersa Energías Renovables, S.A. to the company Fersa Panamá, S.A. which have not been capitalized yet.

The decrease in the account "Other assets" is mainly due to the accounting of part of these assets as a result of the impairment test conducted by the Group during the current year (see Note 5).

The non-current commercial loans fall due between 2014 and 2015. The other items do not have a defined due date.

There are no significant differences between the book values and the fair values under Loans and other receivables.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**Other financial assets at fair value through profit and loss**

On 31 December 2011, as a result of the sale of 17% of Fersa Panamá, S.A. Fersa Energías Renovables, S.A. had a pending receipt of Euro 1,909 thousand, which were due and payable when the Fersa Group had made, in turn, certain deferred payments based on the achievement of certain milestones at the wind farms that Fersa Panamá S.A. is developing, the payment of which is considered probable.

On 31 December 2012, as a result of the sale of 70% of the share in Fersa Panamá S.A. (Note 2.5), the imports and conditions of the deferred receivables and payments have been modified by the new deals established among the shareholders, which mature during the year 2013 (Notes 11 and 16).

**Investments held to maturity**

Investments held to maturity at 31 December 2012 relate to fixed-term deposits which mature between January and December 2013 for current investments and May 2017 for non-current investments.

These investments, some of which are located abroad, accrue a 6.32% weighted average interest rate (3.78% in the year 2011). There are restrictions for Euros 1,300 thousand at 31 December 2012.

**NOTE 9 - DERIVATIVE FINANCIAL INSTRUMENTS**

The Group is exposed to fluctuations in interest rates since its borrowings are made at floating interest rates. Therefore, related to its loans, the Group has hedging contracts on variations in Euribor interest rates in order to ensure a maximum rate.

The fair value of the hedging derivative financial instruments are as follows:

	As at 31.12.12		As at 31.12.11	
	Asset	Liability	Asset	Liability
<b>Derivative hedging financial instruments</b>				
Cash flow hedge				
Non-current	-	-	-	-
Current	-	-	25	-
Cash flow interest rate hedge				
Non-current	-	(21,795)	-	(15,536)
Current	-	-	-	(761)
<b>Total</b>	-	(21,795)	25	(16,297)

At 31 December 2012 and 2011, the Fersa Group does not have any derivatives that does not meet the criteria for hedge accounting under IFRS-EU, and, accordingly, the variations in the value of these financial instruments are recorded (net of tax) under net equity. The increase in the liability for derivative financial instruments hedges of cash flows on interest rates is due to the negative impact to that the fair value of these instruments has received as a result of the decrease in interest rates.

The fair value of the different financial instruments is calculated using the cash flow discount valuation method. The assumptions used in these valuation techniques are based on prices of observable, current market transactions of the same instrument, such as, for example, the interest rate.

So, the variables on which the valuation of the hedging derivatives is based in this section can be observed in an official market (Level 2).

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The only derivatives the Group has signed a contract for on 31 December 2012 are interest rate swap.

**Cash flow hedges of interest rates**

The breakdown of the derivative financial instruments at 31 December 2012 and 2011, their fair value and the breakdown by maturities of the notional values are as follows:

Fair Value	As at 31.12.12 Notional Value (in Thousand Euros)						
	2013	2014	2015	2016	2017	Years beyond	Total
<b>INTEREST RATE HEDGE:</b>							
Cash flow hedge :							
Financial swaps (21,795)	10,281	10,104	10,629	20,979	11,409	71,118	124,520

  

Fair Value	As at 31.12.11 Notional Value (in Thousand Euros)						
	2012	2013	2014	2015	2016	Years beyond	Total
<b>INTEREST RATE HEDGE:</b>							
Cash flow hedge :							
Financial swaps (16,297)	10,761	10,977	11,464	12,104	12,596	98,977	156,879

The amount subtracted from net equity, which has been included in net financial income or expense for 2012 and 2011 totals Euros 3,886 thousand and Euros 3,847 thousand, respectively.

The fixed rate for the different financial instruments the Group owns at 31 December 2012 varies between 3.87% and 5.79%.

**NOTE 10 – ASSETS AND LIABILITIES HELD FOR SALE**

On 19 December 2012 the Fersa Group signed a purchase-sale contract with Alster French Holdings SAS and Impax Polish Wind Holdings BV, by which Fersa will transfer 100% of its Poland subsidiaries' shares. These subsidiaries own the Kisielice project (Eólica Kisielice Sp, z.o.o. and Management Kisielice Sp z.o.o), made of an operating wind farm (of 24 MW) and another one pending to be constructed (forecast of 18 MW), both located in Kisielice (Poland). The buyer will also assume the liabilities granted by the parent Company to its subsidiaries, the owners of the Kisielice project. The shares and loans just mentioned will be acquired using funds managed by the IMPAX group.

This operation is subject to certain conditions precedents, which by virtue of the signed deal, on 31 December 2012 the Fersa Group registers the assets and liabilities related with the purchasing contract as assets and liabilities held for sale.

For the transfer of the shares and loans it has been agreed a maximum total price of Euros 28,000 thousand, which breaks down as follows: a fixed part of Euros 22,000 thousand and an additional floating price (earn-outs) of up to Euros 6,000 thousand depending on certain milestones and susceptible of being accrued until December 2014. The floating price is subject to the construction of the second stage of the farm (Euros 2,000 thousand) and a rise based on the new legal framework in Poland (up to Euros 4,000 thousand).

The Fersa Group has accounted these net assets as "Assets held for sale" at fair value. The impact of registering these assets at fair value on the year's impairment amounts to Euros 23,345 thousand before taxes.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The main accounting items related with the companies Eólica Kisielice Sp, z.o.o and Management Kisielice Sp z.o.o at 31 December 2012, prior to their classification as assets and liabilities held for sale, were the following:

<b>Balance sheet statement</b>			
Goodwill	6,589	Net equity	45,779
Other intangible assets	20,777	<i>Value adjustments:</i>	(1,535)
Property, Plant and equipment	37,087	Hedging operations	(4,303)
Other non-current assets	1,433	Translation differences	<b>39,941</b>
<b>NON-CURRENT ASSETS</b>	<b>65,886</b>	<b>NET EQUITY</b>	
		Non-current financial liabilities	24,514
		Other non-current liabilities	6,309
		<b>NON-CURRENT LIABILITIES</b>	<b>30,823</b>
		Current financial liabilities	2,469
		Other current liabilities	531
<b>CURRENT ASSETS</b>	<b>7,878</b>	<b>CURRENT LIABILITIES</b>	<b>3,000</b>
<b>TOTAL ASSETS</b>	<b>73,764</b>	<b>TOTAL LIABILITIES AND NET EQUITY</b>	<b>73,764</b>

In the year 2012 the amount of net revenues from these two companies has amounted to Euros 5,673 thousand, and the operating result before depreciation and amortization expenses has been of Euros 4,812 thousand. The net result for the year 2012 after amortization and depreciation expenses has amounted to Euros 85 thousand in losses.

The due date of the financial liabilities held for sale by periods is the following:

<b>Thousand Euros</b>	
<b>Year</b>	<b>Amount</b>
2013	2.469
2014	1.550
2015	1.697
2016	1.882
2017	2.089
2018	2.317
2019	2.584
2020	2.856
2021	3.139
2022	3.438
2023	2.962
<b>Total</b>	<b>26.983</b>

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**NOTE 11 – TRADE AND OTHER RECEIVABLES**

The breakdown of this account is as follows:

	As at 31.12.12	As at 31.12.11
Trade receivables	3,461	6,716
Trade receivables with related companies	5	5
<b>Total trade receivables for sales and services rendered</b>	<b>3,466</b>	<b>6,721</b>
	As at 31.12.12	As at 31.12.11
Other receivables	9,521	1,817
Public Administration	1,092	1,616
<b>Total other receivables</b>	<b>10,613</b>	<b>3,433</b>
<b>Total trade and other receivables</b>	<b>14,079</b>	<b>10,154</b>

Inside the account “Trade receivables” the Group includes, mainly, the invoicing corresponding to the month of December that has not been collected yet.

“Public Administration” includes the VAT refundable for services related to the certifications received for the wind farms under construction.

“Other receivables” at 31 December 2012 include, mainly, the amount to be received from RESA for the sale of the share of Fersa Panamá, S.A. (Note 2.5) valued at Euros 6,472 thousand which fall due during the year 2013.

Additionally, in the account “Other receivables” at 31 December 2012 amounts to be received for the Certified Emission Reduction (CERs) are also included. These certificates were obtained through the generation of electrical energy in certain countries under the Kyoto Protocol for a value of Euros 1,293 thousand.

There are no trade payables or other payable falling due in more than 12 months.

A provision is not required for bad debt at 31 December 2012 and 2011. In general, the invoices pending to receipt do not accrue interest, since their average due date is less than 60 days.

There are no financial assets in default at the date of presentation of these consolidated annual accounts of the Fersa Group.

**NOTE 12 – CASH AND OTHER CASH EQUIVALENTS**

Cash and other cash equivalents include:

	As at 31.12.12	As at 31.12.11
Cash and banks	17,050	17,461
Short-term financial investments	8,881	8,031
<b>Total</b>	<b>25,931</b>	<b>25,492</b>

Short-term investments at 31 December 2012 accrued a 2.59% weighted effective interest rate (3.13% in the year 2011). There are restrictions on the draw of cash at 31 December 2012 totalling Euros 8,547 thousand compared to Euros 3,267 thousand at 31 December 2011.



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**NOTE 13 – NET EQUITY**

a) Share capital

The share capital of the parent Company as at 31 December 2012 is represented by 140,003,778 shares, each with a nominal value of Euro 1, which have been fully subscribed and paid. All the shares have the same economic and voting rights.

The Extraordinary General Meeting of Shareholders of the parent Company on 2 May 2007 agreed to increase share capital by Euros 37,755,975 through the issue of 37,755,975 ordinary shares with a par value of Euro 1 each, and a share premium of Euros 3 per share.

On 9 July 2007 this capital increase was accounted for after it was inscribed in the Registry of the CNMV (Comisión Nacional del Mercado de Valores), recorded in a public deed and inscribed in the Mercantile Registry.

On 20 February 2008, the Extraordinary General Meeting of Shareholders of the parent Company Fersa Energías Renovables, S.A. agreed to a corporate transaction through which various business groups made contributions to the parent Company consisting of several companies with wind farms in operation and at different stages of administrative process. In consideration thereof, the parent 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, and resulted the incorporation of MW 562.7 and contributions totalling Euros 274,874 thousand.

All of the shares of Fersa Energías Renovables, S.A. are listed on the Spanish Stock Exchange. The share quotation at 31 December 2012 of the company's shares was Euros 0.340 per share (Euros 0.710 at 31 December 2011).

The breakdown of the significant shareholders (more than a 10% of share) of the parent Company at 31 December 2012 and 2011 is as follows:

Shareholders	As at 31.12.12 %	As at 31.12.11 %
Grupo Enhol	22,44%	22,44%
Other shareholders (*)	77,56%	77,56%
<b>Total</b>	<b>100,00%</b>	<b>100,00%</b>

(\*) None of them owns more than a 10%

b) Share premium account

This account can only be affected by resolutions of the General Meeting of Shareholders of the parent Company.

c) Legal Reserve

Companies that report profits are obligated to appropriate 10% of profit for the year to this reserve until it reaches at least 20% of share capital. This reserve, as long as it does not exceed the limit indicated, can only be used to offset losses if there are no other reserves sufficiently available to do so. On the other hand, it can also be used to increase share capital in the part that exceeds 10% of the capital already increased.

On 31 December 2012 the parent Company has a Legal Reserve valued at Euros 15,102 thousand.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

d) Treasury shares

In 2012, the parent Company has neither sold nor acquired treasury shares. On 31 December 2012 and 2011, the parent Company owns 1,570,954 treasury shares valued at Euros 6,768 thousand, as detailed in the following list:

	Number of shares	% over the total	Euros		Thousand Euros
			Nominal value	Average acquisition price	Total acquisition cost
Treasury shares	1,570.954	1,12%	1	4,31	6,768

In 2011, the parent Company sold 494,623 treasury shares for Euros 614 thousand; these sales generated a decrease in reserves of Euros 1,523 thousand.

e) Translation differences

This account in the consolidated balance sheet includes the net exchange differences arising from the translation into Euros of the balances of functional currencies of the consolidated companies whose functional currency is not the Euro.

The movement in the balance of this account during 2012 and 2011 is as follows:

	2012	2011
Opening balance	(30,824)	(11,871)
Variation in hedge of net foreign investments	-	(160)
Divestment/ disposals	(3)	-
Transfers (Note 10)	4,303	-
Variation in exchange differences	3,502	(18,793)
<b>Closing balance</b>	<b>23,002</b>	<b>(30,824)</b>

Transfers are a consequence of the classification of the exchange differences from Eólica Kieselice SP as Non-current assets and liabilities held for sale (Note 10).

The following is a breakdown of the translation differences as at 2012 and 2011 by functional currency:

Functional currency	As at 31.12.12	As at 31.12.11
Indian Rupee	(15,058)	(10,652)
Polish Zloty	(8,334)	(19,759)
American Dollar	-	(801)
Chinese Yuan Renminbi	397	413
Turkish Lira	(27)	(25)
<b>Total</b>	<b>(23,022)</b>	<b>(30,824)</b>

The following is a breakdown of the translation differences as at 31 December 2012 and 2011 by concept:

	As at 31.12.12	As at 31.12.11
For balance sheet items subsidiaries conversion	(9,571)	(7,987)
Goodwill and intangible net of tax	(13,451)	(22,837)
<b>Total</b>	<b>(23,022)</b>	<b>(30,824)</b>

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

f) Dividends:

The General Meeting of Shareholders of 26 June 2012 agreed to distribute the profits of the parent Company of the prior year totalling Euros 102,464 thousand to be charged against losses of prior years.

The General Meeting of Shareholders of 30 June 2011 agreed to distribute the profits of the parent Company of the year 2010 totalling Euros 47,919 thousand to be charged against losses of prior years.

**Profit per share:**

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

	As at 31.12.12	As at 31.12.11
Number of shares	140,003,778	140,003,778
Average number of shares	140,003,778	140,003,778
Profit (loss) attributable to the parent company (thousand Euros)	(68,983)	(102,464)
Average number of treasury shares	1,570,954	1,666,111
Average number of shares in circulation	138,432,824	138,337,667
Profit per share (Euros per share)		
- <b>Basic</b>	<b>(0,498)</b>	<b>(0,741)</b>
- <b>Diluted</b>	<b>(0,498)</b>	<b>(0,741)</b>

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 2012 that the Board of Directors will propose to the General Meeting of Shareholders for its approval, is as follows:

<b>Basis of distribution</b>	<b>Euros</b>
Profit and loss	(79,637,289)
<b>Total</b>	<b>(79,637,289)</b>
<b>Basis of distribution</b>	<b>Euros</b>
Retained earnings	(79,637,289)
<b>Total</b>	<b>(79,637,289)</b>

**Minority interest:**

The movement during the years 2012 and 2011 in this account has been as follows:

	<b>16,948</b>
<i>Profit (loss) attributed to minority interest</i>	(9,411)
<i>Effect attributed to profit for the year</i>	(489)
<i>Effect attributed to impairment provision (Note 5)</i>	(8,922)
<i>Expenses recognized directly in net equity</i>	(495)
<i>Dividends</i>	(33)
<i>Divestments (Note 2.5)</i>	(3,276)
<b>Balance as at 31.12.2012</b>	<b>3,733</b>

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

<b>Balance as at 31.12.2010</b>	<b>22,821</b>
Profit (loss) attributed to minority interest	(7,476)
Effect attributed to profit for the year	(781)
Effect attributed to impairment provision (Note 5)	(6,695)
Expenses recognized directly in net equity	(481)
Dividends	(189)
Divestments (Note 2.5)	2,273
<b>Balance as at 31.12.2011</b>	<b>16,948</b>

**NOTE 14 – PROVISIONS**

	Balance		Balance				Balance
	01.01.11	Additions	31.12.11	Additions	Decreases	Transfers	31.12.12
Provision for liabilities	401	1,300	1,701	-	-	-	1,701
Provision for dismantling	1,527	552	2,079	339	(539)	(149)	1,730
<b>Totals</b>	<b>1,928</b>	<b>1,852</b>	<b>3,780</b>	<b>339</b>	<b>(539)</b>	<b>(149)</b>	<b>3,431</b>

**Provision for liabilities**

Provision for liabilities includes provisions recognised for liabilities arising mainly from tax claims and lawsuits. The information on the nature of the disputes with third parties and the Group's position for each of them is stated in the Contingencies section of Note 27.

**Dismantling provision**

At 31 December 2012, the Group has recorded a provision of Euros 1,730 thousand (Euros 2,079 thousand at 31 December 2011) to cover the costs of dismantling the wind farms that are now in operation.

The decreases for the year are a consequence of the changes in the useful life of the assets for which it exists a dismantling provision from 20 to 25 years (Note 2.7). The transfers correspond to the classification of assets and liabilities of the company Eólica Kisielice Sp z.o.o given that they are considered as assets and liabilities held for sale (Note 10).

**NOTE 15 – FINANCIAL LIABILITIES**

The movement in the accounts under Financial liabilities in 2012 and 2011 is as follows:

	Balance		Cancellations	Translation	Refinancing	Transfers to		Balance
	31.12.11	Increases	by payment	differences	transfers	held for	Transfers	31.12.12
						sale		
Debts with credit entities	206,769	25,496	(5,724)	58	6,142	(22,619)	(20,571)	189,551
Derivative financial liabilities	15,536	6,685	-	-	-	(1,895)	-	20,326
Other financial liabilities	3,487	247	-	-	-	-	19	3,753
<b>Total non-current financial liabilities</b>	<b>225,792</b>	<b>32,428</b>	<b>(5,724)</b>	<b>58</b>	<b>6,142</b>	<b>(24,514)</b>	<b>(20,552)</b>	<b>213,630</b>
Debts with credit entities	42,541	16,303	(48,181)	25	(6,142)	(2,469)	20,571	22,648
Derivative financial liabilities	736	-	(736)	-	-	-	-	-
Other financial liabilities	345	33	(163)	-	-	-	(29)	186
<b>Total current financial liabilities</b>	<b>43,622</b>	<b>16,336</b>	<b>(49,080)</b>	<b>25</b>	<b>(6,142)</b>	<b>(2,469)</b>	<b>20,542</b>	<b>22,834</b>

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

	Balance 31.12.10	Increases	Cancellations by payment	Translation differences	Transfers	Balance 31.12.11
Debts with credit entities	213,719	27,576	-	(7,248)	(27,278)	206,769
Derivative financial liabilities	8,522	8,835	-	-	(1,821)	15,536
Other financial liabilities	-	338	-	-	3,149	3,487
<b>Total non-current financial liabilities</b>	<b>222,241</b>	<b>36,749</b>	<b>-</b>	<b>(7,248)</b>	<b>(25,950)</b>	<b>225,792</b>
Debts with credit entities	29,832	25,953	(39,768)	(754)	27,278	42,541
Derivative financial liabilities	1,106	-	(2,191)	-	1,821	736
Other financial liabilities	244	272	(1,000)	-	829	345
<b>Total current financial liabilities</b>	<b>31,182</b>	<b>26,225</b>	<b>(42,959)</b>	<b>(754)</b>	<b>29,928</b>	<b>43,622</b>

The book value and the fair value of the non-current financial liabilities is as follows:

	Book Value		Fair Value	
	As at 31.12.12	As at 31.12.11	As at 31.12.12	As at 31.12.11
Debts with credit entities	189,551	206,769	169,456	183,153

The fair value of liabilities bearing fixed interest rates is estimated on the basis of the discounted cash flows over the remaining term of the liability. The discount rates were determined on the market rates available at 31 December 2012 and 2011 on the financial liabilities with similar maturities and credit characteristics.

On 1 February 2012, Fersa Energías Renovables S.A. signed a financial contract with the financial entities Banco Santander, S.A., Banco Popular Español S.A., Banco Español de Crédito, S.A., Bankinter, S.A. and CaixaBank, S.A. by which it was agreed to restructure the financial debt these entities had granted to Fersa.

With this restructuring agreement the financial debt hold by Fersa has been substituted by a Syndicated Loan contract which has been structured in two different stages:

- First stage: a loan valued at Euros 22,961 thousand with the following due dates:

Thousand Euros						
2012	2013	2014	2015	2016	2017	Total
150	2,650	5,450	5,900	5,950	2,861	22,961

- Second stage: a credit line for Euros 4,600 thousand with an unique due date in 2015.

This refinancing contract includes divestment compromises of certain assets as well as some limitations on new investments. Moreover the contract has as a collateral the pledge of the shares of the different companies of the Fersa Group.

Additionally, the contract established the obligation of presenting some information periodically to the banking agent, in particular, the Disposable Cash Flow, the application of funds to the Minimum Operating Cash, the amount kept as Reserve funds and the mismatches in cash. It also establishes a restriction on the amount of dividends the company can payout until the first stage has been repaid in a 50%, as well as a limitation on any additional debt with the exemption of credit lines, whose maximum permitted amount is the same as the maximum permitted amount in the second stage once this stage has been terminated and fully repaid.

During the month of July of the current year the company has signed a contract with The Indian Renewable Energy Development Agency (IREDA) for the financing of a wind farm which needs to be installed in Rajasthan, India, which can produce up to 20 MW. The granted financing

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

amounts to Euros 10,6 million and has been given under Project Finance. It is forecasted that in the following weeks the construction works of the wind farm get started. At 31 December 2012 Euros 7,019 thousand have been arranged for this loan.

The following tables describe the gross consolidated financial liabilities by instrument at 31 December 2012 and 2011 and their maturities, taking into account the impact of the hedging of the derivatives and the other financial liabilities:

	2013	2014	2015	2016	2017	2018 and years beyond	Total
<b>As at 31 December 2012:</b>							
Commercial banks and other financial liabilities							
Fixed	12,806	10,417	11,005	11,412	11,929	94,730	152,299
Floating	10,028	10,074	15,591	11,187	8,193	29,092	84,165
<b>Total</b>	<b>22,834</b>	<b>20,491</b>	<b>26,596</b>	<b>22,599</b>	<b>20,122</b>	<b>123,822</b>	<b>236,464</b>

	2012	2013	2014	2015	2016	2017 and years beyond	Total
<b>As at 31 December 2011:</b>							
Commercial banks and other financial liabilities							
Fixed	16,836	14,947	13,850	14,044	14,584	100,577	174,838
Floating	26,786	7,276	5,151	4,917	5,050	45,396	94,576
<b>Total</b>	<b>43,622</b>	<b>22,223</b>	<b>19,001</b>	<b>18,961</b>	<b>19,634</b>	<b>145,973</b>	<b>269,414</b>

If we were to exclude the impact of the derivatives on the financial liabilities, all the financial liabilities, both for 2012 and 2011, would accrue interest at a floating rate.

The following tables describe the gross financial liabilities denominated by foreign currency at 31 December 2012 and 2011 and their maturities, taking into account the impact of the hedging on the derivatives and the other financial liabilities:

<b>As at 31 December 2012:</b>								
Borrowings denominated in Euros		19,474	16,438	22,120	18,007	16,479	105,536	197,054
Borrowings denominated in Rupees		3,360	4,053	4,476	4,592	4,643	18,286	39,410
<b>Total</b>		<b>22,834</b>	<b>20,491</b>	<b>26,596</b>	<b>22,599</b>	<b>20,122</b>	<b>123,822</b>	<b>236,464</b>
<b>As at 31 December 2011:</b>								
Borrowings denominated in Euros		36,362	17,093	13,684	13,442	13,878	111,324	205,783
Borrowings denominated in zloty		2,350	1,297	1,417	1,551	1,720	15,899	24,234
Borrowings denominated in Rupees		4,910	3,833	3,900	3,968	4,036	18,750	39,397
<b>Total</b>		<b>43,622</b>	<b>22,223</b>	<b>19,001</b>	<b>18,961</b>	<b>19,634</b>	<b>145,973</b>	<b>269,414</b>

The main features of these loans are as follows:

Geographic segment	Amount drawn down	Average interest rate	Maturity
Western Europe	171,987	3.53%	Between 2012 and 2028
Asia	39,410	11.50%	Between 2012 and 2025
<b>Total</b>	<b>211,397</b>		

The companies in the consolidation scope Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausembant, Generación Eólica India Limited, EN Renewable Energy Limited, Parque Eólico Hinojal S.L., Parc Eólic Mudèfer S.L., Gestora Fotovoltaica de Castellón S.L. and

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eólica Kiselice Sp, Z.o.o. have bank loans under Project Finance agreements for which they have pledged their treasury shares.

The part of this loan drawn down on by Eólica Kiselice Sp z.o.o. at 31 December 2012 has been transferred to the account Liabilities linked to non-current assets held for sale (Note 10).

Moreover, the loans granted to Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausembant, Parque Eólico Hinojal S.L., Parc Eòlic Mudéfer S.L., Gestora Fotovoltaica de Castellón S.L. and Eólica Kiselice, Sp z.o.o. contain conditions that limit the payout of dividends and require compliance with certain minimum ratios, such as the Debt Service Coverage Ratio or Leverage Index.

With regards to the loans for financing the wind farms that contain ratio compliance clauses for financing of this type, at 31 December 2012 and 2011, there are no indications of non-compliance with the requirements described in these contracts that could give rise to their early redemption.

Furthermore, these loans require companies to record a Debt Service Fund Reserve (DSFR) through their banks accounts, as an additional guarantee for the bank syndicate. At the end of the years 2012 and 2011 the following amounts have been appropriated to this reserve:

Company	Thousand Euros	
	31.12.2012	31.12.2011
Eólica el Pedregoso S.L.	949	952
Eólica del Pino S.L.	5	5
SAS Eoliennes de Beausembant	632	180
Parque Eólico Hinojal, S.L.	1,883	1,856
Parc Eòlic Mudefer, S.L.	4,113	4,113
Eólica Kiselice Sp	-	1,652
<b>Total</b>	<b>7,582</b>	<b>8,758</b>

At 31 December 2012, the disposable liquidity of the Group amounts to Euros 25,931 thousand, and it is entirely composed by cash and other cash equivalents (Euros 26,216 thousand at 31 December 2011 corresponding to cash and other cash equivalents valued at Euros 25,492 thousand and credit lines not drawn down valued at Euros 724 thousand).

#### NOTE 16 – OTHER LIABILITIES

The following is a breakdown of “Other Liabilities” as at 31 December 2012 and 2011:

	As at 31.12.12	As at 31.12.11
Long-term deferred payments	3,463	28,461
<b>Other non-current liabilities</b>	<b>3,463</b>	<b>28,461</b>
Short-term deferred payments	7,494	2,632
Other current liabilities	-	41
<b>Other current liabilities</b>	<b>7,494</b>	<b>2,673</b>

“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 2012, it is estimated that Euros 7,494 thousand (Euros 2,632 thousand as at 31 December 2011) will be payable next year and that Euros 3,463 thousand (Euros 28,461 thousand as at 31 December 2011) will be paid in more than 12 months.

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The milestones that determine the final settlements are mainly benchmarked to certain events in the development, construction, financing and start up of the different wind farms. Thus, the most significant milestones are as follows: obtaining licenses and authorisations and connection permits, obtaining the financing, start up of construction and start up of the wind farm.

As a consequence of the impairment test (Note 5) it has been determined that some of the Group's farms under development, mainly in Spain, have no value left, thus the Group estimates that these parks are not going to be developed and that it will not have to face the major part of these deferred payments, this has implied a cancellation of the accounted liabilities for these milestones totalling Euros 12,040 thousand.

Additionally, during the year 2012 and in the framework of the negotiations for the sale of Fersa Panamá, S.A. (Note 2.5), the Group has renegotiated the amount and the maturity of the pending payments related with the farms that this company develops. Inside the short term deferred payments there are deferred payments totalling USD 9,855 thousand (Euros 7,494 thousand at 31 December 2012) resulting from this negotiation.

As a result of this negotiation, the Group has cancelled accounted liabilities for the Panamanian milestones amounting to Euros 4,364 thousand.

The breakdown of the pending deferred payments by geographic segment and as a function of the farm whose acquisition generates the pending payment is the following:

	As at 31.12.12	As at 31.12.11
Western Europe	1,014	14,005
Eastern Europe	2,449	2,598
Latin America (Panama)	-	11,858
<b>Total long-term deferred payments</b>	<b>3,463</b>	<b>28,461</b>
Eastern Europe	-	463
Western Europe	-	2,169
Latin America (Panama)	7,494	-
<b>Total short-term deferred payments</b>	<b>7,494</b>	<b>2,632</b>

At 31 December 2012, the payment schedule is expected to be as follows:

	2013	2014	2015	2016 and years beyond	Total
Total deferred payments	7,494	3,463	-	-	10,957

These deferred payments do not accrue any interest.

### NOTE 17 - TRADE AND OTHER PAYABLES

The breakdown at 31 December 2012 and 2011 is as follows:

	As at 31.12.12	As at 31.12.11
Public Administration	575	841
Other creditors	5,525	5,178
Current tax liabilities	588	361
<b>Other non-current liabilities</b>	<b>6,688</b>	<b>6,380</b>

Most of the accounts payable do not accrue interest and fall due between 30 and 90 days.



## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

We set out below the total amount of payments made by the Group to suppliers during the year and the payment terms in accordance with the maximum legal limit permitted under law 15/2010/5 July which established measures for reducing slow payment in trading operations:

	<b>Payments made and outstanding at the balance sheet date</b>			
	<b>2012</b>		<b>2011</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Payments for the year made within the maximum legal time limit	11,309	87.13%	11,173	89.41%
Remainder	1,670	12.87%	1,324	10.59%
<b>Total payments for the year</b>	<b>12,979</b>	<b>100%</b>	<b>12,497</b>	<b>100%</b>
<b>Average period of payments exceeding the limit (days)</b>	<b>147</b>		<b>156</b>	
<b>Balance outstanding at year end exceeding the maximum legal time limit</b>	<b>416</b>		<b>174</b>	

The amounts shown in the previous table as payments to suppliers are, according to their nature, trade creditors for debt with suppliers of goods and services, in such a way that they include the needed information for the "Other creditors" account found as current liabilities in the balance sheet.

The "Average period of payments exceeding the limit" has been computed by placing in the numerator the summation of the product of each of the payments to suppliers that have taken place during the year and the number of days that the payment has exceeded the legal time limit, and in the denominator the total amount of payments that have taken place during the year and that have exceeded the legal time limit.

The maximum legal time limit for the Group's payments in the year 2012 according to the law 3/2004/29 December, which established measures for reducing slow payment in trading operations, is 75 days.

### NOTE 18 – RISK MANAGEMENT

The Fersa Group 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 Group 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 net equity and net income, respectively.

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

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 Fersa Group uses financial swaps to manage its exposure to interest rate fluctuations.

The structure of its financial debt at 31 December, taking into account the hedges through derivative contracts, is as follows:

	As at 31.12.2012	As at 31.12.2011
Fixed interest rate	152,299	174,838
Floating interest rate	84,165	94,576
<b>Total</b>	<b>236,464</b>	<b>269,414</b>

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 net equity
<b>2012</b>	10%	(248)	1,821
	(10%)	248	(1,821)
<b>2011</b>	10%	(234)	983
	(10%)	234	(983)

This effect does not include the impact that would result from interest rate fluctuations on asset impairments, considered in Note 5.

### Exchange rate risk

The variations in exchange rates can affect the fair value of debt denominated in non-local or non-functional currencies and the transactions and investments denominated in non-Euro currencies, and, accordingly, the counter-value of net equity contributed and net income.

The various non-Euro currencies with which the Fersa Group has operated in 2012 and 2011 are the Dollar, Rupee and Zloty. The sensitivity of net income and consolidated net equity (Reserves for translation differences) of the Fersa Group to a 10% variation (increase and decrease) in the exchange rate against the Euro is as follows:

	Increase/decrease in the exchange rate of the functional currency	Effect on net equity
<b>2012</b>	10%	16,349
	(10%)	(16,349)
<b>2011</b>	10%	14,447
	(10%)	(14,447)

### Commodity price of electricity risk

The Fersa Group is exposed to the risk of fluctuations in commodity prices given that its sales are linked to the average price of electricity.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The sensitivity of net income to the variation in commodity prices, taking as a reference the sale price of electricity in the daily electricity market, is as follows:

	Increase/decrease in the price (electricity sale price)	Effect on net income before tax
2012	10%	4,241
	(10%)	(4,241)
2011	10%	4,086
	(10%)	(4,086)

This effect does not include the impact that would result from fluctuations in the electricity sale price on asset impairments, considered in Note 5.

### **Credit risk**

At 31 December 2012 and 2011 there are no provisions for bad debts as they are not considered necessary.

At 31 December 2012 and 2011, the Fersa Group 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 contracting of derivatives and 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, Group Treasury Management aims to maintain flexibility in funding by keeping committed credit lines available.

Management follows up the liquidity reserve forecasts of the Group (which includes the availability of credit and cash or cash equivalents) on the basis of the expected cash flows. The schedule established for expected cash flows of financial debt (without taking into account financial interest) is included in Note 15, to which the payments corresponding to Trade and other payables maturing in 2013 should also be added (Note 17).

At 31 December 2012, available liquidity totals Euros 25,931 thousand, which entirely belongs to cash and other cash equivalents (Euros 26,216 thousand at 31 December 2011, taking into account cash and other cash equivalents valued at Euros 25,492 thousand and undrawn credit lines valued at Euros 724 thousand).

### **Capital management**

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

The Fersa Group's debt is broken down between corporate debt and debt for the financing of projects (Project Finance). Corporate debt finances the parent Company's activities. Projects are generally financed by 20/30% of net equity to 80/70% of external financing by means of Project Finance which, by its own structure, guarantees the debt service (cover and leverage index and recording of a reserve fund for the debt service).

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The leverage ratio is as follows:

	As at 31.12.12	As at 31.12.11
Long-term financial liabilities (Note 15)	189,551	206,769
Short-term financial liabilities (Note 15)	22,648	42,541
Cash and other cash equivalents (Note 12)	(25,931)	(25,492)
Derivatives (Note 9)	21,795	16,272
<b>Net financial liability:</b>	<b>208,063</b>	<b>240,090</b>
Net equity holders of the parent company (Note 13)	130,613	194,213
Minority interest (Note 13)	3,733	16,948
<b>Net equity:</b>	<b>134,346</b>	<b>211,161</b>
<b>Leverage (Net financial liability / (Net financial liability + Net equity))</b>	<b>60.8%</b>	<b>53.2%</b>

## NOTE 19 – TAX SITUATION

The reconciliation of the applicable tax rate to the effective tax rate for 2012 and 2011 is as follows:

	2012	%	2011	%
<b>Profit (loss) before tax</b>	(93,267)		(141,067)	
<b>Theoretical tax</b>	(27,980)	30%	(42,320)	30%
Impairment of fixed assets	11,715	(12.6%)	12,658	(9.0%)
Divestments	(258)	0.3%	(1,625)	1.2%
Unrecognized tax credits	1,824	(2.0%)	1,297	(0.9%)
Foreign exchange differences	154	(0.2%)	(189)	0.1%
Tax rate foreign companies	(322)	0.3%	(216)	0.2%
Effect on net income using equity accounting method	13	(0.0%)	19	(0.0%)
Deduction for goodwill amortisation	(76)	0.1%	(380)	0.3%
Other	57	(0.1%)	(371)	0.3%
<b>Corporate income tax accrued</b>	<b>(14,873)</b>	<b>15.9%</b>	<b>(31,127)</b>	<b>22.1%</b>

Part of the adjustment for impairment of fixed assets relates to the impairment of goodwill (Note 5), which is neither tax deductible nor has led to the posting of a deferred tax liability.

At 31 December 2012, the Group has tax loss carryforwards (TLC's) available for offset totalling Euros 22,360 thousand (Euros 19,907 thousand at 31 December 2011), and a deferred tax asset balance of totalling Euros 8,056 thousand (Euros 6,777 thousand at 31 December 2011).

Part of these credits are not recognised. The breakdown of these unrecognised credits and the nature of their accounting counter-entry at 31 December 2012 is as follows:

	Charged to net income	Charged to net equity	Total
Tax credit loss carryforwards	3,306	2,199	5,505
Deferred tax assets	1,772	6,284	8,056
<b>Total</b>	<b>5,078</b>	<b>8,483</b>	<b>13,561</b>

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The breakdown of the credit loss carryforwards not registered and the deferred tax asset balance not registered is the following:

Year	Thousands of Euros
2013	174
2014	426
2015	429
2016	447
2017	315
2018	315
2019	315
2020	316
2021	323
2022	316
2023	2,315
2024	520
2025	830
2026	1,415
2027	314
2028	314
2029	314
2030	3,284
2031 and years beyond	879
<b>Total</b>	<b>13,561</b>

In both cases, the Fersa Group 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 income tax expense for the year is as follows:

Corporate income tax	2012	2011
Current tax	1,253	1,160
Deferred tax	(16,126)	(32,287)
<b>Total</b>	<b>(14,873)</b>	<b>(31,127)</b>

The following table reflects the movements during 2012 and 2011 of deferred tax:

	Balance 31.12.11	Increases	Decreases	Transfers	Translation differences	Balance 31.12.12
Deferred tax assets	8,150	1,995	(380)	(1,433)	-	8,332
Deferred tax liabilities	(45,792)	(176)	16,932	6,356	(1,008)	(23,688)
<b>Total</b>	<b>(37,642)</b>	<b>1,819</b>	<b>16,552</b>	<b>4,923</b>	<b>(1,008)</b>	<b>(15,356)</b>

	Balance 31.12.10	Increases	Decreases	Transfers	Translation differences	Balance 31.12.11
Deferred tax assets	5,369	2,360	(409)	830	-	8,150
Deferred tax liabilities	(81,242)	(437)	32,115	(830)	4,602	(45,792)
<b>Total</b>	<b>(75,873)</b>	<b>1,923</b>	<b>31,706</b>	<b>-</b>	<b>4,602</b>	<b>(37,642)</b>

The additions deferred tax assets for the years 2012 and 2011 relate, mainly, to the tax of the hedging contracts according to their valuation (Note 9). The disposals of deferred tax liabilities include the tax effect of the impairment charge totalling Euros 15,539 thousand in 2012 and Euros 30,955 thousand in 2011 (Note 5).

The transfers are a consequence of the classification of the deferred tax assets and liabilities of Eólica Kisielice Sp as Non-current assets and liabilities held for sale (Note 10).

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

In accordance with current tax legislation, tax returns cannot be considered final until they have been audited by the Tax Authorities or the four-year prescription period has expired.

The consolidated companies that make up the Group are opened to tax inspection for all applicable taxes for the last four years.

As from 1 January 2009 Fersa Energías Renovables, S.A. is subject to Corporate Income Tax under the consolidated tax regime along with the following subsidiaries in Spain:

Eólica El Pedregoso, S.L.	Gestora Fotovoltaica de Castellón, S.L.	Fotovoltaica de les Coves, S.L.U.
Fersa-Aventalia, S.L.	Fotovoltaica Fer, S.L.U.	Inversions Vinroma, S.L.U.
Sinergia Andaluza, S.L.	Weinsberg Ecotec, S.L.U.	Parque Eólico Hinojal, S.L.U.
Eólica del Pino, S.L.	Fotovoltaica Ecotec, S.L.U.	Siljan Port, S.L.
Parc Eòlic Mudéfer, S.L.	Joso Fotovoltaica, S.L.U.	Fersa Asesoramiento y Gestión, S.L.U.
Fercom Eólica, S.L.U.	Fotovoltaica Padua, S.L.U.	Parc Eòlic Coll de Som, S.L.U.
La Tossa del Vent, S.L.U.	Fotovoltaica Vergos, S.L.U.	Parc Eòlic L'Arram, S.L.U.
Texte, S.L.U.	Fotovoltaica La Mola, S.L.U.	Explotación Eólica La Pedrera, S.L.U.
Eolener, S.L.U.	Inversions Trautt, S.L.U.	Electravent, S.L.U.
Orta Eólica, S.L.U.	Fotovoltaica de Castelló, S.L.U.	

### NOTE 20 - STAFF COSTS

The breakdown of staff costs for the years 2012 and 2011 is as follows:

	2012	2011
Wages and salaries	1,609	2,080
Social welfare expenses	295	367
<b>Total staff costs</b>	<b>1,904</b>	<b>2,447</b>

The totality of the value included in Social welfare expenses corresponds to Social Security.

The average number of employees for the years 2012 and 2011 breaks down as follows:

	2012	2011
Management	3	3
Technicians	30	37
Others	4	5
<b>Total</b>	<b>37</b>	<b>45</b>

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 average number of employees of the Fersa Group at the end of 2012 and 2011 broken down by category and gender is as follows:

As at 31.12.12	Men	Women	Total
Management	1	2	3
Technicians	22	6	28
Others	1	3	4
<b>Total</b>	<b>24</b>	<b>11</b>	<b>35</b>

  

As at 31.12.11	Men	Women	Total
Management	1	2	3
Technicians	26	7	33
Others	1	3	4
<b>Total</b>	<b>28</b>	<b>12</b>	<b>40</b>

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**NOTE 21 – NET FINANCIAL INCOME (EXPENSE)**

The breakdown of this account in the income statement for 2012 and 2011 is as follows:

	2012	2011
Interest	1,372	4,632
Exchange gains	59	-
<b>Total financial income</b>	<b>1,431</b>	<b>4,632</b>
Cost of borrowings	(15,443)	(15,978)
Exchange losses	-	(104)
Loss for disposal of financial instruments	-	(146)
<b>Total financial expenses</b>	<b>(15,443)</b>	<b>(16,228)</b>
<b>Net financial income (loss)</b>	<b>(14,012)</b>	<b>(11,596)</b>

Financial income for interest of 2011 included the effect of the waiver of part of the debt of deferred payments for the acquisition of Eólica Postolin Sp, Z.o.o.

**NOTE 22 – CASH FLOWS**

**Cash flows from operating activities**

The breakdown of cash flow from operations in 2012 and 2011 is as follows:

	2012	2011
<b>Profit (loss) before tax</b>	<b>(93,267)</b>	<b>(141,067)</b>
<b>Adjustments to results</b>	<b>125,141</b>	<b>170,729</b>
Amortisation and depreciation (Notes 5 and 6)	18,117	20,022
Impairment losses (Note 5)	92,445	145,451
Results of disposals of financial instruments (Note 10)	524	(6,153)
Interest income	(1,372)	(4,632)
Borrowing costs	15,443	15,978
Exchange differences	(59)	-
Net income of companies consolidated by equity accounting (Note 7)	43	63
Other adjustments to net income	-	-
<b>Changes in working capital (excluding the effects of changes in consolidation scope and translation differences):</b>	<b>6,275</b>	<b>(854)</b>
Trade and other receivables	5,588	(1,996)
Trade and other payables	687	1,142
<b>Other cash flows from operating activities</b>	<b>(13,530)</b>	<b>(15,037)</b>
Interest paid	(12,881)	(14,295)
Collection of interest	746	672
Collections (payments) of corporate income tax	(311)	(225)
Collection of dividends	-	-
Other payments (collections)	(1,084)	(1,189)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>24,619</b>	<b>13,771</b>

**NOTE 23 – JOINT VENTURES**

The breakdown of the main economic aggregates relating to the main operations and shareholdings of the Fersa Group in joint ventures (proportionally consolidated companies, see Appendix I) in 2012 and 2011, after taking into account the shareholding percentage, is as follows:

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

	2012	2011
Non-current assets	109	1,032
Current assets	1,510	1,711
Non-current liabilities	557	819
Current liabilities	59	3
Income	45	78
Expenses	338	298

**NOTE 24 - RELATED PARTY TRANSACTIONS**

Related persons are:

- a) 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.

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

<u>Name or registered name of the Board Member</u>	<u>Total % of share capital</u>
Grupo Empresarial Enhol, S.L. (*)	22.44%
Banco Mare Nostrum, S.A. (**)	7.68%
Grupo Comsa Emte, S.L.	7.68%
Grupo Catalana Occidente, S.A.	7,51%
Windmill Investment S.A.R.L.	4.04%
Larfon, S.A.U. (***)	3.15%

(\*) Eólica Navarra, S.L.U. is wholly owned by the Enhol Group and owns 22.070% of the Fersa Group's shares, which is included in Enhol Group's stake.

(\*\*) Corporación Caja Granada S.L.U is a member of the board and is part of the Group Banco Mare Nostrum and owns 3.40% of the Fersa Group's shares, which is included in Banco Mare Nostrum's stake.

(\*\*\*) This stake includes: 2.70% over the total share capital owned by Larfon, SAU (member of the Management Board) and a 0.45% over the total share capital owned by Fonlar Futuro, SICAV, S.A., whose indirect representative is Larfon, S.A.U.

- b) The Directors and Senior Management of any company belonging to the Fersa Group and their immediate families, "Directors" meaning members of the Board of Directors, and "Senior Management" meaning persons who report directly to the Company's Board of Directors or its top Senior Manager and, at all events, to its internal auditor. Transactions with the directors and senior management of the Fersa Group are disclosed in Note 25.

The transactions between related companies have been carried out at arm's length.

The transactions involving services rendered between Group companies have been objective and unbiased and carried out at arm's length, based on the incremental cost system, under which the estimated cost plus a margin has been allocated to the different Group or related



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

companies. Thus, the costs shared by the parent company and other Group companies are distributed and charged by project and activity, based on parameters of activity and hourly charges (using periodical slips per employee). Detailed definitions of the services and remits to be carried out are prepared, and the average indicators used to calculate the charges are determined.

The loans that the parent Company has extended to the Group companies, associates or multi-group companies accrue financial interest based on a market rate.

The operations in 2012 between Fersa Energías Renovables, S.A. and related parties are as follows:

a) Transactions with significant shareholders:

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

Inver is a company belonging to the Enhol Group.

On 22 July 2012 a contract with Inver was signed. Its maturity was initially of three months, which were renewable for periods of three months. The aim of the contract was the management of those energy purchases and sales due to surpluses or shortages in the daily energy production. The fees arising from this contract amount to Euros 97 thousand in the year 2012 (Euros 101 thousand in 2011).

**Transactions with Grupo Empresarial Enhol**

During the year 2011, the deferred payments corresponding to the acquisition of Eólica Postolin Sp. Z.o.o. were renegotiated with Generación Eólica Internacional, S.L. (company of the Enhol Group), which decreased the liability with the Enhol Group by Euros 3,960 thousand.

On 28 February 2011, Grupo Empresarial Enhol, S.L. (hereinafter Enhol) and the Fersa Group signed a contract in accordance with which Enhol has provided ongoing permanent advisory services to Fersa Group's Management for the management and administration of the Group's material and human resources and adequate execution of its business activities and objectives. The fees accrued in 2011 for these services total Euros 400 thousand.

In 2011, Grupo Empresarial Enhol, S.L. and Empordavent, S.L.U. signed a contract in accordance with which Enhol has provided support for the development of the wind farm. The fees accrued in 2011 for this service total Euros 300 thousand.

At 31 December 2011, these two contracts were no longer in force, thus no import has been accrued during the year 2012.

**Transactions with Caja General de Ahorros de Granada**

Parque Eólico Hinojal, S.L. (fully owned by the Fersa Group) has a current account with the financial entity Caja General de Ahorros de Granada which balance at 31 December 2012 totals Euros 2,197 thousand (Euros 3,275 thousand at 31 December 2011), which has accrued interest in its favour of Euros 36 thousand in 2012 (Euros 29 thousand in 2011). Furthermore, Caja General de Ahorros de Granada, as the agent bank, together with a syndicate of banks, have granted a loan to Parque Eólico Hinojal, S.L.. The amount drawn down exclusively from Caja General de Ahorros de Granada at 31 December 2012 totals Euros 5,090 thousand (Euros 5,501 thousand at 31 December 2011), and interest of Euros 124 thousand were accrued in 2012 (Euros 152 thousand in 2011).

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

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

The total amount accrued during 2012 with respect to the rental of the offices of the registered office of the Fersa Group 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. until 16 March 2012), totals Euros 187 thousand (Euros 154 thousand during 2011).

During the year 2013 these lease agreements have been terminated.

**Transactions with Comsa Emte Medioambiente, S.L.U.**

Comsa Emte Medioambiente is a company belonging to the Comsa Emte, S.L. Group.

On 21 December 2012 Comsa Emte Medioambiente, S.L.U. (hereinafter CEMA) has signed a contract with the companies Eólica el Pedregoso, S.L. and Eólica del Pino, S.L. in which they order the repair of the foundations of seven wind turbines in El Pedregoso wind farm to CEMA. This operation will total Euros 688 thousand in 2013. During the year 2012 no import has been accrued for this contract.

b) Transactions with directors and senior management:

In addition to the operations with Real Wind stated in the previous section of this Note, in 2011, the Fersa Group signed a service contract with Riva y Garcia, the Director of which is Ignacio Garcia-Nieto, for services related to the restructuring of Fersa's debt. The fees accrued in 2011 for this service total Euros 59 thousand. The fees accrued in 2012 for this service total Euros 191 thousand.

**NOTE 25 – 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 21 May 2012, unanimously adopted the remuneration system proposed by the Appointments and Remuneration Committee.

Furthermore the General Meeting of Shareholders of 26 June 2012 of Fersa Energías Renovables, S.A., adopted, for consultation purposes, the report put forward by the Appointments and Remuneration Committee effective as from 1 January 2012 and subsequent years.

The Group's remuneration policy is designed to reward dedication, qualifications and responsibility required by the office of Director, without comprising the latter's independence. The remuneration includes the exigency, the dedication, qualifications and responsibility required by this function.

Remuneration is divided into the following basic elements:

- Per diems: The amount varies on the basis of the type of Director and the meetings of the Board of Directors held.
- Sitting on the Board: Consists of annual fixed remuneration for the members of the Board of Directors, which varies on the basis of the type of Director. The remuneration comprises the performance of duties either individually or jointly and the oversight and responsibility required by the function.

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

- Delegated Committees: Consists of annual fixed remuneration for the members of the Delegated Committees, which varies depending on the type of Director.

The members of the Executive Committee and the members of the Board of Directors, excluding independent persons, have waived their remuneration during the current year.

Accordingly, during 2012 the total amount accrued for the members of the Board of Directors of Fersa Energías Renovables, S.A. totals Euros 187 thousand (Euros 453 thousand during 2011), comprising exclusively the fix remuneration for sitting on the Board of Directors and its different Delegated Committees, as well as remuneration relating to labour-related duties or direct responsibilities at different executive levels.

100% of the members of the Board of Directors are men.

### Transactions with Directors

Article 229 of the Spanish Corporate Enterprises Act, adopted by Royal Legislative Decree 1/2010/2 July, has imposed on Directors, or their individual representatives, the duty to report to the Board of Directors, and failing that, the other Directors, or, in the case of a Sole Administrator, the General Meeting of Shareholders, any direct or Indirect conflict of interest they may have with the company. The director affected must abstain from intervening in the resolutions or decisions on the operation to which the conflict refers.

We set out below the situations of direct and indirect conflict of interest which the Board of Directors have had with the Group and how they have been treated:

<i>Directors</i>	<i>Description of the conflict of interest</i>
<i>Mr. José María Font Fisa</i>	In his capacity as individual representative of the Director Comsa Emte Energías Renovables, S.L. has abstained from intervening in the discussion and vote on the agreement dated 17 December 2012 regarding the execution of contracts between companies of the FERSA Group and companies of the Comsa Emte Group.

Likewise, the Directors must report the direct or indirect shareholdings which either they or the persons related to them hold in the capital of a company with the same, analogous or complementary type of activity as that which constitutes the corporate purposes of the company, and likewise report the offices and duties they undertake therein.

Accordingly, we present below the following information provided to the Company by the Directors who during the year have held offices on the Board of Directors of the Company (see Appendix II).

### Management's remunerations

The total remuneration accrued in 2012 to the members of the Management amounts to Euros 458 thousand in fixed remuneration (Euros 238 thousand in fixed remuneration in 2011).

The Group's Management consists of two men and two women.

A contract has been entered into with Management which establishes that a severance pay is payable to them in the event of termination of their employment relationships.

## **NOTE 26 – AUDITORS FEES**

The fees accrued during the year 2012 to Deloitte, S.L. for auditing total Euros 168 thousand and other assurance services total Euros 39 thousand.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

The fees accrued during the year 2011 to PriceWaterhouseCoopers for auditing total Euros 214 thousand and other assurance services total Euros 48 thousand.

Additionally, the fees accrued during the year 2012 by other companies that also use the brand Deloitte, S.L. as a consequence of other services provided to the Group, total Euros 92 thousand (Euros 20 thousand in 2011), mainly for tax advice.

Furthermore, the fees accrued during the year 2012 by other auditing firms for audit services total Euros 22 thousand (Euros 3 thousand in 2011). No other fees have been accrued for other services (Euros 20 thousand in 2011).

**NOTE 27 – COMMITMENTS AND CONTINGENCIES**

**Guarantees with third parties**

The following Group companies have given technical guarantees to the General Directorate of Energy Policy and Mines in the following amounts (Thousand Euros) as per the provisions of RD 661/2007:

<b>Company</b>	<b>As at 31.12.2012</b>	<b>As at 31.12.2011</b>
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., Castellwind 03, S.L.	1,000	1,000
Entreyeltes 1, S.L.	2,100	2,100
<b>Total</b>	<b>5,420</b>	<b>8,720</b>

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

<b>Company</b>	<b>As at 31.12.2012</b>	<b>As at 31.12.2011</b>
Parque Eólico Valcaire, S.L.	-	620
Texte, S.L.	-	150
La Tossa del Vent, S.L.	-	210
Eolener, S.L.	320	687
Parc Eòlic L'Arram, S.L.	-	400
Parc Eòlic Coll de Som, S.L.	-	210
Empordavent, S.L.	-	960
Orta Eólica, S.L.	-	990
Electravent, S.L.	-	12
E.R. Guadiana Menor, S.L.	-	400
Sinergia Andaluza, S.L.	-	3,564
Ferrolterra Renovables, S.L.	-	133
Parc Eòlic Mudefer, S.L.	-	6
<b>Total</b>	<b>320</b>	<b>8,342</b>

Fersa Energías Renovables, S.A. furnishes guarantees amounting to Euros 8,124 thousand (both at 31 December 2012 and 2011) to the General Directorate of Energy Policy and Mines for the tendering of various wind farm projects in Catalonia, which were provisionally awarded in 2010.

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Fersa Energías Renovables, S.A. gives a guarantee to the Ministry of Economy of Montenegro totalling Euros 1,500 thousand (both at 31 December 2012 and 2011) relating to the final guarantee for the tendering of a wind farm in that country.

Fersa Energías Renovables has given a guarantee totalling Euros 6,683 thousand for the financing of the infrastructure required for the evacuation of electricity from the Orta Eólica, S.L. wind farm (both at 31 December 2012 and 2011) in order to guarantee the financing agreement that La Caixa and Banc Sabadell have entered into with Aprofitament d'Energies Renovables de la Terra Alta, S.A. and Aprofitament d'Energies Renovables de L'Ebre, S.L.

Electravent, S.L. gives guarantees totalling Euros 12 thousand to the "Department of the Environment and Housing of the Government of Catalonia" and Euros 18 thousand to the "City Council of Portbou" for the temporary occupancy of land in order to undertake archaeological prospecting.

Explotación Eólica la Pedrera, S.L. has given guarantees totalling Euros 1,311 thousand to Energías Renovables de la Región de Murcia, S.L. and totalling Euros 870 thousand to the General Directorate of Energy and Mining Policy.

The commitments, pledges and guarantees relating to the financing contracts have been described in Note 15.

The Directors of the parent Company estimate that unexpected liabilities at 31 December 2012, if any, that could give rise to the commitments indicated in this Note and in Note 15, would not have a significant impact on these consolidated annual accounts.

### Contractual commitments

The following table shows the minimum total payments for non-cancellable operating leases at 31 December 2012 and 2011:

Period	As at 31.12.12	As at 31.12.11
Up to one year	1,138	1,174
Between one and five years	5,947	5,570
More than five years	26,577	27,475
<b>Total</b>	<b>33,662</b>	<b>34,219</b>

Operating lease expenses of the Group during the year 2012 amount to Euros 1,329 thousand (Euros 1,415 thousand in 2011).

### Contingencies

At the date of preparation of these consolidated annual accounts, the main lawsuits which the Fersa Group is party to are as follows:

- Eólica Cieplowody Sp (Polish company wholly owned by the Fersa Group) has some lease contracts with the owners of the land where the company intends to construct a wind farm. The Polish company, Nord Energy Sp (which does not belong to the Fersa Group), has signed other lease contracts with the owners of this land. In the two legal proceedings initiated, Eólica Cieplowody Sp asked for the contracts signed between Nord Energy Sp and the owners of the land to be declared null and void so that it can continue to construct and develop the wind farm. In September 2011, a judgment was given in the first instance against Eólica Cieplowody Sp, which has been appealed by the company. On 21 December 2012 the appeal presented for the first instance was rejected, being this the final sentence. The Fersa Group impaired in 2011 the whole amount invested in the project which amounted to Euros 18,172 thousand.

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

- Eólica Warblewo, SP (company owned by the Fersa Group,) has brought action against the owners of the land where the company intends to construct the wind farm which it is developing. Eólica Warblewo, SP asks for the lease contracts between the company and the owners of the land to be declared in force and of compulsory performance. On 25 August 2011, the Courts of Warsaw gave a judgment in favor of Eólica Warblewo, SP although the judgment was appealed by the owners of the land on 14 September 2011. On 31 December 2012 Eólica Warblewo, Sp has presented a lawsuit for damages totalling Zlotys 298 millions. The Fersa Group has estimated that the risk of loss of the right to lend the land is likely, thus it has impaired the whole amount invested in the project totalling Euros 22,887 thousand during the year 2012.
- On 21 December 2005, the Regional Customs Unit of the Barcelona Tax Authorities issued a final certified inspection report for the subsidiary company Invetem Mediterránea, S.L., for the Special Tax on Hydrocarbons for the period 2001 to 2004, with a proposed tax assessment totalling Euros 8,840 thousand, of which Euros 813 thousand were for late payment interest. In 2006, the subsidiary company filed the corresponding economic-administrative claim against the tax assessment with the relevant administrative authorities, the Regional Economic-Administrative Tribunal of Catalonia. On 1 July 2010, the Tribunal gave a decision in favour of Invetem Mediterránea, S.L. and declared the tax assessment proposal null and void. However, on 9 August 2010, the tax authorities filed an appeal against this decision with the Tribunal. On 21 June 2012 a resolution was passed by which it has been partially estimated the appeal presented by the Group. On 5 October 2012 an appeal for judicial review was filed with the National Appellate Court requesting injunctive relief of a stay with the contribution of the guarantee offered in the economic-administrative jurisdiction. The Group has an agreement with EMTE, S.A., the company from which the parent 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 parent Company in such a manner that the latter would obtain a 10% rate of return. Consequently, at 31 December 2012, the Group has recorded a provision totalling Euros 401 thousand to cover the investment of this subsidiary net of the agreed remuneration. The Fersa Group considers that the provision recorded in these consolidated annual accounts adequately covers this contingency. Given the nature of the contingency, it is not possible to determine a reasonable payment schedule but in any case the final outcome will not be known during the twelve months that follow the closing of the 2012 year.
- In 2011, a provision for Euros 1,300 thousand was recorded in relation to the guarantee given to Acciona Energía, S.A. to guarantee the payment of a possible supplementary tax assessment for tax on constructions, installations and works as a result of the purchase-sale of Empordavent, S.L. (see Note 2.5).
- The Horta de Sant Joan town council filed in 2011 an appeal against the decision of the Special Urban Plan for the installation of the wind farm that Orta Eólica, S.L. (wholly owned by the Fersa Group) is developing. Due to this appeal, the Fersa Group considers that the start-up of the farm may be delayed and, in the worst scenario a final withdrawal from its processing. 100% of the value of the farm under development has been accrued.
- In May 2012 the former chairman of the Fersa Group filed two claims against Fersa Energías Renovables, S.A. The first claim requested a termination benefit of EUR 532 thousand for unjustified dismissal and, secondarily, EUR 266 thousand for contractual withdrawal by the Company, plus an indemnity of EUR 89 thousand for breach of the prior notice period (a total of EUR 355 thousand). In the second claim an amount was claimed for variable remuneration, holidays and salary differences. On 10 December 2012, the Labour Court handed down a decision on the first claim, absolving the Company. The proceeding for the second claim is scheduled on 19 March 2013.
- During the first semester of 2012, different appeals have been presented against the

## **FERSA ENERGIAS RENOVABLES GROUP**

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

autonomous proceedings or awards given in relation with the farms that the Group companies, Sinergia Andaluza, S.L., Energía Renovable Guadiana Menor, S.L. and Fersa Aventura, S.L. are developing. However, 100% of the value of the farm under promotion associated is already provisioned.

- During the first semester of the year 2012, the company Advanced Energy S.L. filed for a lawsuit against Gestora Fotovoltaica de Castellón, S.L., company belonging to the Group, totalling Euros 293 thousand as a compensation for the resolution of a service contract.

The Fersa Group considers that the provisions and value adjustments recorded in these consolidated annual accounts adequately cover the contingencies stated in this Note and therefore, it does not expect that they will generate any liabilities or value adjustments other than those which have been recorded (Note 14).

### **NOTE 28 - 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.

During 2012 and in relation to the facilities being operated, the Group incurred expenses totalling Euros 209 thousand, basically, for wildlife conservation purposes (Euros 200 thousand during 2011).

### **NOTE 29 – GREENHOUSE GAS EMISSIONS RIGHTS**

On 27 August 2004 Royal Decree Law 5/2004, which regulates the regime for trading in greenhouse gas emissions rights, was adopted, the objective of which was to assist in complying with the obligations under the Kyoto Protocol Convention.

The Group has not been assigned CO<sub>2</sub> emissions and has no expenses arising from the consumption of these rights. The Management of the Fersa Group does not expect that any penalties or contingencies will arise from compliance with the requirements under Law 1/2005.

The wind farms of the Indian companies of the Fersa Group, Generación Eólica India LTD, and EN Renewable Energy LTD, have been endorsed by the United Nations under the Kyoto Protocol for CERs (Certified Emission Reductions). During the years 2012 and 2011, the volume of CERs generated by the two companies totalled Euros 1,483 thousand and Euros 1,195 thousand, respectively, having both imports been registered in the income statement of 2012 as they did not comply with the needed recognition requirements at the end of the year 2011.

### **NOTE 30 – SUBSEQUENT EVENTS**

On 1 February 2013 it has been adopted in Spain the RDL 2/2013 containing urgent measures both for the electricity sector as well as for the financial sector. This new RDL modifies the RD 661/2007, by eliminating the option of market price plus premium. It establishes that all the installations that on the date of enforcement of the RDL were selling its energy to the market, on an automatic basis and from the 1<sup>st</sup> of January 2013 onwards, will have to start selling its energy at a regulated tariff, except if prior to 15 February 2013, they had chosen to sell it to the market, under the conditions established by the RDL, that is, without a premium, as indicated previously (Note 3).

The impact of this RDL in the impairment test of the Group's assets is not significant.

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**APPENDIX I: FERSA GROUP COMPANIES**

**FERSA GROUP COMPANIES AS AT 31 DECEMBRE 2012**

Company	Address	Shareholding percentage	Method of consolidation
Eólica El Pedregoso, S.L	Travessera de Gracia, 30 Barcelona ESPAÑA	80%	F.C.
Invetem Mediterránea, S.L	Av.Baix Llobregat, 10 Esplugues ESPAÑA	71%	F.C.
Eólica Del Pino, S.L	Travessera de Gracia, 30 Barcelona ESPAÑA	80%	F.C.
Parc Eòlic Mudefer, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	84%	F.C.
Fercom Eólica, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
La Tossa del Vent, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Texte, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Eolener, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Orta Eólica, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Electravent, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Gestora Fotovoltaica de Castellón, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Fotovoltaica Fer, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Weinsberg Ecotec, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Fotovoltaica Ecotec, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Joso Fotovoltaica, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Fotovoltaica Padua, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Fotovoltaica Vergos, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Fotovoltaica La Mola, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Inversions Trautt, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Fotovoltaica de Castelló, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Fotovoltaica de les Coves, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Inversions Vinroma, S.L.	Travessera de Gracia, 66 Barcelona ESPAÑA	76%	F.C.
Parque Eólico Hinojal , S.L	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Eólica Postolin Sp	Krasinskiego n° 19, Bydgoszcz, POLONIA	100%	F.C.
OÜ EstWindPower	Hiiu-Maleva 13-3 Tallinn (11619) Toila, Paite-Vaivina, ESTONIA	94%	F.C.
Fersa Asesoramiento y Gestión, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Parc Eòlic Coll De Som, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Parc Eòlic L'Arram, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Explotación Eólica La Pedrera S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	100%	F.C.
Sinergia andaluza ,S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	75%	F.C.
Generación Eólica India Limited	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	100%	F.C.
EN Renewable Energy Limited	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	100%	F.C.
EN Wind Power Private Limited	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	100%	F.C.
Fersa India Private Limited	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	100%	F.C.
Eólica Kisielice SP	Krasinskiego n° 19, Bydgoszcz, POLONIA	100%	F.C.
Eólica Warblewo Sp	Krasinskiego n° 19, Bydgoszcz, POLONIA	100%	F.C.
Eólica Ciepłowodny Sp	Krasinskiego n° 19, Bydgoszcz, POLONIA	100%	F.C.
Eoliennes De Beausemblant, SAS	1 Chemin de Lavigne (64800) Mirepeix, Ródano-Alpes, FRANCIA	80%	F.C.
Castellwind 03 S.L	Travessera de Gracia, 30 Barcelona ESPAÑA	60%	F.C.
Fersa Cherkessk Llc	Location at suite 4, building 50, Lenina Prospect. 369000 Cherkessk RUSSIA	100%	F.C.
Entreyeltes 1, S.L.	C/Farmacéutico Obdulio Fernandez 11 Burgos ESPAÑA	51%	F.C.
Mozura Wind Park D.o.o.	Zgrada Montex 5, Stara Varos 3 - 81000 Podgorica MONTENEGRO	100%	F.C.
Management Kisielice, S.P.z.o.o.	Krasinskiego n° 19, Bydgoszcz, POLONIA	100%	F.C.
Shandong Lusa New Energy Co ltd	Chengkow, Wudi, Shandong Province CHINA	48%	P.C.
Fersa Business Consulting (Shangai) Co Ltd	Room 1015, 8th Building, No 1147, Kangding Rd, Jing'an District, Shanghai CHINA	100%	F.C.
Berta Energies Renovables, S.L.	Travessera de Gràcia, 56 entresuelo Barcelona ESPAÑA	29%	E.A.
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	Travessera de Gràcia, 56 entresuelo Barcelona ESPAÑA	27%	E.A.
Fersa Panamá, S.A.	Cincuenta, edificio 2000, 5a planta Ciudad de Panamá, PANAMÁ	30%	E.A.
Los Siglos AIE	Gregorio Mayans, 3 Valencia ESPAÑA	30%	P.C.
Energía Cijara, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	50%	P.C.
E. R. Guadiana Menor, S.L.	Plaza Ayuntamiento, 17 Peal de Becerro (Jaén) ESPAÑA	50%	P.C.
Energía Renovable Mestral Eólica, S.L.	Av. María Fortuny, 83 Reus ESPAÑA	50%	P.C.
Siljan Port, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	80%	P.C.
Fersar Yenilenebilir enerji üretim ltd. Sirketi	Haciosman Bayırı, 65 Sariyer, Istanbul, TURQUIA	50%	P.C.
Ferrolterra Renovables, S.L.	Avda. Gonzalo Navarro 36-38, Pol. Rio do Pozo, Narón (A Coruña) ESPAÑA	37%	E.A.
Fersa-Aventalia, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	80%	F.C.
Infraestructures Comunes d'Evacuació Ribera d'Ebre, S.L.	Travessera de Gracia, 30 Barcelona ESPAÑA	72%	F.C.

F.C. - Full Consolidation; P.C. - Proportional Consolidation; E.A. - Equity Accounting



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**APPENDIX II: INFORMATION ON MEMBERS OF THE BOARD OF DIRECTORS REQUIRED IN ACCORDANCE WITH ARTICLE 229 OF THE SPANISH CAPITAL COMPANIES ACT**

<b>Board Member : Comsa Emte Energías Renovables, S.L.</b>		
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Comsa Emte Inversiones Solares, S.L.U.	100 % Direct	Joint Administrator
Eólica Sierra Gadea, S.L.	50 % Direct	Joint Administrator
Eólica el Hornico, S.L.	50 % Direct	Joint Administrator
Eólica Las Lanchas, S.L.	50 % Direct	Joint Administrator
Eólica La Carrasca, S.L.	50 % Direct	Joint Administrator
Gótica Solar, S.L.U.	100 % Direct	Joint Administrator
Maials Solar, S.L.U.	100 % Direct	Joint Administrator
Parque Solar de Ecija, S.L.U. and participated	100 % Direct	Joint Administrator
Parque Solar Viso del Marques, S.L.U. and participated	100 % Direct	Joint Administrator
Parque Solar Dos Hermanas, S.L. and participated	50,50 % Direct	Joint Administrator
Cerwind Galicia, S.L.U.	100 % Direct	Joint Administrator
Sacael Renovables, S.L.	66,16 % Direct	Joint Administrator
Maials Eolica, S.L.U.	100 % Direct	Sole Administrator
Generacion de Energías Sostenibles, S.L.U.	100 % Direct	Joint Administrator
Castian Eolica, S.L.	90 % Direct	-
Energías Renovables de Euskadi, S.L.	5 % Direct	-
Energías Renovables d'Anoia, S.L.	9,52 % Direct	-
EMTE Renovables, S.L. and participated	37,88 % Direct	Director
Termosolar Borges, S.L.	47,50 % Direct	Joint Administrator
Ronergy Services, S.L.	25 % Direct	Director
Coemga Renovables, S.L.	24,98 % Direct	Director
Coemga Renovables 1, S.L.	24,98 % Direct	Director
Compañía integral de Energías renovables de Zaragoza, S.L.	45 % Direct	Director
Villoldo Solar, S.L.	100 % Direct	Joint Administrator
Energías Renovables Sierra Sesnández, S.L.	37,98 % Direct	Director

<b>Board Member: Comsa Emte Energías Renovables, S.L</b>		<b>Related party: Josep Maria Font Fisa</b>
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Gamesa Corporación Tecnológica, S.A.	0,00046 % Direct	Shareholder

<b>Board Member : Ignacio García-Nieto Portabella</b>		
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Rotasol Energy, S.L.	5% Indirect	-
AR Zorita 20, S.L.	5% Indirect	-

<b>Board Member : Eólica Navarra, S.L. Unipersonal</b>		
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	60,86% Indirect	-
Eolica Bulgaria EAD	60,86% Indirect	-
Eolica Danubio OOD	60,86% Indirect	-
Eolica Suvorovo AD	60,86% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Aguas Vivas Allipen Tacura, S.A.	95,95% Direct	-
Energía Renovable del Bío Bío, S.A.	72,49% Direct 24,18% Indirect	-
Enhol Chile SpA	100% Direct	-
Eólica Camarico, S.A.	71,5% Direct 25,05% Indirect	-
Eólica del Norte, S.A. (Dissolved 29/08/2012)	89% Indirect	-
Eólica Mar Brava, S.A. (Dissolved 29/08/2012)	87% Indirect	-
Eólica Punta Chome, S.A. (Dissolved 06/11/2012)	71,5% Direct 25,05% Indirect	-
Eólica Viento del Hierro, S.A. (Dissolved 29/08/2012)	89% Indirect	-
Hidroallipen SpA	100% Indirect	-
Inversiones Krokis SpA	100% Direct	-
EN Generacion Eolica Eurasia Ltd.	100% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	88.31% Indirect	-
Wind Resources America Corp. (Dissolved 27/06/2012)	100% Direct	-
Eolica Slovensko a.s.	70,32% Indirect	-
Asturiana de Eólica, S.A.	80% Direct	-
Cyclone Power Group, S.L.U.	100% Direct	-
Electra de Malvana, S.A.	32% Direct	Director (resignation 21/10/2012)
Eólica del Ebro, S.A.U.	100% Direct	-
Eólica del Romeral, S.L.U. (Dissolved 26/11/2012)	87.9% Indirect	-
Eólica Erla, S.L.	49% Direct	-
Eólica La Cantera, S.L.	78,01% Direct	-
Eólica La Foradada, S.L.	78,01% Direct	-
Eólica ValTomás, S.L.	78,01% Direct	-
Fersa Energías Renovables, S.A.	0,0071% Direct 9,62% Indirect	-
Generación Eólica Internacional, S.L.	87,9% Direct	-
Ingeniería, Energía y Medio Ambiente, S.L.	10% Direct	-
Inveravante Gestión de Inversiones, S.L.	50% Direct	-
LDV Casares, S.L.	75% Direct	-
LDV Cerro Cortijo de Guerra, S.L.U.	75% Indirect	-
LDV Cortijo de Guerra, S.L.	75% Direct	-
LDV Sierra de Arcas, S.L.	66% Direct	-
LDV Pedroso, S.L.U. (before denominated Luz de Viento, S.L.U.)	100% Direct	-
New Energy Sources Holding, S.L.	64,15% Direct 24,16% Indirect	-
Proyectos Eólicos de Galicia, S.L. (en liquidación)	55% Direct	-
Recursos Eólicos de Aragón, S.L.	48% Direct	-
Sistemas Energéticos Boyal, S.L.	40,02% Direct	-
Sistemas Energéticos La Jimena, S.A.	40% Direct	-
Sistemas Energéticos Moncayo, S.A.	25% Direct	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Sistemas Energéticos Torralba, S.A.	40% Direct	-
Transformación Energía Sostenible, S.L.U.	100% Direct	-
EN Sustainable Energy Pvt. Ltd.	88,31% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	88,31% Indirect	-
Energía Renovable del Centro, S.A.	94,99% Indirect	-
Energía Renovable del Norte, S.A.	94,99% Indirect	-
Energía Renovable del Sur, S.A.	94,99% Indirect	-
Energía Renovable Peruana, S.A.	94,99% Indirect	-
Perú Energía Renovable, S.A.	95% Direct	-
Eolica Polska Sp Z o.o.	87,9% Indirect	-
Generacja Wiatrowa Polska Sp Z o.o.	87,9% Indirect	-
Helios Evasol Ltda.	60% Direct	-
SC Carpatia Energia Eolica SRL	95% Direct	-
Energia Capidava SRL	87,9% Indirect	-
Energia Ivanu SRL	87,9% Indirect	-
Energia Lotru SRL	87,9% Indirect	-
Energia Yalahia SRL	87,9% Indirect	-
Generacion Eolica Dacia SRL	87,9% Indirect	-

<b>Board Member</b>	<b>Related party: Grupo Empresarial Enhol, S.L.(Sole Shareholder and parent Company of the Group)</b>		
	<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
	Eolica Black Sea OOD	77.28% Indirect	-
	Eolica Bulgaria EAD	77.28% Indirect	-
	Eolica Danubio OOD	77.28% Indirect	-
	Eolica Suvorovo AD	77.28% Indirect	-
	Inver Bulgaria EOOD	100% Direct	-
	Aguas Vivas Allipen Tacura, S.A.	95,95% Indirect	-
	Energía Renovable del Bío Bío, S.A.	97.08% Indirect	-
	Enhol Chile SpA	100% Indirect	-
	Eólica Camarico, S.A.	96,98% Indirect	-
	Eólica del Norte, S.A. (Dissolved 29/08/2012)	89% Indirect	-
	Eólica Mar Brava, S.A. (Dissolved 29/08/2012)	87% Indirect	-
	Eólica Punta Chome, S.A. (Dissolved 06/11/2012)	96,98% Indirect	-
	Eólica Viento del Hierro, S.A. (Dissolved 29/08/2012)	89% Indirect	-
	Hidroallipen SpA	100% Indirect	-
	Inversiones Krokis SpA	100% Indirect	-
	EN Generación Eolica Eurasia Ltd.	100% Indirect	-
	EN Generación Eolica Mediterranea Ltd.	88,31% Indirect	-
	Wind Resources America Corp. (Dissolved 27/06/2012)	100% Indirect	-
	Eolica Slovensko a.s.	71,52% Indirect	-
	Asturiana de Eólica, S.A.	80% Indirect	-
	Cyclone Power Group, S.L.U. (Dissolved 30/11/2012)	100% Indirect	-
	Electra de Malvana S.A.	32% Indirect	-
	Energía Termosolar Enertol, S.L.	50% Direct	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energías Alternativas de México, S.L.U.	100% Indirect	-
Energías Renovables de América, S.L.U.	100% Direct	-
Eólica Cabanillas, S.L.	50% Direct	-
Eólica Caparroso, S.L.	50% Direct	-
Eólica del Ebro, S.A.U.	100% Indirect	-
Eólica del Romeral, S.L.U. (Dissolved 26/11/2012)	89,4% Indirect	-
Eólica Erla, S.L.	49% Indirect	-
Eólica La Bandera, S.L.	50% Direct	-
Eólica La Cantera, S.L.	78,01% Indirect	-
Eólica La Foradada, S.L.	78,01% Indirect	-
Eólica Montes de Cierzo, S.L.	50% Direct	-
Eólica Navarra, S.L.U.	100% Indirect	-
Eólica ValTomás, S.L.	78,01% Indirect	-
Fersa Energías Renovables, S.A.	19,66% Indirect 0,36% Direct	Director
Generación Eólica Internacional, S.L.	87,9% Indirect 1,5 Direct	-
Hidroenhol, S.L.U.	100% Direct	-
Ingeniería, Energía y Medio Ambiente, S.L.	10% Indirect	-
Innovación Verde Inver, S.L.U.	100% Direct	-
Inveravante Gestión de Inversiones, S.L.	50% Indirect	-
LDV Casares, S.L.	75% Indirect	-
LDV Cerro Cortijo de Guerra, S.L.U.	75% Indirect	-
LDV Cortijo de Guerra, S.L.	75% Indirect	-
LDV Sierra de Arcas, S.L.	66% Indirect	-
LDV Pedroso, S.L.U. (before Luz de Viento, S.L.U.)	100% Indirect	-
New Energy Sources Holding, S.L.	88,73% Indirect	-
Proyectos Eólicos de Galicia, S.L. (into liquidation)	55% Indirect	-
Recursos Eólicos de Aragón, S.L.	48% Indirect	-
Sanjol Inversiones, S.L.	50% Indirect	-
Sistemas Energéticos Boyal, S.L.	40,02% Direct	-
Sistemas Energéticos La Jimena, S.A.	40% Indirect	-
Sistemas Energéticos Moncayo, S.A.	25% Indirect	-
Sistemas Energéticos Torralba, S.A.	40% Indirect	-
Termosolar Lebrija, S.L.U.	100% Direct	-
Transformación Energía Sostenible, S.L.U.	100% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica de Tamaulipas, S.A. de C.V.	37,498% Indirect	-
Compañía Eoloeléctrica de Ciudad Victoria S.A. de C.V.	49,995% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica El Palmar, S.A.	49,999% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica Río Bravos, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	49,999% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Compañía Eólica Vicente Guerrero, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	49,999% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	50% Indirect	-
Promotora Eólica México, S.A. de C.V.	70% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	49.999% Indirect	-
Energía Renovable del Centro, S.A.	94,99% Indirect	-
Energía Renovable del Norte, S.A.	94,99% Indirect	-
Energía Renovable del Sur, S.A.	94,99% Indirect	-
Energía Renovable Peruana, S.A.	94,99% Indirect	-
Perú Energía Renovable, S.A.	95% Indirect	-
Eolica Polska Sp Z o.o.	89,4% Indirect	-
Generacja Wiatrowa Polska Sp Z o.o.	89,4% Indirect	-
Helios Evasol Lda	60% Direct	-
SC Carpatia Energia Eolica SRL	95% Indirect	-
Energia Capidava SRL	89,4% Indirect	-
Energia Ivanu SRL	89,4% Indirect	-
Energia Lotru SRL	89,4% Indirect	-
Energia Yalahia SRL	89,4% Indirect	-
Generacion Eolica Dacia SRL	89,4% Indirect	-

<b>Board Member : Eolica Navarra, S.L. Unipersonal</b>	<b>Related party: Vidal Amatriain Méndez (Individual representative)</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Aguas Vivas Allipen Tacura, S.A.	-	Vice Chairman of the Board of Directors
Energía Renovable del Bío Bío, S.A.	-	Vice Chairman of the Board of Directors
Eólica Camarico, S.A.	-	Vice Chairman of the Board of Directors
Eólica del Norte, S.A. (Dissolved 29/08/2012)	-	Vice Chairman of the Board of Directors
Eólica Mar Brava, S.A. (Dissolved 29/08/2012)	-	Vice Chairman of the Board of Directors
Eólica Punta Chome, S.A. (Dissolved 06/11/2012)	-	Vice Chairman of the Board of Directors
Eólica Viento del Hierro, S.A. (Dissolved 29/08/2012)	-	Vice Chairman of the Board of Directors
EN Generacion Eolica Eurassia Ltd.	-	Representative Director(CYCLONE POWER GROUP, S.L.)
EN Generacion Eolica Mediterranea Ltd.	-	Representative Director(NEW ENERGY SOURCES HOLDING, S.L.)
Wind Resources America Corp. (Dissolved 27/06/2012)	-	Chairman of the Board of Directors and Treasurer
Asturiana de Eólica, S.A.	-	Director
Cyclone Power Group, S.L.U. (Dissolved 30/11/2012)	-	Joint Administrator
Ferrolterra, S.L.	-	Director
Fersa Aventura, S.L.	-	Individual representative of FERCOM EÓLICA, S.L. (Director)
Fersa –Energías Renovables, S.A.	-	Individual representative of the Director EÓLICA NAVARRA, S.L.U.
New Energy Sources Holding, S.L.	-	Joint Administrator

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Parc Eolic Mudefer, S.L.	-	Individual representative of FERCOM EÓLICA, S.L. (Director)
Proyectos Eólicos de Galicia, S.L. (en liquidación)	-	Secretary of the Board of Directors
Sinergia Andaluza, S.L.	-	Director
Est Wind Power Osaühing	-	Director
Éolinnnes de Beausemblant sas	-	Individual representative of FERSA ASESORAMIENTO and GESTIÓN, S.L.U. (Director General)
EN Renewable Energy Ltd	-	Director (Resignation 28/11/2012)
EN Sustainable Energy Pvt. Ltd.	-	Director
EN Wind Alternative Energy Pvt. Ltd.	-	Director
En Wind Power Pvt. Ltd	-	Director (Resignation 28/11/2012)
Generación Eolica India Ltd.	-	Director
Promotora Eólica México, S.A. de C.V.	-	Director
Fersa Panamá, S.A.	-	Treasurer
Perú Energía Renovable, S.A.	-	Vice Chairman of the Board of Directors
Eolica Kisielice Sp. Z o.o.	-	Director
Eolica Cieplowody Sp. Z o.o.	-	Director (Resignation 28/12/2012)
Eolica Postollin Sp. Z o.o.	-	Director (Resignation 28/12/2012)
Eolica Warblewo Sp. Z o.o.	-	Director (Resignation 28/12/2012)
Management Kisielice Sp. Z o.o.	-	Director
Fersar Yenilenebilir Enerji Üretim	-	Administrator

<b>Board Member : Eolica Navarra, S.L.Unipersonal</b>	<b>Related party: INNOVACIONES FAOLSAN, S.L. (Joint Administrator)</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	19,32% Indirect	-
Eolica Bulgaria EAD	19,32% Indirect	-
Eolica Danubio OOD	19,32% Indirect	-
Eolica Suvorovo AD	19,32% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23,98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	25% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,74% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,14% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Hidroallipen SpA	25% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Inversiones Krokis SpA	25% Indirect	-
EN Generacion Eolica Eurasia Ltd.	25% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,08% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Director
Energía Termosolar Enertol, S.L.	12,50% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Eólica Cabanillas, S.L.	12,5% Indirect	Director
Eólica Caparroso, S.L.	12,5% Indirect	Director
Eólica del Ebro, S.A.	25% Indirect	-
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,97% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,5% Indirect	Secretary of the Board of Directors
Eólica La Cantera S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	Secretary of the Board of Directors
Eólica Navarra, S.L.U.	25% Indirect	Joint Administrator
Eólica ValTomás, S.L.	19,5% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,34% Indirect	Sole Administrator
Grupo Empresarial Enhol, S.L.	25% Direct	Joint Chief Executive Officer
Hydroenhol, S.L.U.	25% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2,5% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	Joint Administrator
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	Secretary of the Board of Directors
LDV Cerro Cortijo de Guerra, S.L.U.	18,75% Indirect	Secretary of the Board of Directors
LDV Cortijo de Guerra, S.L.	18,75% Indirect	Chairman of the Board of Directors
LDV Sierra de Arcas, S.L.	12,37% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

LDV Pedroso, S.L.U. *		
(before Luz de Viento, S.L.U.)	25% Indirect	-
New Energy Sources Holding, S.L.	22,17% Indirect	-
Proyectos Eólicos de Galicia, S.L.*		
(being dissolved)	13,75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirect	-
Sanjol Inversiones, S.L.	12,5% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	Director
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	25% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	23,21% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	-
Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	-
Energía Renovable del Centro, S.A.	23,74% Indirect	-
Energía Renovable del Norte, S.A.	23,74% Indirect	-
Energía Renovable del Sur, S.A.	23,74% Indirect	-



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energía Renovable Peruana, S.A.	23,74% Indirect	-
Perú Energía Renovable, S.A.	23,25% Indirect	-
Eolica Polska Sp z o.o.	22,34% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	22,34% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	25% Indirect	-
Energia Capidava S.R.L.	22,34% Indirect	-
Energia Ivanu S.R.L.	22,34% Indirect	-
Energia Lotru S.R.L.	22,34% Indirect	-
Energia Yalahia S.R.L.	22,34% Indirect	-
SC Generacion Eolica Dacia SRL	22,34% Indirect	-

<b>Board Member : Eolica Navarra, S.L.Unipersonal</b>	<b>Related party: MEGANIUM INVERSIONES, S.L. (Joint Administrator)</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	19,32% Indirect	-
Eolica Bulgaria EAD	19,32% Indirect	-
Eolica Danubio OOD	19,32% Indirect	-
Eolica Suvorovo AD	19,32% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23,98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	25% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,74% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,14% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Hidroallipen SpA	25% Indirect	-
Inversiones Krokis SpA	25% Indirect	-
EN Generacion Eolica Eurasia Ltd.	25% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,08% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-

**FERSA ENERGÍAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Asturiana de Eólica, S.A.	20% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Director
Energía Termosolar Enertol, S.L.	12,50% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Eólica Cabanillas, S.L.	12,5% Indirect	Director
Eólica Caparroso, S.L.	12,5% Indirect	Director
Eólica del Ebro, S.A.	25% Indirect	-
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,97% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,5% Indirect	Secretary of the Board of Directors
Eólica La Cantera S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	Secretary of the Board of Directors
Eólica Navarra, S.L.U.	25% Indirect	Joint Administrator
Eólica ValTomás, S.L.	19,5% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,34% Indirect	Sole Administrator
Grupo Empresarial Enhol, S.L.	25% Direct	Joint Chief Executive Officer
Hidroenhol, S.L.U.	25% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2,5% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	Joint Administrator
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	Secretary of the Board of Directors
LDV Cerro Cortijo de Guerra, S.L.U.	18,75% Indirect	Secretary of the Board of Directors
LDV Cortijo de Guerra, S.L.	18,75% Indirect	Chairman of the Board of Directors
LDV Sierra de Arcas, S.L.	12,37% Indirect	-
LDV Pedroso, S.L.U. * (before Luz de Viento, S.L.U.)	25% Indirect	-
New Energy Sources Holding, S.L.	22,17% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirect	-
Sanjol Inversiones, S.L.	12,5% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	Director
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	25% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	23,21% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	-
Compañía Eoloelectrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	-
Energía Renovable del Centro, S.A.	23,74% Indirect	-
Energía Renovable del Norte, S.A.	23,74% Indirect	-
Energía Renovable del Sur, S.A.	23,74% Indirect	-
Energía Renovable Peruana, S.A.	23,74% Indirect	-
Perú Energía Renovable, S.A.	23,25% Indirect	-
Eolica Polska Sp z o.o.	22,34% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	22,34% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	25% Indirect	-
Energia Capidava S.R.L.	22,34% Indirect	-
Energia Ivanu S.R.L.	22,34% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energia Lotru S.R.L.	22,34% Indirect	-
Energia Yalahia S.R.L.	22,34% Indirect	-
SC Generacion Eolica Dacia SRL	22,34% Indirect	-

<b>Board Member : Eólica Navarra, S.L.Unipersonal</b>	<b>Related party: Antonio-Jesús Oliver Gómez (Person with power of attorney )</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	19,31% Indirect	Sole Administrator
Eolica Bulgaria EAD	19,31% Indirect	Chief Executive Officer
Eolica Danubio OOD	19,31% Indirect	Sole Administrator
Eolica Suvorovo AD	19,31% Indirect	Chief Executive Officer
Inver Bulgaria EOOD	24,99% Indirect	Sole Administrator
Aguas Vivas Allipén Tacura, S.A.	23,97% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	24,99% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,23% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,73% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,13% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,23% Indirect	-
Hidroallipen SpA	24,99% Indirect	Sole Administrator
Inversiones Krokis SpA	24,99% Indirect	Sole Administrator
EN Generacion Eolica Eurasia Ltd.	24,99% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,07% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	24,99% Indirect	-
Eolica Slovensko, a.s.	17,57% Indirect	-
Asturiana de Eólica, S.A.	19,99% Indirect	-
Cyclone Power Group, S.L.U.	24,99% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Director)
Energía Termosolar Enertol, S.L.	12,49% Indirect	Chairman of the Board of Directors
Energías Renovables de América, S.L.U.	24,99% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energías Alternativas de México, S.L.U.	24,99% Indirect	-
Eólica Cabanillas, S.L.	12,49% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Director)
Eólica Caparroso, S.L.	12,49% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Director)
Eólica del Ebro, S.A.	24,99% Indirect	Joint Administrator
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,96% Indirect	Sole Administrator
Eólica Erla, S.A.	12,24% Indirect	Joint Administrator
Eólica La Bandera, S.L.	12,49% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Chairman of the Board of Directors)
Eólica La Cantera S.L.	19,49% Indirect	-
Eólica La Foradada, S.L.	19,49% Indirect	-
Eólica Montes de Cierzo, S.L.	12,49% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Chairman of the Board of Directors)
Eólica Navarra, S.L.U.	24,99% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Joint Administrator)
Eólica ValTomás, S.L.	19,49% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,33% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Sole Administrator)
Grupo Empresarial Enhol, S.L.	24,99% Direct	Individual representative of INNOVACIONES FAOLSAN, S.L. (Joint Chief Executive Officer)
Hidroenhol, S.L.U.	24,99% Indirect	Sole Administrator
Ingeniería, Energía y Medio Ambiente, S.L.	24,99% Indirect	-
Innovación Verde Inver, S.L.U.	24,99% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Joint Administrator)
Inveravante Gestión de Inversiones, S.L.	12,49% Indirect	-
LDV Casares, S.L.	18,74% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Secretary of the Board of Directors)
LDV Cerro Cortijo de Guerra, S.L.U.	18,74% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Secretary of the Board of Directors)
LDV Cortijo de Guerra, S.L.	18,74% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Chairman of the Board of Directors)
LDV Sierra de Arcas, S.L.	12,36% Indirect	-
LDV Pedroso, S.L.U. * (before Luz de Viento, S.L.U.)	24,99% Indirect	Joint Administrator
New Energy Sources Holding, S.L.	22,16% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,74% Indirect	-
Recursos Eólicos de Aragón, S.L.	11,99% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Sanjol Inversiones, S.L.	12,49% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	Director
Sistemas Energéticos La Jimena, S.A.	10% Indirect	Director
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	Individual representative of INNOVACIONES Indirect FAOLSAN, S.L. (Chairman of the Board of Directors)
Termosolar Lebrija, S.L.U.	24,99% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Joint Administrator)
Transformación Energía Sostenible, S.L.	24,99% Indirect	Sole Administrator
EN Sustainable Energy Pvt. Ltd.	22,07% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	23,20% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	-
Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	-
Energía Renovable del Centro, S.A.	23,73% Indirect	-
Energía Renovable del Norte, S.A.	23,73% Indirect	-
Energía Renovable del Sur, S.A.	23,73% Indirect	-
Energía Renovable Peruana, S.A.	23,73% Indirect	-
Perú Energía Renovable, S.A.	23,24% Indirect	-
Eolica Polska Sp z o.o.	22,33% Indirect	Sole Administrator
Generacja Wiatrowa Polska Sp z o.o.	22,33% Indirect	Sole Administrator

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Helios Evosol Lda.	14,99% Indirect	-
SC Carpatia Energia Eolica SRL	24,99% Indirect	-
Energia Capidava S.R.L.	22,33% Indirect	Sole Administrator
Energia Ivanu S.R.L.	22,33% Indirect	Sole Administrator
Energia Lotru S.R.L.	22,33% Indirect	Sole Administrator
Energia Yalahia S.R.L.	22,33% Indirect	Sole Administrator
SC Generacion Eolica Dacia SRL	22,33% Indirect	Sole Administrator

<b>Board Member : Eólica Navarra, S.L.Unipersonal</b>	<b>Related party: Mariano Oliver Gómez (Person with power of attorney)</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	19,31% Indirect	-
Eolica Bulgaria EAD	19,31% Indirect	-
Eolica Danubio OOD	19,31% Indirect	-
Eolica Suvorovo AD	19,31% Indirect	-
Inver Bulgaria EOOD	24,99% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23,97% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	24,99% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,23% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,73% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,13% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,23% Indirect	-
Hidroallipen SpA	24,99% Indirect	-
Inversiones Krokis SpA	24,99% Indirect	-
EN Generacion Eolica Eurasia Ltd.	24,99% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,07% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	24,99% Indirect	Vicepresidente y Secretario Consejo
Eolica Slovensko, a.s.	17,57% Indirect	-
Asturiana de Eólica, S.A.	19,99% Indirect	Chairman of the Board of Directors
Cyclone Power Group, S.L.U.	24,99% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Director)
Energía Termosolar Enertol, S.L.	12,49% Indirect	Director

**FERSA ENERGÍAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energías Renovables de América, S.L.U.	24,99% Indirect	-
Energías Alternativas de México, S.L.U.	24,99% Indirect	-
Eólica Cabanillas, S.L.	12,49% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
Eólica Caparroso, S.L.	12,49% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
Eólica del Ebro, S.A.	24,99% Indirect	Joint Administrator
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,96% Indirect	-
Eólica Erla, S.A.	12,24% Indirect	Joint Administrator
Eólica La Bandera, S.L.	12,49% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Director)
Eólica La Cantera S.L.	19,49% Indirect	-
Eólica La Foradada, S.L.	19,49% Indirect	-
Eólica Montes de Cierzo, S.L.	12,49% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Director)
Eólica Navarra, S.L.U.	24,99% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Joint Administrator)
Eólica ValTomás, S.L.	19,49% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,33% Indirect	-
Grupo Empresarial Enhol, S.L.	24,99% Direct	Individual representative of MEGANIUM INVERSIONES, S.L. (Joint Chief Executive Officer)
Hidroenhol, S.L.U.	24,99% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	24,99% Indirect	Joint Administrator
Innovación Verde Inver, S.L.U.	24,99% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Joint Administrator)
Inveravante Gestión de Inversiones, S.L.	12,49% Indirect	Joint Administrator
LDV Casares, S.L.	18,74% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
LDV Cerro Cortijo de Guerra, S.L.U.	18,74% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
LDV Cortijo de Guerra, S.L.	18,74% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Secretary of the Board of Directors)
LDV Sierra de Arcas, S.L.	12,36% Indirect	Chairman of the Board of Directors
LDV Pedroso, S.L.U. * (before Luz de Viento, S.L.U.)	24,99% Indirect	Joint Administrator
New Energy Sources Holding, S.L.	22,16% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,74% Indirect	Chairman of the Board of Directors
Recursos Eólicos de Aragón, S.L.	11,99% Indirect	-
Sanjol Inversiones, S.L.	12,49% Indirect	-



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Sistemas Energéticos Boyal, S.L.	10% Indirect	Director
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Termosolar Lebrija, S.L.U.	24,99% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Joint Administrator)
Transformación Energía Sostenible, S.L.	24,99% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,07% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	23,20% Indirect	Director
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	Director* (Resignation 05/12/12)
Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	Director
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	Director
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	Director
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	Director
Energía Renovable del Centro, S.A.	23,73% Indirect	-
Energía Renovable del Norte, S.A.	23,73% Indirect	-
Energía Renovable del Sur, S.A.	23,73% Indirect	-
Energía Renovable Peruana, S.A.	23,73% Indirect	-
Perú Energía Renovable, S.A.	23,24% Indirect	-
Eolica Polska Sp z o.o.	22,33% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	22,33% Indirect	-
Helios Evosol Lda.	14,99% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

SC Carpatia Energia Eolica SRL	24,99% Indirect	Sole Administrator
Energia Capidava S.R.L.	22,33% Indirect	-
Energia Ivanu S.R.L.	22,33% Indirect	-
Energia Lotru S.R.L.	22,33% Indirect	-
Energia Yalahia S.R.L.	22,33% Indirect	-
SC Generacion Eolica Dacia SRL	22,33% Indirect	-

<b>Board Member : Eólica Navarra, S.L.Unipersonal</b>	<b>Related party: Hipólito Suárez Gutiérrez (Person with power of attorney )</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Aguas Vivas Allipen Tacura, S.A.	-	Chairman of the Board of Directors
Energía Renovable del Bío Bío, S.A.	-	Chairman of the Board of Directors
Eólica Camarico, S.A.	-	Chairman of the Board of Directors
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	-	Chairman of the Board of Directors
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	-	Chairman of the Board of Directors
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	-	Chairman of the Board of Directors
Eólica Viento del Hierro, S.A. . * (Dissolved 29/08/2012)	-	Chairman of the Board of Directors
HidroAllipen SpA	-	Secretary of the Board of Directors
Wind Resources America Corp.* (Dissolved 27/06/2012)	-	Vice Chairman of the Board of Directors
Asturiana de Eólica, S.A.	-	Director
Cyclone Power Group, S.L.U.* (Dissolved 30/11/2012)	-	Joint Administrator
Fersa Energías Renovables, S.A.	-	Individual representative of GRUPO EMPRESARIAL ENHOL, S.L. (Director)
Grupo Empresarial Enhol, S.L.	-	Secretary of the Board of Directors*  (Resignation 12/12/2012)  Legal Adviser of the Board of Directors
Sistemas Energéticos Boyal, S.L.	-	Secretary of the Board of Directors (not Director)
Energía Renovable del Centro, S.A.	-	Chairman of the Board of Directors
Energía Renovable del Norte, S.A.	-	Chairman of the Board of Directors
Energía Renovable del Sur, S.A.	-	Chairman of the Board of Directors
Energía Renovable Peruana, S.A.	-	Chairman of the Board of Directors
Perú Energía Renovable, S.A.	-	Chairman of the Board of Directors
Helios Evosol Lda.	-	Joint Administrator

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

<b>Board Member : Eólica Navarra, S.L.Unipersonal</b>	<b>Related party: Joaquín Dean Ferrer (Person with power of attorney) (Person with power of attorney)</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	0,69% Indirect	-
Eolica Bulgaria EAD	0,69% Indirect	-
Eolica Danubio OOD	0,69% Indirect	-
Eolica Suvorovo OOD	0,69% Indirect	-
Aguas Vivas Allipen Tacura, S.A.	-	Director
Energía Renovable del Bío Bío, S.A.	0,27% Indirect	Director
Eólica Camarico, S.A.	0,71% Indirect	Director
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	-	Director
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	-	Director
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	0,71% Indirect	Director
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	-	Director
HidroAllipen SpA	-	Director
EN Generacion Eolica Mediterranea Ltd.	0,27% Indirect	-
Eolica Slovensko a.s.	0,8% Indirect	-
Electra de Malvana, S.A.	-	Individual representative of de EÓLICA NAVARRA, S.L.U. (Director*)  (Resignation 21/10/2012)
Eolica del Romeral, S.L.* (Dissolved 26/11/2012)	1% Indirect	-
Fersa –Energías Renovables, S.A.	0,14% Indirect	-
Generación Eólica Internacional, S.L.	1% Direct	-
New Energy Sources Holding, S.L.	0,27% Indirect	-
EN Sustainable Energy Pvt. Ltd.	0,27% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	0,28% Indirect	-
Energía Renovable del Centro, S.A.	-	Director
Energía Renovable del Norte, S.A.	-	Director
Energía Renovable del Sur, S.A.	-	Director
Energía Renovable Peruana, S.A.	-	Director
Perú Energía Renovable, S.A.	-	Director
Eolica Polska Sp. Z o.o.	1% Indirect	-
Generacja Wiatrowa Polska Sp. Z o.o.	1% Indirect	-
Energia Capidava SRL	1% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energia Ivanu SRL	1% Indirect	-
Energia Lotru SRL	1% Indirect	-
Energia Yalahia SRL	1% Indirect	-
Generacion Eolica Dacia SRL	1% Indirect	-

<b>Board Member : Eólica Navarra, S.L.Unipersonal</b>		<b>Related party: Fernando Erviti Cubillo (Person with power of attorney )</b>
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Asturiana de Eólica, S.A.	-	Secretary of the Board of Directors
Eolica Slovensko, a.s.	-	Secretary of the Board of Directors

<b>Board Member : Eólica Navarra, S.L.Unipersonal</b>		<b>Related party: Alejandro Labarga Galindo (Person with power of attorney )</b>
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Slovensko, a.s.	-	Director
Generacja Wiatrowa Polska Sp z o.o.	-	Director (Resignation 20/11/2012)

<b>Board Member : Mytaros B.V.</b>		
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Taiga V FCR de Régimen Común	14,63 Direct	-
Solwindet El Conjuero, S.L.	9,70 Direct and 7,32 Indirect	-

<b>Board Member : Grupo Empresarial Enhol, S.L.</b>		
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	77,28% Indirect	-
Eolica Bulgaria EAD	77,28% Indirect	-
Eolica Danubio OOD	77,28% Indirect	-
Eolica Suvorovo AD	77,28% Indirect	-
Inver Bulgaria EOOD	100% Direct	-
Aguas Vivas Allipen Tacura, S.A.	95,95% Indirect	-
Energía Renovable del Bío Bío, S.A.	97,08% Indirect	-
Enhol Chile SpA	100% Indirect	-
Eólica Camarico, S.A.	96,98% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	89% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	87% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	96,98% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	89% Indirect	-
Hydroallipen SpA	100% Indirect	-
Inversiones Krokis SpA	100% Indirect	-
EN Generacion Eolica Eurasia Ltd.	100% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	88,31% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	100% Indirect	-
Eolica Slovensko a.s.	71,52% Indirect	-
Asturiana de Eólica, S.A.	80% Indirect	-
Cyclone Power Group, S.L.U.* (Dissolved 30/11/2012)	100% Indirect	-
Energía Termosolar Enertol, S.L.	50% Direct	-
Energías Alternativas de México, S.L.U.	100% Indirect	-
Energías Renovables de América, S.L.U.	100% Direct	-
Eólica Cabanillas, S.L.	50% Direct	-
Eólica Caparroso, S.L.	50% Direct	-
Eólica del Ebro, S.A.U.	100% Indirect	-
Eólica del Romeral, S.L.U.* (Dissolved 26/11/2012)	89,4% Indirect	-
Eólica Erla, S.L.	49% Indirect	-
Eólica La Bandera, S.L.	50% Direct	-
Eólica La Cantera, S.L.	78,01% Indirect	-
Eólica La Foradada, S.L.	78,01% Indirect	-
Eólica Montes de Cierzo, S.L.	50% Direct	-
Eólica Navarra, S.L.U.	100% Indirect	-
Eólica ValTomás, S.L.	78,01% Indirect	-
Fersa Energías Renovables, S.A.	0,36% Direct 9,63% Indirect	-
Generación Eólica Internacional, S.L.	1,5% Direct 87,9% Indirect	-
Hydroenhol, S.L.U.	100% Direct	-
Ingeniería, Energía y Medio Ambiente, S.L.	10% Indirect	-
Innovación Verde Inver, S.L.U.	100% Direct	-
Inveravante Gestión de Inversiones, S.L.	50% Indirect	-
LDV Casares, S.L.	75% Indirect	-
LDV Cerro Cortijo de Guerra, S.L.U.	75% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

LDV Cortijo de Guerra, S.L.	75% Indirect	-
LDV Sierra de Arcas, S.L.	66% Indirect	-
Luz de Viento, S.L.U.	100% Indirect	-
New Energy Sources Holding, S.L.	88,73% Indirect	-
Proyectos Eólicos de Galicia, S.L.	55% Indirect	-
Recursos Eólicos de Aragón, S.L.	48% Indirect	-
Sanjol Inversiones, S.L.	50% Indirect	-
Sistemas Energéticos Boyal, S.L.	40,02% Direct	-
Sistemas Energéticos La Jimena, S.A.	40% Indirect	-
Sistemas Energéticos Moncayo, S.A.	25% Indirect	-
Sistemas Energéticos Torralba, S.A.	40% Indirect	-
Termosolar Lebrija, S.L.U.	100% Direct	-
Transformación Energía Sostenible, S.L.U.	100% Indirect	-
Compañía Eólica Casas, S.A.	49,999% Indirect	-
Compañía Eólica de Tamaulipas, S.A. de C.V.	37,498% Indirect	-
Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	49,995% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica El Cielo, S.A.	49,999% Indirect	-
Compañía Eólica El Palmar, S.A.	49,999% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica La Mesa, S.A.	49,999% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Praxedis, S.A.	49,999% Indirect	-
Compañía Eólica Reynosa, S.A.	49,999% Indirect	-
Compañía Eólica Río Bravos, S.A.	49,999% Indirect	-
Compañía Eólica San Andrés, S.A.	49,999% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	49,999% Indirect	-
Compañía Eólica Vicente Guerrero, S.A.	49,999% Indirect	-
Compañía Eólica Viento Libre, S.A.	49,999% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	50% Indirect	-
Promotora Eólica México, S.A. de C.V.	49,999% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	49,999% Indirect	-
Energía Renovable del Centro, S.A.	94,99% Indirect	-
Energía Renovable del Norte, S.A.	94,99% Indirect	-
Energía Renovable del Sur, S.A.	94,99% Indirect	-
Energía Renovable Peruana, S.A.	94,99% Indirect	-
Perú Energía Renovable, S.A.	95% Indirect	-
Eolica Polska Sp Z o.o.	89,4% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Generacja Wiatrowa Polska Sp Z o.o.	89,4% Indirect	-
Helios Evosol Lda.	60% Direct	-
SC Carpatia Energia Eolica SRL	100% Indirect	-
Energia Capidava SRL	89,4% Indirect	-
Energia Ivanu SRL	89,4% Indirect	-
Energia Lotru SRL	89,4% Indirect	-
Energia Yalahia SRL	89,4% Indirect	-
Generacion Eolica Dacia SRL	89,4% Indirect	-

<b>Board Member : Grupo Empresarial Enhol, S.L.</b>	<b>Related party: D. Hipólito Suárez Gutierrez (Persona física representante)</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Aguas Vivas Allipen Tacura, S.A.	-	Chairman of the Board of Directors
Energía Renovable del Bío Bío, S.A.	-	Chairman of the Board of Directors
Eólica Camarico, S.A.	-	Chairman of the Board of Directors
Eólica del Norte, S.A.	-	Chairman of the Board of Directors
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	-	Chairman of the Board of Directors
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	-	Chairman of the Board of Directors
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	-	Chairman of the Board of Directors
HidroAllipen SpA	-	Secretary of the Board of Directors
Wind Resources America Corp.* (Dissolved 27/06/2012)	-	Vice Chairman of the Board of Directors
Asturiana de Eólica, S.A.	-	Director
Cyclone Power Group, S.L.U.* (Dissolved 30/11/2012)	-	Joint Administrator
Grupo Empresarial Enhol, S.L.	-	Legal Adviser of the Board of Directors
Energía Renovable del Centro, S.A.	-	Chairman of the Board of Directors
Energía Renovable del Norte, S.A.	-	Chairman of the Board of Directors
Energía Renovable del Sur, S.A.	-	Chairman of the Board of Directors
Energía Renovable Peruana, S.A.	-	Chairman of the Board of Directors
Perú Energía Renovable, S.A.	-	Chairman of the Board of Directors
Helios Evosol Lda.	-	Joint Administrator

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Board Member : Grupo Empresarial Enhol, S.L.	Related party ALGO PROYECTO, S.L. (Partner and director)	
Investee company	Shareholding	Functions
Eolica Black Sea OOD	19,32% Indirect	-
Eolica Bulgaria EAD	19,32% Indirect	-
Eolica Danubio OOD	19,32% Indirect	-
Eolica Suvorovo AD	19,32% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23,98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	25% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,74% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,14% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Hidroallipen SpA	25% Indirect	-
Inversiones Krokis SpA	25% Indirect	-
EN Generacion Eolica Eurasia Ltd.	25% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,08% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energía Termosolar Enertol, S.L.	12,50% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	Sole Administrator
Energías Alternativas de México, S.L.U.	25% Indirect	Sole Administrator
Eólica Cabanillas, S.L.	12,5% Indirect	-
Eólica Caparroso, S.L.	12,5% Indirect	-
Eólica del Ebro, S.A.	25% Indirect	-
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,97% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,5% Indirect	-
Eólica La Cantera S.L.	19,5% Indirect	-



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	-
Eólica Navarra, S.L.U.	25% Indirect	-
Eólica ValTomás, S.L.	19,5% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,34% Indirect	-
Grupo Empresarial Enhol, S.L.	25% Direct	Director
Hydroenhol, S.L.U.	25% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2,5% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	-
LDV Cerro Cortijo de Guerra, S.L.U.	18,75% Indirect	-
LDV Cortijo de Guerra, S.L.	18,75% Indirect	-
LDV Sierra de Arcas, S.L.	12,37% Indirect	-
LDV Pedroso, S.L.U. * (before Luz de Viento, S.L.U.)	25% Indirect	-
New Energy Sources Holding, S.L.	22,17% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirect	-
Sanjol Inversiones, S.L.	12,5% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	25% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	23,21% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	-
Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	12,49 Indirect	-
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	-
Energía Renovable del Centro, S.A.	23,74% Indirect	-
Energía Renovable del Norte, S.A.	23,74% Indirect	-
Energía Renovable del Sur, S.A.	23,74% Indirect	-
Energía Renovable Peruana, S.A.	23,74% Indirect	-
Perú Energía Renovable, S.A.	23,25% Indirect	-
Eolica Polska Sp z o.o.	22,34% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	22,34% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	25% Indirect	-
Energia Capidava S.R.L.	22,34% Indirect	-
Energia Ivanu S.R.L.	22,34% Indirect	-
Energia Lotru S.R.L.	22,34% Indirect	-
Energia Yalahia S.R.L.	22,34% Indirect	-
SC Generacion Eolica Dacia SRL	22,34% Indirect	-

<b>Board Member : Grupo Empresarial Enhol, S.L.</b>	<b>Related party: DINAL INNOVACIONES, S.L. (Joint Administrator)</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	19,32% Indirect	-
Eolica Bulgaria EAD	19,32% Indirect	-
Eolica Danubio OOD	19,32% Indirect	-
Eolica Suvorovo AD	19,32% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23,98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	25% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,74% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,14% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Hidroallipen SpA	25% Indirect	-
Inversiones Krokis SpA	25% Indirect	-
EN Generacion Eolica Eurasia Ltd.	25% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,08% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energía Termosolar Enertol, S.L.	12,50% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Eólica Cabanillas, S.L.	12,5% Indirect	-
Eólica Caparroso, S.L.	12,5% Indirect	-
Eólica del Ebro, S.A.	25% Indirect	-
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,97% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,5% Indirect	-
Eólica La Cantera S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	-
Eólica Navarra, S.L.U.	25% Indirect	-
Eólica ValTomás, S.L.	19,5% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,34% Indirect	-
Grupo Empresarial Enhol, S.L.	25% Direct	Director
Hidroenhol, S.L.U.	25% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2,5% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

LDV Cerro Cortijo de Guerra, S.L.U.	18,75% Indirect	-
LDV Cortijo de Guerra, S.L.	18,75% Indirect	-
LDV Sierra de Arcas, S.L.	12,37% Indirect	-
LDV Pedroso, S.L.U. * (before Luz de Viento, S.L.U.)	25% Indirect	-
New Energy Sources Holding, S.L.	22,17% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirect	-
Sanjol Inversiones, S.L.	12,5% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	25% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	23,21% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	-
Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energía Renovable del Centro, S.A.	23,74% Indirect	-
Energía Renovable del Norte, S.A.	23,74% Indirect	-
Energía Renovable del Sur, S.A.	23,74% Indirect	-
Energía Renovable Peruana, S.A.	23,74% Indirect	-
Perú Energía Renovable, S.A.	23,25% Indirect	-
Eolica Polska Sp z o.o.	22,34% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	22,34% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	25% Indirect	-
Energia Capidava S.R.L.	22,34% Indirect	-
Energia Ivanu S.R.L.	22,34% Indirect	-
Energia Lotru S.R.L.	22,34% Indirect	-
Energia Yalahia S.R.L.	22,34% Indirect	-
SC Generacion Eolica Dacia SRL	22,34% Indirect	-

Board Member : Grupo Empresarial Enhol, S.L.	Related party: INNOVACIONES FAOLSAN, S.L. (Partner and Director)	
Investee company	Shareholding	Functions
Eolica Black Sea OOD	19,32% Indirect	-
Eolica Bulgaria EAD	19,32% Indirect	-
Eolica Danubio OOD	19,32% Indirect	-
Eolica Suvorovo AD	19,32% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23,98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	25% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,74% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,14% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Hidroallipen SpA	25% Indirect	-
Inversiones Krokis SpA	25% Indirect	-
EN Generacion Eolica Eurasia Ltd.	25% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,08% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	25% Indirect	-

**FERSA ENERGÍAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eólica Slovensko, a.s.	17,58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Director
Energía Termosolar Enertol, S.L.	12,50% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Eólica Cabanillas, S.L.	12,5% Indirect	Director
Eólica Caparroso, S.L.	12,5% Indirect	Director
Eólica del Ebro, S.A.	25% Indirect	-
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,97% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,5% Indirect	Secretary of the Board of Directors
Eólica La Cantera S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	Secretary of the Board of Directors
Eólica Navarra, S.L.U.	25% Indirect	Joint Administrator
Eólica ValTomás, S.L.	19,5% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,34% Indirect	Sole Administrator
Grupo Empresarial Enhol, S.L.	25% Direct	Joint Chief Executive Officer
Hidroenhol, S.L.U.	25% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2,5% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	Joint Administrator
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	Secretary of the Board of Directors
LDV Cerro Cortijo de Guerra, S.L.U.	18,75% Indirect	Secretary of the Board of Directors
LDV Cortijo de Guerra, S.L.	18,75% Indirect	Chairman of the Board of Directors
LDV Sierra de Arcas, S.L.	12,37% Indirect	-
LDV Pedroso, S.L.U. * (before Luz de Viento, S.L.U.)	25% Indirect	-
New Energy Sources Holding, S.L.	22,17% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirect	-
Sanjol Inversiones, S.L.	12,5% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	Director
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	25% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	23,21% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	-
Compañía Eoloelectrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	-
Energía Renovable del Centro, S.A.	23,74% Indirect	-
Energía Renovable del Norte, S.A.	23,74% Indirect	-
Energía Renovable del Sur, S.A.	23,74% Indirect	-
Energía Renovable Peruana, S.A.	23,74% Indirect	-
Perú Energía Renovable, S.A.	23,25% Indirect	-
Eolica Polska Sp z o.o.	22,34% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	22,34% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	25% Indirect	-
Energia Capidava S.R.L.	22,34% Indirect	-
Energia Ivanu S.R.L.	22,34% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energia Lotru S.R.L.	22,34% Indirect	-
Energia Yalahia S.R.L.	22,34% Indirect	-
SC Generacion Eolica Dacia SRL	22,34% Indirect	-

<b>Board Member : Grupo Empresarial Enhol, S.L.</b>	<b>Related party: MEGANIUM INVERSIONES, S.L. (Socio y Director)</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	19,32% Indirect	-
Eolica Bulgaria EAD	19,32% Indirect	-
Eolica Danubio OOD	19,32% Indirect	-
Eolica Suvorovo AD	19,32% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23,98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	25% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,74% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,14% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,24% Indirect	-
Hidroallipen SpA	25% Indirect	-
Inversiones Krokis SpA	25% Indirect	-
EN Generacion Eolica Eurasia Ltd.	25% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,08% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Director
Energía Termosolar Enertol, S.L.	12,50% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Eólica Cabanillas, S.L.	12,5% Indirect	Director
Eólica Caparoso, S.L.	12,5% Indirect	Director



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eólica del Ebro, S.A.	25% Indirect	-
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,97% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,5% Indirect	Secretary of the Board of Directors
Eólica La Cantera S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	Secretary of the Board of Directors
Eólica Navarra, S.L.U.	25% Indirect	Joint Administrator
Eólica ValTomás, S.L.	19,5% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,34% Indirect	Sole Administrator
Grupo Empresarial Enhol, S.L.	25% Direct	Joint Chief Executive Officer
Hidroenhol, S.L.U.	25% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2,5% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	Joint Administrator
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	Secretary of the Board of Directors
LDV Cerro Cortijo de Guerra, S.L.U.	18,75% Indirect	Secretary of the Board of Directors
LDV Cortijo de Guerra, S.L.	18,75% Indirect	Chairman of the Board of Directors
LDV Sierra de Arcas, S.L.	12,37% Indirect	-
LDV Pedroso, S.L.U.* (before Luz de Viento, S.L.U.)	25% Indirect	-
New Energy Sources Holding, S.L.	22,17% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirect	-
Sanjol Inversiones, S.L.	12,5% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	Director
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	25% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	23,21% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	-
Energía Renovable del Centro, S.A.	23,74% Indirect	-
Energía Renovable del Norte, S.A.	23,74% Indirect	-
Energía Renovable del Sur, S.A.	23,74% Indirect	-
Energía Renovable Peruana, S.A.	23,74% Indirect	-
Perú Energía Renovable, S.A.	23,25% Indirect	-
Eolica Polska Sp z o.o.	22,34% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	22,34% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	25% Indirect	-
Energia Capidava S.R.L.	22,34% Indirect	-
Energia Ivanu S.R.L.	22,34% Indirect	-
Energia Lotru S.R.L.	22,34% Indirect	-
Energia Yalahia S.R.L.	22,34% Indirect	-
SC Generacion Eolica Dacia SRL	22,34% Indirect	-

<b>Board Member : Grupo Empresarial Enhol, S.L.</b>	<b>Related party: Antonio-Jesús Oliver Gómez (Person with power of attorney )</b>	
<b>Investee company</b>	<b>Shareholding</b>	<b>Functions</b>
Eolica Black Sea OOD	19,31% Indirect	Sole Administrator

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eolica Bulgaria EAD	19,31% Indirect	Chief Executive Officer
Eolica Danubio OOD	19,31% Indirect	Sole Administrator
Eolica Suvorovo AD	19,31% Indirect	Chief Executive Officer
Inver Bulgaria EOOD	24,99% Indirect	Sole Administrator
Aguas Vivas Allipén Tacura, S.A.	23,97% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	24,99% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,23% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,73% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,13% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,23% Indirect	-
Hidroallipen SpA	24,99% Indirect	Sole Administrator
Inversiones Krokis SpA	24,99% Indirect	Sole Administrator
EN Generacion Eolica Eurasia Ltd.	24,99% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,07% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	24,99% Indirect	-
Eolica Slovensko, a.s.	17,57% Indirect	-
Asturiana de Eólica, S.A.	19,99% Indirect	-
Cyclone Power Group, S.L.U.	24,99% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Director)
Energía Termosolar Enertol, S.L.	12,49% Indirect	Chairman of the Board of Directors
Energías Renovables de América, S.L.U.	24,99% Indirect	-
Energías Alternativas de México, S.L.U.	24,99% Indirect	-
Eólica Cabanillas, S.L.	12,49% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Director)
Eólica Caparroso, S.L.	12,49% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Director)
Eólica del Ebro, S.A.	24,99% Indirect	Joint Administrator
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,96% Indirect	Sole Administrator
Eólica Erla, S.A.	12,24% Indirect	Joint Administrator

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eólica La Bandera, S.L.	12,49% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Chairman of the Board of Directors)
Eólica La Cantera S.L.	19,49% Indirect	-
Eólica La Foradada, S.L.	19,49% Indirect	-
Eólica Montes de Cierzo, S.L.	12,49% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Chairman of the Board of Directors)
Eólica Navarra, S.L.U.	24,99% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Joint Administrator)
Eólica ValTomás, S.L.	19,49% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,33% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Sole Administrator)
Grupo Empresarial Enhol, S.L.	24,99% Direct	Individual representative of INNOVACIONES FAOLSAN, S.L. (Joint Chief Executive Officer)
Hidroenhol, S.L.U.	24,99% Indirect	Sole Administrator
Ingeniería, Energía y Medio Ambiente, S.L.	24,99% Indirect	-
Innovación Verde Inver, S.L.U.	24,99% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Joint Administrator)
Inveravante Gestión de Inversiones, S.L.	12,49% Indirect	-
LDV Casares, S.L.	18,74% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Secretary of the Board of Directors)
LDV Cerro Cortijo de Guerra, S.L.U.	18,74% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Secretary of the Board of Directors)
LDV Cortijo de Guerra, S.L.	18,74% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Chairman of the Board of Directors)
LDV Sierra de Arcas, S.L.	12,36% Indirect	-
LDV Pedroso, S.L.U. * (before Luz de Viento, S.L.U.)	24,99% Indirect	Joint Administrator
New Energy Sources Holding, S.L.	22,16% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,74% Indirect	-
Recursos Eólicos de Aragón, S.L.	11,99% Indirect	-
Sanjol Inversiones, S.L.	12,49% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	Director
Sistemas Energéticos La Jimena, S.A.	10% Indirect	Director
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Chairman of the Board of Directors)
Termosolar Lebrija, S.L.U.	24,99% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Joint Administrator)

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Transformación Energía Sostenible, S.L.	24,99% Indirect	Sole Administrator
EN Sustainable Energy Pvt. Ltd.	22,07% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	23,2% Indirect	-
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	-
Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	-
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	-
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	-
Energía Renovable del Centro, S.A.	23,73% Indirect	-
Energía Renovable del Norte, S.A.	23,73% Indirect	-
Energía Renovable del Sur, S.A.	23,73% Indirect	-
Energía Renovable Peruana, S.A.	23,73% Indirect	-
Perú Energía Renovable, S.A.	23,24% Indirect	-
Eolica Polska Sp z o.o.	22,33% Indirect	Sole Administrator
Generacja Wiatrowa Polska Sp z o.o.	22,33% Indirect	Sole Administrator
Helios Evosol Lda.	14,99% Indirect	-
SC Carpatia Energia Eolica SRL	24,99% Indirect	-
Energia Capidava S.R.L.	22,33% Indirect	Sole Administrator
Energia Ivanu S.R.L.	22,33% Indirect	Sole Administrator
Energia Lotru S.R.L.	22,33% Indirect	Sole Administrator
Energia Yalahia S.R.L.	22,33% Indirect	Sole Administrator

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

SC Generacion Eolica Dacia SRL	22,33% Indirect	Sole Administrator
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Board Member : Grupo Empresarial Enhol, S.L.	Related party: Mariano Oliver Gómez (Person with power of attorney)	
Investee company	Shareholding	Functions
Eolica Black Sea OOD	19,31% Indirect	-
Eolica Bulgaria EAD	19,31% Indirect	-
Eolica Danubio OOD	19,31% Indirect	-
Eolica Suvorovo AD	19,31% Indirect	-
Inver Bulgaria EOOD	24,99% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23,97% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,59% Indirect	-
Enhol Chile SpA	24,99% Indirect	-
Eólica Camarico, S.A.	24,23% Indirect	-
Eólica del Norte, S.A.* (Dissolved 29/08/2012)	22,23% Indirect	-
Eólica Mar Brava, S.A.* (Dissolved 29/08/2012)	21,73% Indirect	-
Eólica Punta Chome, S.A.* (Dissolved 06/11/2012)	24,13% Indirect	-
Eólica Viento del Hierro, S.A.* (Dissolved 29/08/2012)	22,23% Indirect	-
Hidroallipen SpA	24,99% Indirect	-
Inversiones Krokis SpA	24,99% Indirect	-
EN Generacion Eolica Eurasia Ltd.	24,99% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22,07% Indirect	-
Wind Resources America Corp.* (Dissolved 27/06/2012)	24,99% Indirect	Vicepresidente y Secretario Consejo
Eolica Slovensko, a.s.	17,57% Indirect	-
Asturiana de Eólica, S.A.	19,99% Indirect	Chairman of the Board of Directors
Cyclone Power Group, S.L.U.	24,99% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Director)
Energía Termosolar Enertol, S.L.	12,49% Indirect	Director
Energías Renovables de América, S.L.U.	24,99% Indirect	-
Energías Alternativas de México, S.L.U.	24,99% Indirect	-
Eólica Cabanillas, S.L.	12,49% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Eólica Caparroso, S.L.	12,49% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
Eólica del Ebro, S.A.	24,99% Indirect	Joint Administrator
Eólica del Romeral, S.L.* (Dissolved 26/11/2012)	21,96% Indirect	-
Eólica Erla, S.A.	12,24% Indirect	Joint Administrator
Eólica La Bandera, S.L.	12,49% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Director)
Eólica La Cantera S.L.	19,49% Indirect	-
Eólica La Foradada, S.L.	19,49% Indirect	-
Eólica Montes de Cierzo, S.L.	12,49% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Director)
Eólica Navarra, S.L.U.	24,99% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Joint Administrator)
Eólica ValTomás, S.L.	19,49% Indirect	-
Fersa Energías Renovables, S.A.	4,94% Indirect	-
Generación Eólica Internacional, S.L.	22,33% Indirect	-
Grupo Empresarial Enhol, S.L.	24,99% Direct	Individual representative of MEGANIUM INVERSIONES, S.L. (Joint Chief Executive Officer)
Hidroenhol, S.L.U.	24,99% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	24,99% Indirect	Joint Administrator
Innovación Verde Inver, S.L.U.	24,99% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Joint Administrator)
Inveravante Gestión de Inversiones, S.L.	12,49% Indirect	Joint Administrator
LDV Casares, S.L.	18,74% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
LDV Cerro Cortijo de Guerra, S.L.U.	18,74% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
LDV Cortijo de Guerra, S.L.	18,74% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Secretary of the Board of Directors)
LDV Sierra de Arcas, S.L.	12,36% Indirect	Chairman of the Board of Directors
LDV Pedroso, S.L.U. * (before Luz de Viento, S.L.U.)	24,99% Indirect	Joint Administrator
New Energy Sources Holding, S.L.	22,16% Indirect	-
Proyectos Eólicos de Galicia, S.L.* (being dissolved)	13,74% Indirect	Chairman of the Board of Directors
Recursos Eólicos de Aragón, S.L.	11,99% Indirect	-
Sanjol Inversiones, S.L.	12,49% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	Director
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chairman of the Board of Directors)
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Termosolar Lebrija, S.L.U.	24,99% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Joint Administrator)
Transformación Energía Sostenible, S.L.	24,99% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,07% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	23,2% Indirect	Director
Compañía Eólica Casas, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica de Tamaulipas S.A. de C.V.	9,37% Indirect	Director* (Resignation 05/12/12)
Compañía Eoloeléctrica de Ciudad Victoria, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica El Amparo, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica El Cielo, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica El Palmar, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica La Esperanza, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica La Mesa, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Ocelote, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Praxedis, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Reynosa, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Río Bravo, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica San Andrés, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Tres Huastecas, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,49% Indirect	Director
Compañía Eólica Viento Libre, S.A. de C.V.	12,49% Indirect	Director
Promotora Eólica México, S.A. de C.V.	17,49% Indirect	Director
Grupo Energía México Gemex, S.A. de C.V.	12,49% Indirect	Director
Servicios y Desarrollos Energéticos, S.A. de C.V.	12,49% Indirect	Director
Energía Renovable del Centro, S.A.	23,73% Indirect	-
Energía Renovable del Norte, S.A.	23,73% Indirect	-
Energía Renovable del Sur, S.A.	23,73% Indirect	-
Energía Renovable Peruana, S.A.	23,73% Indirect	-
Perú Energía Renovable, S.A.	23,24% Indirect	-
Eolica Polska Sp z o.o.	22,33% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	22,33% Indirect	-
Helios Evosol Lda.	14,99% Indirect	-
SC Carpatia Energia Eolica SRL	24,99% Indirect	Sole Administrator
Energia Capidava S.R.L.	22,33% Indirect	-



**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

Energia Ivanu S.R.L.	22,33% Indirect	-
Energia Lotru S.R.L.	22,33% Indirect	-
Energia Yalahia S.R.L.	22,33% Indirect	-
SC Generacion Eolica Dacia SRL	22,33% Indirect	-

**FERSA ENERGÍAS RENOVABLES GROUP**

**CONSOLIDATED DIRECTORS' REPORT AT 31 DECEMBER 2012**

**1. SIGNIFICANT EVENTS**

The results of the Fersa Group have been marked by an environment of financial tension, an increase of the perception of risk in the various economic sectors, and the regulatory uncertainty for renewable energy in Spain, which have been determining factors for the Group's results and the valuation of its assets.

The Fersa Group has refinanced its debt and has done a restructuring of its project portfolio so as to make it suitable for the current market conditions.

On 1 February 2012, the Fersa Group signed an agreement for the refinancing of its financial corporate debt so as to allow the company to start a new period with stability guarantees. The syndicated contract with the credit entities amounts to Euros 27,6 million and is structured in two different stages which vary between 1 and 5 years.

On December 2012 Fersa signed a purchase-sale contract, subject to some condition precedents, for the transfer of the shares of its Poland subsidiaries owners of the Kisielice project, made of an operating wind farm (of 24 MW) and another one pending to be constructed (forecast of 18 MW), both located in Kisielice (Poland) as well as some loans granted by the Company to its subsidiaries, the owners of the project. The shares and loans just mentioned are acquired using funds managed by the IMPAX group.

For the transfer of the shares and loans it has been agreed a maximum total price of Euros 28 million, which breaks down as follows: a fixed part of Euros 22 million and an additional floating price (earn-outs) up to Euros 6 million susceptible of being accrued until December 2014.

Fersa's intention is to assign the total price of the purchase-sale contract to reduce its financial debt.

On November 2012, Fersa reached an agreement with the Panamanian company Recursos Eólicos, S.A. ("RESA") which has concluded with the transfer, from Fersa Energías Renovables S.A. to RESA, of representative shares amounting to a 70% of the share capital of the Panamanian subsidiary Fersa Panamá, S.A.. The total price of the purchase-sale contract, which RESA has to pay to Fersa, amounts to USD 10,438 thousand, which the Company is going to assign to the payment of incurred obligations by Fersa in the purchase of wind farms under development of Fersa Panamá, S.A.

During the third trimiester of the current year the company has signed a contract with The Indian Renewable Energy Development Agency (IREDA) for the financing of a wind farm which needs to be installed in Rajasthan, India, which can produce up to 20 MW. The granted financing amounts to Euros 10,6 million and has been given under Project Finance. It is forecasted that in the following weeks the construction works of the wind farm get started.

On 13 April 2012 Greentech Energy Systems A/S (Greentech) presented a pre-information notice of an offer of acquisition of 100% of Fersa Energías Renovables, S.A. shares by which the shares were valued at Euros 0,40 cents each. Finally, on 1 August 2012 the CNMV announced that the public offer had concluded in a negative result and was thus left with no value.

On 16 March 2012 Francesc Homs i Ferret was appointed President of the Board of Directors of Fersa in substitution of José Maria Roger Ezpeleta. On the other hand, during the month of January 2012, Enrique Fernández-Cardellach assumed the functions of the General Direction of Fersa.

## **2. OPERATING INFORMATION**

The installed capacity at 31 December 2012 is kept at 258.9 MW.

The annual production has amounted to 509.6 GWh which implies a 1% decrease against the same period last year (514.5 GWh). This is a consequence of the lower wind resource for the last trimester of the current year in the wind farms located in the southern part of Spain.

## **3. MAIN FINANCIAL HEADLINES**

Net turnover in 2012 has totalled Euros 44,646 thousand, which represents an increase of 4% compared with the same period in 2011 (Euros 43,009 thousand).

This increase in turnover has been basically due to the requirements for the register of the income generated by the CERs (Certified Emission Reduction) valued at Euros 2,7 million.

Operating expenses, excluding amortisation, depreciation and impairment, total Euros 13,707 thousand (including staff costs), which is a decrease of 5% against the same period last year (Euros 14,472 thousand).

EBITDA for the year 2012 amounts to Euros 31,874 thousand, which implies an increase against the same period last year of a 7%.

Amortisation and depreciation have totalled Euros 18,117 thousand, an increase of 10% against the same period last year (Euros 20,022 thousand), due to the changes in the expected useful life of the farms which is now of 25 years.

In 2012 the Fersa Group has registered impairments for goodwill, intangible fixed assets, property, plant and equipment and other assets totalling Euros 92,445 thousand (Note 5). These impairments arise mainly from the following factors which have mainly taken place in the last quarter of 2012:

- On 27 December 2012 it has been adopted in Spain the law 15/2012 of fiscal measures for the energetic sustainability, in which, among other aspects, it has been approved a tax on the electric energetic production which levies a 7% tax on the production and incorporation to the electrical system of electrical energy.
- Changes in the price of the farms for which there are no purchase price agreements, especially in Spain. The RD 1/2012/27 January has reconfirmed the premium (a component of the final price) for the operating wind farms and for the pre-assigned farms prior to 31 December 2012. During the year 2012, the Fersa Group has proceeded by not considering the premium for the Spanish farms that are still under development.

As a direct consequence of these two factors, the totality of the accounting import of the Spanish farms under development has been impaired during the year 2012 by a total amount of Euros 41 million.

- Review and restructuring of the portfolio of projects:

As a consequence of the deal signed by Fersa Energías Renovables S.A., Alster French Holdings SAS and Impax Polish Wind Holdings BV for the sale of 100% shares of the companies Eólica Kisielice Sp and Management Kisielice (Note 10) the Group has registered an impairment for these assets amounting to Euros 23 million, which have been classified as assets held for sale.

## FERSA ENERGIAS RENOVABLES GROUP

Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

In the year 2012 the Fersa Group has estimated that the risk of losing the right to develop the Warblewo wind farm is provable (see Note 27), for this reason it has been considered convenient to impair the whole value of the wind farm that the company Eólica Warblewo, SP planned to develop. The impact of this impairment in the year 2012 amounts to Euros 23 million.

The Fersa Groups has also considered in the year 2012 that the loss of the money paid in advance for the construction of the Estonia wind farm is provable (see Note 5), due to delays in the placement of orders. For this reason, the company has considered convenient to impair the whole amount of the said payment in advance. The impact of this impairment in the year 2012 amounts to Euros 7 million.

The Fersa Group has reported an operating loss of Euros 79,212 thousand against a loss of Euros 129,408 thousand for the same period last year (a 39% lower).

Financial expense totals Euros 15,443 thousand against Euros 15,978 thousand for the same period last year, which implies a decrease of a 3%.

Net income attributable to the parent Company is a loss of Euros 68,983 thousand, against a loss of Euros 102,464 thousand for the same period last year, which implies an improvement of a 33%.

#### 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.

The Fersa Group is exposed to the risk of fluctuation in the sale price of electricity. In 2012 and in order to hedge against this risk, the Group has contracted hedges for energy sale prices.

##### 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.

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

**FERSA ENERGIAS RENOVABLES GROUP**  
Notes to the Consolidated Annual Accounts for the year 2012  
(In Thousand Euros)

**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 2012 and in relation to the facilities that are in operation, the Group has incurred expenses totalling Euros 209 thousand, basically, for wildlife conservation.

**6. STAFF**

At 31 December 2012, the average number of employees of the Group reaches 35 workers.

**7. TREASURY SHARES**

At 31 December 2012 the Company has 1,570,954 treasury shares.

**8. RESEARCH AND DEVELOPMENT EXPENSES**

The Group has not incurred any expenses of this type during the current year.

**9. SUBSEQUENT EVENTS**

See Note 30 of the notes to the accompanying annual accounts for information on subsequent events.

**10. CORPORATE GOVERNANCE REPORT**

# ANNUAL CORPORATE GOVERNANCE REPORT

**PUBLIC LIMITED COMPANIES**

**PARTICULARS OF ISSUER**

DATE OF YEAR-END: 31/12/2012

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 (euros)	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
BANCO MARE NOSTRUM, S.A.	5,997,501	4,762,724	7.686
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
Mr ALFONSO LIBANO DAURELLA	0	4,415,311	3.154

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
BANCO MARE NOSTRUM, S.A	CORPORACIÓN CAJA DE GRANADA, S.L.U.	4,762,724	3.402
Ms LILIANA GODIA GUARDIOLA	BCN GODIA, S.L.	6,365,075	4.546
Ms MARIA DOLORES DONADEU CASTANY	WINDMILL INVESTMENT, S.A. R.L.	5,660,378	4.043

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
BANCO DE SABADELL, S.A.	EXPLORACIONES ENERGÉTICAS SINIA XXI, S.L.	5,316,570	3.797
Mr ALFONSO LIBANO DAURELLA	FONLAR FUTURO, SICAV, S.A.	639,691	0.457
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 transaction	Description of transaction
Mr. ALFONSO LIBANO DAURELLA	02/08/2012	It has exceeded 3% of the share capital

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 FRANCESC HOMS FERRET	50	500	0.000
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	10,755,080	0	7.682
CORPORACIÓN CAJA DE GRANADA, S.L.U.	4,762,724	0	3.402
EOLICA NAVARRA, S.L.U.	10,000	0	0.007
Mr ESTEBAN SARROCA PUNSOLA	1,200	0	0.001
GRUPO CATALANA OCCIDENTE, S.A.	0	10,513,302	7.509

Name or company name of Director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
GRUPO EMPRESARIAL ENHOL, S.L.	504,318	30,899,073	22,430
Mr. IGNACIO GARCÍA-NIETO PORTABELLA	200	0	0,000
LARFON S.A.U.	3,775,620	639,691	3,154
MYTAROS B.V.	0	0	0,000
Mr. RODRIGO VILLAMIZAR ALVARGONZALEZ	500	0	0,000



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
Mr. FRANCESC HOMS FERRET	HOSEC SERVEIS ECONÒMICS, S.L.	500	0.000
EÓLICA NAVARRA, S.L.U.	GENERACIÓN EÓLICA INTERNACIONAL, S.L.	15,643,344	11.174
EÓLICA NAVARRA, S.L.U.	EÓLICA 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

% total voting rights in possession of the Board of Directors	44,186
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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:

**Type of relations:**

Contractual

**Brief description:**

Contract of 21 December 2012 by which Eólica el Pedregoso, S.L. and Eólica del Pino, S.L. asked COMSA EMTE Medio Ambiente, S.L.U for the project of reparation of the foundations of seven wind turbines in the wind farm El Pedregoso.

Name or company name of party with which relations exist
COMSA EMTE MEDIO AMBIENTE, S.L.

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
1,570,954	0	1.122

(\*) Through:

Total:	0
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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 thousands of euros)	0
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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 2011, the Ordinary General Meeting of Shareholders of FERSA ENERGÍAS RENOVABLES, S.A. adopted the agreement set out below:

To void the authorisation given to the Board of Directors for the derivative acquisition of treasury shares adopted under Resolution Six of the Ordinary General Meeting of Shareholders of 23 June 2010.

To authorise the Board of Directors so that, under the provisions of articles 146 et seq. and 509 of the revised text of the Spanish Capital Companies Act, and other applicable legislation, it can directly or indirectly, and to the extent it deems necessary depending on the circumstances, acquire treasury shares.

At no time can the par value of the shares acquired directly or indirectly, once added to those already held by the Company and its subsidiaries exceed ten percent (10%) of subscribed share capital or the maximum amount that is established by law. The types of acquisition may comprise

purchase and sale, swaps or any other type of business for valuable consideration, in accordance with the circumstances.

This authorisation is granted for a period of 5 years.

The authorisation granted to acquire treasury shares can be used fully or partially for their delivery or transfer to directors or workers of the Company or Group companies, directly or as a result of their exercising of the option rights, as part of the remunerative systems indexed to the quotation of the Company's shares adopted in due form.

Finally, the Board of Directors is authorised to expressly delegate to the members of the Board deemed purposeful, including the Secretary of the Board, powers as broad as required in order to request any authorisations and adopt any resolutions necessary or useful in relation to compliance with current legislation, and the execution and undertaking of the resolution.

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
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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
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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 FRANCESC HOMS FERRET	--	CHAIRMAN	26/07/2011	26/07/2011	VOTE OF GENERAL MEETING OF SHAREHOLDERS
COMSA EMTE ENERGÍAS RENOVABLES, S.L	JOSÉ MARÍA FONT FISA	DIRECTOR	09/05/2011	09/05/2011	VOTE OF GENERAL MEETING OF SHAREHOLDERS
CORPORACIÓN CAJA DE GRANADA, S.L.U.	JOAQUÍN ESPIGARES CERDÁN	DIRECTOR	14/12/2010	14/12/2010	VOTE OF GENERAL MEETING OF SHAREHOLDERS
EÓLICA NAVARRA, S.L.U.	VIDAL AMATRIAIN MÉNDEZ	DIRECTOR	24/01/2011	24/01/2011	VOTE OF GENERAL MEETING OF SHAREHOLDERS
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
GRUPO EMPRESARIAL ENHOL, S.L.	HIPÓLITO SUÁREZ GUTIÉRREZ	DIRECTOR	11/04/2012	11/04/2012	VOTE OF GENERAL MEETING OF SHAREHOLDERS
Mr. IGNACIO GARCÍA-NIETO PORTABELLA	--	DIRECTOR	05/06/2007	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
LARFON S.A.U.	JOSÉ FRANCISCO GISPERS SERRATS	DIRECTOR	20/02/2008	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS

Name or company name of Director	Representative	Position on Board	Date first appointment	Date last appointment	Election procedure
MYTAROS B.V.	JOSE VICENS TORRADAS	DIRECTOR	15/01/2004	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
Mr. RODRIGO VILLAMIZAR ALVARGONZALEZ	--	DIRECTOR	26/07/2011	26/07/2011	VOTE OF GENERAL MEETING OF SHAREHOLDERS

Total number of Directors	11
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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, JOSE MARIA ROGER EZPELETA	EXECUTIVE	16/03/2012

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

#### EXECUTIVE DIRECTORS

Total number of Executive Directors	0
% total of the Board	0.000

#### 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
COMSA EMTE ENERGIAS RENOVABLES, S.L.	--	COMSA EMTE ENERGÍAS RENOVABLES, S.L.
CORPORACIÓN CAJA DE GRANADA, S.L.U.	--	BANCO MARE NOSTRUM, S.A.
EOLICA NAVARRA, S.L.U.	--	GRUPO EMPRESARIAL ENHOL, S.L.
GRUPO CATALANA OCCIDENTE, S.A.	--	SEGUROS CATALANA OCCIDENTE, S.A. DE SEGUROS Y REASEGUROS
GRUPO EMPRESARIAL ENHOL, S.L.	--	GRUPO EMPRESARIAL ENHOL, S.L.
LARFON S.A.U.	--	ALFONSO LIBANO DAURELLA
MYTAROS B.V.	--	MARIA DOLORES DONADEU CASTANY

Total number of Proprietary Directors	7
% total of the Board	63.636

#### EXTERNAL INDEPENDENT DIRECTORS

**Name or company name of Director**

**Profile** Mr FRANCESC HOMES FERRET

Graduate in Economics from the Autonomous University of Barcelona.

**Name or company name of Director**

**Profile** Mr ESTEBAN SARROCA PUNSOLA

Graduate in Economics and Certified Public Account.

**Name or company name of Director**

**Profile** Mr IGNACIO GARCÍA-NIETO PORTABELLA

Lawyer-economist, graduate from the University of Deusto.

**Name or company name of Director**

**Profile** Mr RODRIGO VILLAMIZAR ALVARGONZALEZ

Graduate in Electro-Mechanical Engineering from the University of Valle (Cali, Columbia), with a degree, master and doctorate in Economics from the University of Texas.

Total number of Independent Directors	4
% total of the Board	36.364

#### 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%.

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. JOSE MARIA ROGER EZPELETA

**Reason for resignation**

Resignation agreed by the Group's Board of Directors.

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

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:

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:

<b>The investment and finance policy</b>	YES
<b>The definition of the structure of the group of companies</b>	YES
<b>The corporate governance policy</b>	YES
<b>The corporate social responsibility policy</b>	YES
<b>Strategic or business plan, as well as the management aims and annual budgets</b>	YES
<b>The remuneration policy and appraisal of senior management performance</b>	YES
<b>Control of risk management policy, as well as periodic monitoring of the internal information control system</b>	YES
<b>The dividend policy, as well as the treasury stock policy, with special focus on their limits.</b>	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	187
Variable remuneration	0
Expenses	0
Established in Articles of Association	0
Stock options and/or other financial instruments	0
Others	0

Total	187
-------	-----

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
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:

Type of Directors	By Company	By Group
Executive Directors	0	0
External Proprietary Directors	0	0
External Independent Directors	187	0
Other External Directors	0	0
<b>Total</b>	<b>187</b>	<b>0</b>

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

Total remuneration of directors (in thousands of Euros)	187
Total remuneration of directors / The profit attributable to the controlling company (%)	0.0

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. ENRIQUE FERNÁNDEZ-CARDELLACH BONIFASI	GENERAL MANAGER
Ms ANA ISABEL LÓPEZ PORTA	OPERATIONS MANAGER
Ms MARÍA DOLORES BLANCH GARCÍA	FINANCIAL MANAGER
JAVIER CASTAÑO CRUZ	INTERNAL AUDITOR
Total remuneration of senior management (in thousands of Euros)	458

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	1	
	<b>Board of Directors</b>	<b>General Meeting</b>
Body that authorises the clauses	YES	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.

<b>Process for establishing payment for the members of the Board of Directors and the statutory clauses</b>
<p>In accordance with article 18 from 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 (8%) 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 documents that the Board of Directors needs to elaborate regarding these aspects according to the legislation in force at each moment.</p> <p>In accordance with the prior statement, directors will receive additionally a remuneration made by a fixed payment which varies according to the function being developed (director, Chairmen of the Board of Directors, member of a Delegated Committee) and per-diem allowances, which in each case will be properly determined. These fix remuneration and per-diem allowances will be approved for each year by the General Meeting.</p> <p>The remuneration forecast in the sections above, resulting from membership on the Board of Directors, will be compatible with the professional or labour-related payments to 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.</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>

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.	YES
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.	YES

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

YES

<b>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>	YES
<b>Variable payment concepts</b>	YES
<b>Main characteristics of the social benefits systems, with an estimate of the equivalent annual cost or amount.</b>	YES
<b>Conditions to be observed in the contracts of those who exercise senior management functions as Executive Directors</b>	YES

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:

YES

**Questions covered by the remuneration policy**

The Appointments and Remuneration Committee of Fersa issued a report on remuneration policy of the Directors for 2012, effective 1 January 2012, and subsequent years.

This report was subject to a vote of the General Meeting of Shareholders, under a separate point on the agenda, in accordance with recommendation number 40 of the Unified Code of Good Governance.

The most significant aspects of the report are as follows:

The remunerations have been adopted by the Committee in accordance with the principles of personal independence and transparency.

The policy and structure of the remuneration of the Directors of FERSA are in line with the provisions of the Act (art. 218 of the Spanish Capital Companies Act) and article 18 of the Articles of Association of the Company, which state:

The annual remuneration of the Directors, for their undertakings as members of the Board of Directors of the company, is set at 8% of net profit, which can only be received after covering reserves and the dividend as determined by law. The Board of Directors will distribute amongst its members this share, in the form and amount it considers opportune, and shall report it in the notes elaborated by the Board of Directors as per current legislation.

In accordance with the prior statement, directors will receive in addition a remuneration made by a fixed payment, which varies according to the function being developed (director, Chairmen of the Board of Directors, member of a Delegated Committee) and per-diem allowances, which in each case will be properly determined. Fixed remunerations and per-diem allowances will be approved for each year by the General Meeting.

The remuneration set out in the preceding sections, for being a member of the Board of Directors, will be compatible with other professional or labour-related emoluments accrued to the Directors for any other executive or consulting duties which, as the case may be, they undertake for the company other than oversight and decision-making as Directors, which will be subject to the applicable legal regime.

Subject to agreement of the General Meeting of Shareholders in the terms established by the Spanish Capital Companies Act, the Directors who have executive duties can also participate in incentive plans adopted for company executives, which provide remuneration consisting of shares, recognition of options rights on these shares or remuneration indexed to the value of the shares.

Currently, incentive plans established by article 18 of the Articles of Association are not being considered.

The remuneration policy of the Company is designed to remunerate dedication, qualification and the responsibility that is required when undertaking the office of Director and does not compromise the independence of the Director.

Remuneration is divided into the following basic elements:

- Per diems:

This amount varies on the basis of the type of Director, and in relation to the meetings of the Board of Directors that are held.

- Sitting on the Board:

Comprises a fixed annual remuneration for the members of the Board of Directors, which varies on the

<b>Questions covered by the remuneration policy</b>
<p>basis of the type of Director.</p> <p>The remuneration covers the undertaking of duties individually or jointly, as well as oversight and responsibility required by the office.</p> <p>- Delegated Committees:</p> <p>Consists of annual fixed remuneration of the members of the Delegated Committees, which varies depending on the type of Director.</p> <p>The remuneration includes the demands, dedication, qualification and responsibility of the office.</p> <p>In order to see the amounts of the remuneration of the Directors applicable in 2012 and years following, please see the report, which is available at the Company website at <a href="http://www.fersa.es">www.fersa.es</a> in the section on Shareholders and Investors.</p>

<b>Role played by the Remuneration Committee</b>
<p>The Appointments and Remuneration Committee was engaged to prepare the remuneration policy report for Directors, without recourse to external consultants.</p>

Have external consultancy services been used?	NO
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<b>Identity of the external consultants</b>

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:

YES

<b>Description of the modifications</b>
<p>During the year 2012 it has been approved a revised text of the Regulations of the Board of Directors. The aim of this change is to better adapt the text to the Spanish Capital Companies Act and also to improve its writing and its internal distribution. Information about this new revised text was given in the Ordinary General Meeting for the year.</p>

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 appointment proposals of Directors that the Board of Directors decides to submit to the General Meeting of Shareholders and the appointment decisions that this organ decides to adopt according to the co-optation functions legally attributable, will need to be correspondingly preceded by a proposal from the Appointments and Remuneration Committee in the case of an independent director and by a report in all the other cases.

The Directors shall respect the legally established incompatibilities.

#### Article 11.- Duration of the job

The directors will exercise their charge during the period established in the Articles of Association, and will be eligible for re-election as established in the by-laws.

The appointed directors by co-optation will exercise their charge until the date of the first General Meeting of Shareholders, which will either confirm the appointments or choose the substitutes for those not-confirmed Directors, unless it decides to amortize the vacancy.

#### Article 12.- Removal

The removal of the Director will take place once the established duration of the job terminates, as well as for other legal or statutory reasons.

In the following cases, the Director will have to tender its resignation to the Board and formalise the respective removal:

- (i) When a Director is removed from the executive position he had been assigned to. Independent Directors will have to do so if they have already been in the position twelve (12) years.
- (ii) When a Director is involved in any of the foreseen incompatible situations or legal prohibitions.
- (iii) When a Director is accused of a misdemeanour or a disciplinary proceeding is opened due to a felony by the supervising authorities.
- (iv) When his continuity in the Board may endanger the interests of the Company and when the reason for which he was appointed disappears. This case will happen, in the case of an external significant shareholder, whenever an alienation of the totality of his owned shareholding or the one it represents takes place and whenever the reduction of his shareholding requires the reduction of his significant shareholders.
- (v) When significant changes in his professional situation or in the conditions by which he was appointed Director take place.
- (vi) When, for acts imputable to the Director, his continuity in the Board causes a major damage to the equity or reputation of the company, according to the judgement of the Board.

In the case in which the attorney of a Director incurs into any of the above described situations, this person will be disqualified from any representative activity.

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

The Directors of the company must tender their resignation to the Board and formalise their respective removal in any of the six (6) cases comprised in the article 12 of the Regulations of the Board of Directors (see part B.1.19).

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

<b>Matters in which a deciding vote exists</b>
<p>According to article 6.1 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.</p> <p>In the case of representation, the provisions of article 9 of the Regulations shall prevail, according to which representation to attend the meetings of the Board can only be granted to another Director 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 exercise the deciding vote.</p>

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

NO

<b>Age limit for Chairman</b>	<b>Age limit for CEO</b>	<b>Age limit for Directors</b>
0	0	0

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

YES

Maximum number of years of mandate	12
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B.1.27 If there are few or no female Directors, explain the reasons or the initiatives adopted to correct this situation.

<b>Explanation of the reasons and the initiatives</b>
<p>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.</p>

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 9 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, 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.

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	13
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	11
Number of meetings of the Audit Committee	7
Number of meetings of the Appointments and Remuneration Committee	1
Number of meetings of the Appointments Committee	0
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	9
% of non-attendances over the total number of votes during the year	0.029

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 7.3 of the Regulations of the Board of Directors, is to:

- Inform the Board of Directors about the questions presented by the shareholders about matters of its competency.
- Propose to the Board of Directors for submission to the General Meeting of Shareholders, the appointment of the account's auditors of the company according to the laws applicable to it.
- To supervise the internal control of the Company, the internal auditing, if any, and the risk management systems. Moreover it has to argue with the external auditors about the significant weaknesses of the internal control system detected during the auditing process.
- Supervise the process of elaboration and presentation of the regulated financial information and the internal control systems associated with the relevant risks of the company.
- Establish the convenient relationships with the auditors and auditing companies so as to receive information on questions that could put their independence in jeopardy, which will be subject to examination by the Board, and, in general, on any other issues that relates to the auditing process as well as other foreseen communications in the auditing legislation and the technical auditing standards in force at any time.
- In all cases, the Company will have to receive annually from the external auditors and auditing companies the written confirmation of their independency in issues relating to the Company or directly and indirectly related entities, as well as the information from the additional services of any nature provided to these entities by the mentioned auditors or companies, or by the person or entities in charge of these according to the auditing legislation.
- Issue annually, before the issue of the auditing statements, a report in which the independency of the external auditors or auditing companies will be expressed. This report will need to talk, in any case, about the additional services provided which are mentioned in the previous paragraph.
- Take care of the compliance with the code of conduct and proper governance of the Company, and in special, of the legal regulation relevant for this issues.

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.

<b>Appointments and dismissal procedure</b>	
<p>In accordance with the provisions of article 6.2 of the Regulations of the Board of Directors, the latter, upon the proposal of the Chairman, and prior notice to the Appointments and Remuneration Committee, shall appoint a Secretary, even if he is neither a Director nor a shareholder [...].</p> <p>In relation to the former and current non-Director Secretary of the company, his removal and appointment, respectively (which took place before the current Regulations of the Board of Directors were in force), were not reported by the Appointments and Remuneration Committee, although they were approved by the Board of Directors.</p>	
Does the Appointments Committee report the appointment?	YES
Does the Appointments Committee report the dismissal?	NO



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 20 stipulates:

Article 20.- 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:

YES

Outgoing auditor	Incoming auditor
PRICEWATERHOUSECOOPERS AUDITORES, S.L.	DELOITTE, S.L.

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)	122	9	131
Amount of tasks other than auditing/Total amount billed by the audit company (%)	43.760	3.220	23.460

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	1	1

	Company	Group
No. of years audited by the current audit company /No. of years the Company has been audited (%)	0.1	0.1

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
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	ENERGÍAS RENOVABLES DE EUSKADI.S.L.	5.000	-
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	PARQUE SOLAR DOS HERMANAS. S.L.	50.500	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	SACAEEL RENOVABLES, S.L.	66.160	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	COMSA EMTE INVERSIONES SOLARES, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	EOLICA LAS LANCHAS, S.L.	50.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	EOLICA SIERRA GADEA, S.L.	50.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	CASTIÁN EOLICA, S.L.	90.000	-
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	CERWIND GALICIA, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	COEMGA RENOVABLES 1, S.L.	24.980	DIRECTOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	COEMGA RENOVABLES, S.L.	24.980	DIRECTOR
COMSA EMTA ENERGIAS RENOVABLES, S.L.	MAIALS EÓLICA, S.L.	100.000	SOL E ADMINISTRATOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	EMTE RENOVABLES,S.L.	37.880	DIRECTOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	COMPAÑÍA INTEGRAL DE ENRGÍAS RENOVABLES DE ZARAGOZA, S.L.	45.000	DIRECTOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	TERMOSOLAR BORGES, S.L.	47.500	JOINT ADMINISTRATOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	EOLICA EL HORNICO, S.L.	50.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	ENERGIES RENOVABLES DE ANOIA	9.520	-
COMSA EMTE ENERGIAS RENOVABLES, S.L.	GOTICA SOLAR, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	ENERGÍAS RENOVABLES SIERRA SESNÁNDEZ, S.L.	37.890	DIRECTOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	RONERGY SERVICES, S.L.	25.000	DIRECTOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	PARQUE SOLAR VISO DEL MARQUES, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGIAS RENOVABLES, S.L.	EOLICA LA CARRASCA, S.L.	50.000	JOINT ADMINISTRATOR

Name or company name of Director	Name of object company	% holding	Position or duties
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	GENERACION ENERGIA SOSTENIBLE, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	PARQUE SOLAR DE ECIJA, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	VILLOLDO SOLAR, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	MAIALS SOLAR, S.L.	100.000	JOINT ADMINISTRATOR
CORPORACIÓN CAJA DE GRANADA, S.L.U.	ENERGÍAS ALTERNATIVAS MURCIANAS, S.A.	19.400	-
CORPORACIÓN CAJA DE GRANADA, S.L.U.	EMSA SOLAR, S.A.	30.180	-
CORPORACIÓN CAJA DE GRANADA, S.L.U.	EOLICA DEL ZENETE, S.L.	31.330	-
EOLICA NAVARRA, S.L.U.	SISTEMAS ENERGETICOS LA JIMENA, S.A.	40.000	-
EOLICA NAVARRA, S.L.U.	EOLICA DEL EBRO, S.A.U.	100.000	-
EOLICA NAVARRA, S.L.U.	SISTEMAS ENERGETICOS TORRALBA, S.A.	40.000	-
EOLICA NAVARRA, S.L.U.	ASTURIANA DE EOLICA, S.A.	80.000	-
EOLICA NAVARRA, S.L.U.	PROYECTOS EOLICOS DE GALICIA, S.L.	55.000	-
EOLICA NAVARRA, S.L.U.	GENERACIÓN EÓLICA INTERNACIONAL, S.L.	87.900	-
EOLICA NAVARRA, S.L.U.	LDV CASARES, S.L.	75.000	-
EOLICA NAVARRA, S.L.U.	PERU ENERGIA RENOVABLE, S.A.	95.000	-
EOLICA NAVARRA, S.L.U.	LDV CORTIJO DE GUERRA, S.L.	75.000	-
EOLICA NAVARRA, S.L.U.	SC CARPATIA ENERGIA EOLICA SRL	95.000	-
EOLICA NAVARRA, S.L.U.	TRANSFORMACION ENERGIA SOSTENIBLE, S.L.	100.000	-
EOLICA NAVARRA, S.L.U.	NEW ENERGY SOURCES HOLDING, S.L.	64.150	-
EOLICA NAVARRA, S.L.U.	INGENIERÍA, ENERGÍA Y MEDIO AMBIENTE, S.L.	10.000	-
EOLICA NAVARRA, S.L.U.	RECURSOS EOLICOS DE ARAGON, S.L.	48.000	-
EOLICA NAVARRA, S.L.U.	INVERAVENTE GESTION DE INVERSIONES, S.L.	50.000	-
EOLICA NAVARRA, S.L.U.	LDV SIERRA DE ARCAS, S.L.	66.000	-
EOLICA NAVARRA, S.L.U.	LDV PEDROSO, S.L.U.	100.000	-
EOLICA NAVARRA, S.L.U.	EOLICA LA FORADADA, S.L.	78.010	-
EOLICA NAVARRA, S.L.U.	EOLICA VALTOMÁS, S.L.	78.010	-
EOLICA NAVARRA, S.L.U.	EOLICA LA CANTERA, S.L.	78.010	-
EOLICA NAVARRA, S.L.U.	EOLICA ERLA, S.A.	49.000	-
EOLICA NAVARRA, S.L.U.	SISTEMAS ENERGÉTICOS BOYAL, S.L.	40.020	-
EOLICA NAVARRA, S.L.U.	HELIOS EVOSOL LTDA.	60.000	-
EOLICA NAVARRA, S.L.U.	EOLICA CAMARICO, S.A.	71.500	-

Name or company name of Director	Name of object company	% holding	Position or duties
EOLICA NAVARRA, S.L.U.	AHUAS VIVAS ALLIPEN TACURA, S.A.	95.950	-
EOLICA NAVARRA, S.L.U.	ENHOL CHILE, SP.A.	100.000	-
EOLICA NAVARRA, S.L.U.	INVERSIONES KROKIS, SPA	100.000	-
EOLICA NAVARRA, S.L.U.	ENERGIA RENOVABLE DEL BÍO BÍO, S.A.	72.490	-
EOLICA NAVARRA, S.L.U.	ELECTRA DE MALVANA, S.A.	32.000	-
EOLICA NAVARRA, S.L.U.	SISTEMAS ENERGETICOS MONCAYO, S.A.	25.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	SISTEMAS ENERGÉTICOS BOYAL, S.L.	40.020	-
GRUPO EMPRESARIAL ENHOL, S.L.	ENERGÍAS RENOVABLES DE AMÉRICA, S.L.U.	100.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	HIDROENHOL, S.L.U.	100.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	TERMOSOLAR LEBRIJA, S.L.U.	100.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	ENERGIA TERMOSOLAR ENERTOL, S.L.	50.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	INNOVACIÓN VERDE INVER, S.L.U.	100.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	GENERACIÓN EÓLICA INTERNACIONAL, S.L.	1.500	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA LA BANDERA, S.L.	50.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	INVER BULGARIA EOOD	100.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA CAPARROSO, S.L.	50.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA CABANILLAS, S.L.	50.000	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA MONTES DE CIERZO, S.L.	50.000	-
Mr. IGNACIO GARCÍA-NIETO PORTABELLA	ROTASOL ENERGY, S.L.	5,000	-
Mr. IGNACIO GARCÍA-NIETO PORTABELLA	AR ZORITA 20, S.L.	5,000	-
MYTAROS B.V.	SOLWINDET EL CONJURO, S.L.	9,700	CHAIRMAN OF THE BOARD OF DIRECTORS
MYTAROS B.V.	TAIGA V FCR DE RÉGIMER COUMN	14,630	INVESTOR

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

YES

<b>Details of the procedure</b>
<p>Regarding this issue, article 14 from the Regulations of the Board of Directors establishes that:</p> <p>Article 14.- Help from experts</p> <p>With the aim of being assisted in the exercise of their functions, external directors can, when special circumstances exist, ask the Company to hire legal, accountancy, financial or other advisers. The order must be in regard of specific problems with a certain level of complexity that appear during the performance of their duties.</p> <p>The decision of hiring needs to be communicated to the Chairman of the Board of Directors and can be banned by the Board if it can be shown that:</p> <ul style="list-style-type: none"> <li>(i) It is not necessary for the execution of the functions attributed to the external consultants.</li> <li>(ii) That its cost is not fair in comparison with the importance of the problem and the assets and income of the Company.</li> <li>(iii) That the technical assistance from the hiring can be provided by technicians and experts from inside the Company.</li> <li>(iv) That the confidentiality of the information can be subject to risk.</li> </ul>

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

<b>Details of the procedure</b>
<p>According to article 13 of the Regulations of the Board of Directors, it is established that:</p> <p>Article 13.- Director's information</p> <p>The Director is granted all the faculties needed so as to be informed about any aspect that may affect the Company, to examine its books, registers, documents and other records from social operations and to inspect its facilities.</p> <p>However, with the main aim of not disturbing the ordinary management of the Company, the exercise of this information faculties is conducted through the Chairman of the Board of Directors, if it has an executive nature and, if the contrary applies, through the Managing Director who will assist the request of the Director by giving him the requested information, offering him a way to contact with the right person from the correct organization's structure or mediating so as to enable him to practice in situ the exam diligences and inspections desired.</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

<b>Explain the rules</b>
<p>Regarding this aspect, article 16.7 of the Regulations of the Board of Directors, establishes that:</p> <p>Article 16.7 – Information duties</p> <p>Apart from communicating the information mentioned in the prior article 16.3 to the Company, the Director has to inform it about the number of shares from the Company that he owns directly or through the</p>

companies it participates in. Moreover, he has to inform about all the others that, in a direct or indirect way, are owned by people related to him.

The Director has to inform the Company about all the positions and functions he performs in other companies or entities, and, in general, about any fact or situation that can be relevant for his performance as a Director of the Company.

The Director has to inform, in addition, about any significant change in its personal situation that can affect the condition by which he was appointed director.

Moreover, the Director has to inform about any circumstance that may affect the credit or reputation of the Company, in special, of the penal causes from whom he is accused of and of his relevant procedural matters. The Chairman can request the resignation of the Director, after having examined his situation, and this decision will have to be accepted by the Board.

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

### APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Type
Mr FRANCESC HOMS FERRET	CHAIRMAN	INDEPENDENT
Mr ESTEBAN SARROCA PUNSOLA	BOARD MEMBER	INDEPENDENT
LARFON S.A.U.	BOARD MEMBER	SIGNIFICANT SHAREHOLDER

### EXECUTIVE COMMITTEE

Name	Position	Type
Mr FRANCESC HOMS FERRET	CHAIRMAN	INDEPENDENT
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	BOARD MEMBER	SIGNIFICANT SHAREHOLDER

EOLICA NAVARRA, S.L.U.	BOARD MEMBER	SIGNIFICANT SHAREHOLDER
GRUPO EMPRESARIAL ENHOL, S.L.	BOARD MEMBER	SIGNIFICANT SHAREHOLDER
Mr IGNACIO GARCÍA-NIETO PORTABELLA	BOARD MEMBER	INDEPENDENT

**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.	YES
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 makes 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**

Article 7.4 of the Regulations of the Board of Directors establishes the following: Article 7.4.- The Appointments and Remuneration Committee is made up of external directors according to the number established by the Board of Directors, with a minimum of three (3) and a maximum of five (5) Directors, appointed by the same Board of Directors and in its composition, an attempt is going to be made so as to make it mainly made up of Independent Directors. The members of the Appointments and Remuneration Committee will exercise their functions during a maximum period of time of four (4) years, being able to be re-elected. The Director will appoint a Chairman among the members of the Board. The Board itself will appoint a Secretary, who can be a non-member of it. The function of Chairman will be exercised during a maximum period of four (4) years, and in order to be re-elected at least one (1) year must lapse between their removal and their re-election as a member of the Board. The Appointments and Remuneration Committee will have an informative and consultancy function, without executive functions, with information, assessment and proposals faculties inside its activities domain. Without any prejudice to the other functions that the Board assigns to it, the Appointments and Remuneration Committee will have the following basic responsibilities: (i) Formulate and revise the criteria that needs to be followed for the composition of the Board of Directors and the selection process of Board members and High level executives. (ii) Report to the Board of Directors the appointment proposals of independent Directors so that it can directly proceed with the designation (co-optation) or do it on his own so as to submit them to the Meeting decision. (iii) Inform about the appointment proposals (co-optation or submission to the Meeting decision) for the rest of the directors, as well as the re-election proposals or separation from these Directors from the Meeting. (iv) Make a proposal to the Board about the members that need to make up each of the committees. (v) Make a proposal to the Board about the system and the amount of the annual remunerations of the Directors. (vi) Check periodically the Director

and high executive's retributions policy and make a proposal for its modification and actualization to the Board of Directors. (vii) Take into account the suggestions made by the Chairman, the members of the Board, executives or shareholders of the Company. (viii) Inform about the appointment proposals related to those charges that require a report of the Appointments and Remuneration Committee. The Appointments and Remuneration Committee will meet every time that the Director or the Chairman ask for the remission of a report or the adaptation of proposals and, in any case, whenever it appears convenient for the well functioning of their functions. It will be called by the Chairman of the Board or by two (2) members of the Committee. The Appointments and Remuneration Committee will be validly constituted when the majority of the members meet together, themselves or their representative, accepting the agreements by a majority of the votes, In the case of a draw, The Chairman of the Board of Directors will have the casting vote.

#### Committee name

EXECUTIVE COMMITTEE

#### Brief outline

Article 7.2 of the Regulations of the Board of Directors established the following:

##### Article 7.2.- The Executive Committee

Without any prejudice to the delegation of faculties assigned to the Managing Directors, the Board of Directors will be able to, after informing the Appointments and Remuneration Committee, constitute an Executive Committee for the better compliance with the functions attributed to the Board.

The composition of the Executive Committee will have to fairly reflect the structure of the Board and respect the established equilibrium between the different types of Directors.

It will have to be made up of at least three (3) and a maximum of six (6) Directors, and will need to meet at least once every three (3) months. The appointment of its members will require the positive vote of at least two thirds (2/3) 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 Executive Committee will have all the faculties of the Board of Directors except for those that either legally or by-laws are non-delegable. In particular, and without limited character, it will exercise the following functions:

- a) To exercise the duties relating to the control of the management of the company.
- b) To study and propose the main lines that define the business strategy and supervise their execution, with special emphasis on actions of diversification.
- c) To deliberate on and inform, in order to bring the following matters to the Board:
  - (i) Budgets of the company, with a breakdown of the forecasts corresponding to each business line.
  - (ii) Investments and alliances or relevant resolutions.
  - (iii) Financial operations.
  - (iv) Business combinations

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. In any case, the right to access the Executive Committee's minutes it is recognized in favour of all the members of the Board of Directors



## Committee name

AUDIT COMMITTEE

## Brief outline

Article 7.3 of the Articles of Association of the company stipulates that:

### 7.3. Audit Committee

The Board of Directors shall create a permanent Audit Committee, which shall be made up of a minimum of three (3) members and a maximum of five (5), appointed by the Board of Directors itself from amongst its members with a majority of non-Executive Directors. At least one of the members of the Audit Committee will be independent and appointed taking into account his knowledge and experience in accounting, auditing or both.

The Chairman of the Audit Committee will be elected by the Board of Directors of the Company from the non-executive Directors of the Board.

The Audit Committee will have a Secretary, and if needed a Vice-Secretary, a position which corresponds to a practicing lawyer who will be appointed from mutual agreement among the members of the Board of Directors.

The members of the Audit Committee shall exercise their office for a maximum period of four (4) years, and can be re-elected. The office of Chairman shall be exercised for a maximum period of four (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 efficiency of the internal control, the internal auditing services, if such a body exists in the company, and the risk management systems, as well as argue with the external auditors about the significant weaknesses of the internal control system detected during the auditing process.
- 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 need to be studied by the Committee, 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.
- In all cases, the Company will have to receive annually from the external auditors and auditing companies the written confirmation of their independency in issues relating to the Company or directly and indirectly related entities, as well as the information from the additional services of any nature provided to these entities by the mentioned auditors or companies, or by the person or entities in charge of these according to the auditing legislation.
- Issue annually, before the issue of the auditing statements, a report in which the independency of the external auditors or auditing companies will be expressed. This report will need to talk, in any case, about the additional services provided which are mentioned in the previous paragraph.
- 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 four (4) times per year, once per trimester, 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 validly constituted when the majority of the members meet together, themselves or their representative, accepting the agreements by a majority of the votes. In the case of a draw, The Chairman of the Board of Directors will have the casting vote.

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.

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.

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

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief outline:

Regulated by the article 7.4 of the Regulations of the Board of Directors. This document, whose combined new text has been approved during the current year, is available at the Company website at [www.fersa.es](http://www.fersa.es) in the section on Shareholders and Investors.

Committee name

EXECUTIVE COMMITTEE

Brief outline:

Regulated by the article 21 of the Articles of Association and the article 7.2 of the Regulations of the Board of Directors. This document, whose combined new text has been approved during the current year, is available at the Company website at [www.fersa.es](http://www.fersa.es) in the section on Shareholders and Investors.

Committee name

AUDIT COMMITTEE

Brief outline:

Regulated by the article 22 of the Articles of Association and the article 7.3 of the Regulations of the Board of Directors. This document, whose combined new text has been approved during the current year, is available at the Company website at [www.fersa.es](http://www.fersa.es) in the section on Shareholders and Investors.

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.

YES

**Name or company name of the director**

COMSA EMTE ENERGIAS RENOVABLES, S.L.

## Description of the conflict of interest

In his capacity as individual representative of the Director Comsa Emte Energías Renovables, S.L., Mr. José María Font Fisa has abstained from intervening in the discussion and vote on the agreement dated 17 December 2012 regarding the execution of contracts between companies of the Fersa Group and companies of the Comsa Emte Group.

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.

Parts 3 and 6 belonging to article 16 of the Regulations of the Board of Directors establish that:

### 16.3. Conflict of interests

Situations of conflict of interest (directly or indirectly) involving the directors will be reported to the Board of Directors.

The affected Director will not intervene in the agreements or decisions taken in relation to the operation which conflicts with his interests.

The administrators shall report any direct or indirect shareholding that either themselves or people related to them (meaning those determined by the article 231 of the Law on Corporations) have 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.

The information referred to in the previous paragraphs is going to be included in the memory of the annual reports and in the annual corporate governance report.

### 16.4. Use of the Social assets

The Director will not be able to use the assets of the Company for personal purposes, neither will he be able to take advantage of the function he develops in the Company to get an equity advantage, unless the corresponding payment is made for it.

Exceptionally, the Director can be exempted from the obligation of satisfying the payment, but in that case, in the framework of the by-law provisions, the equity advantage will be considered an indirect retribution and will need to be authorized by the General Meeting of Shareholders, being discounted from the direct retribution that the Director should get paid.

### 16.5 Use of non-public information

The Director will not be able to use non-public information from the Company for its own profit, neither directly nor by giving it to third parties. Neither will he be able to suggest to anyone operations related with the securities of the Company or one of its subsidiaries, associates or related companies whenever this non-public information has been given to him because of the function developed in the Company.

This article does not present any prejudice to the obligations of the Directors granted by virtue of the regulation of the Stock Exchange Market and the moral code contained inside the Corporate Code of Ethics and Conduct.

### 16.6 Business opportunities

The Director will not be able to undertake, for his own benefit or that of people related to him, any investment or other similar operation linked to the goods of the Company, from which he had prior knowledge due to his position, if the investment or the operation has been offered to the Company or this one has an interest for it, whenever the Company has not rejected the investment or operation without any influence coming from the Director and when to undertake it, the Board of Directors needs to authorize it.

Related to the prior statement, it is understood by a business opportunity any possibility of undertaking an investment or commercial operation that has emerged or has been discovered due to the link that exists between the Company and the Director, or through the use of media and information from the Company, or due to circumstance that make it reasonable to think that the offer of the third party was, in reality, meant for the Company.

In addition, the Corporate Code of Ethics and Conduct states as follows:

The professionals in the companies of the Group must fulfil their duties bearing in mind the Company's interests, regardless of each of their personal interests. Therefore, all situations must be avoided in which the professionals' personal interests could be in conflict with those of the companies in the Group. In particular, all personal incompatibility must be avoided, in particular of a financial nature that could interfere with performance of their work or have a negative impact on the Group's interests.

Similarly, all situations must be avoided that, even though they may not imply a real conflict of interest with the Company, could create an external appearance of such conflict of interest. In the case of any doubts in this respect, the professional must notify his/her superior to decide whether or not there is in fact a conflict of interest or a situation externally similar thereto.

A personal interest of the professional is deemed to exist when the matter affects him/her or a person related thereto. Persons related to a professional shall be considered as the following:

- a) The professional's spouse or any person with a similarly close relationship.
- b) The ascendants, descendents and siblings of the professional or his/her spouse (or any person with a similarly close relationship).
- c) The spouses of the professional's ascendants, descendents and siblings.
- d) The organisations in which the professional, or persons related thereto, are in any of the situations of control stipulated by law.
- e) The companies or institutions in which the professional, or any persons related thereto, holds a post in the administration or management or from which he/she receives remuneration for any reason whether by the professional or an intermediary person, whenever the professional directly or indirectly exercises a significant influence on the financial and operational decisions of such companies or institutions.

If a conflict of interest could arise, due to performing any work in an organisation outside the Group and taking part in the activities of the various companies in the Group, it must be assessed in accordance with the criteria stipulated in this Code.

The professionals in the Group must observe the following general principles in their actions regarding any possible conflict of interest:

- a) Independence: They must act at all times by freely adopting their decisions with loyalty to the Group and its shareholders regardless of their own interests or those of others. Therefore, they must always abstain from placing their own interests above those of the Group.
- b) Abstention: They must abstain from taking part or influencing the decisions that affect the companies in the Group in which there is a conflict of interest, attending meetings at which such decisions are proposed or accessing confidential information that may be included in such conflict of interest.
- c) Notification: They must notify any conflicts of interest that have arisen. For such purpose, a conflict of interest arising, or possibly arising, must be notified in writing to the professional's immediate hierarchical superior, who must immediately inform the management. Subsequently, the latter must notify the Audit Committee, which will keep and manage the relevant records related to these kinds of situations.

The professional must provide the following information in the aforementioned notification:

- Whether the conflict of interest personally affects him/her or a person related thereto, in such case, this person must be identified.
- The situation causing the conflict of interest, detailing, if need be, the object and main conditions of the planned transaction or decision.

- The approximate amount or economic value.
- The department or person in the Group to which the relevant contacts have been made.

The aforementioned general principles for conduct must be observed, in particular, in cases when the situation of conflict of interest is or could reasonably be expected to be of such a kind that it implies a structural and permanent situation of conflict of interest between the professional, or a person related to the professional, and any of the companies in the Group.

In all other cases, only those activities or transactions may be carried out that could imply situations of conflict of interest if and when they are previously authorised in writing by the Company's Board of Directors, according to a proposal made by the Audit Committee.

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:

YES

If the answer is Yes, describe its functions.

**Name of the committee or governing body**

AUDIT COMMITTEE

### Description of its functions

See the functions in the section B.2.3.

### Name of the committee or governing body

BOARD OF DIRECTORS

### Description of its functions

Within the scope of its powers, with the support of the Audit Committee, the Board of Directors should ensure that the necessary mechanisms are introduced to identify measure, manage and monitor relevant risks of any type, establish the Company's risk strategy and profile, and approve the Group's risk policies.

In particular, it has to approve and supervise the control policy and the management of the risks, as well as the periodical monitoring of the internal systems of information and control.

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

The Fersa Group is present in various countries which are subject to different laws and regulations. In particular, the energy industry in which the Group operates its main business activities is subject to harsh laws which have undergone important reforms in recent years.

The Group has specific departments (technical, financial, etc.) which, acting under its General Management and in coordination with the Group's businesses, are responsible for ensuring that the laws applicable to the Group are complied with at all times.

This includes the Group's businesses abroad which have a local advisory team providing advice on specific laws and regulations.

In addition, the Company has an Audit Committee which has been created by the Board of Directors to ensure that the Company's Corporate Governance System is applied. The Audit Committee also ensures that the requirements established by law and the Codes of Ethics and Good Governance adopted by the Board of Directors are complied with.

## 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 (LSA) 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.

Article 4 of the new Regulations of the Board of Directors establishes the following:

#### Article 4.- Right to information and Electronic Forum of Shareholders

From the publication of the announcement of a call and until the holding of the General Meeting of Shareholders, the Company has to make public in its webpage, at least, the announcement of the call; the total number of shares and voting rights available on the call's day; the documents that are going to be presented to the General Meeting of Shareholders (and, in particular, the reports coming from the management, auditors and independent experts); the proposals of agreement (including those presented by the shareholders) or, in case of existence, a report from the corresponding body discussing each of the points that are going to be covered during the call; and the forms that will be used in the case of voting through a representative or from afar.

In particular, when the General Meeting of Shareholders needs to approve the annual accounts, from the date of the announcement of the call, any shareholder will be entitled to obtain, immediately and freely, in the registered office, the annual accounts, the proposal of application of the results, the management's report and the auditor's report. In the same way, this information needs to be made available for the shareholders in the Company's website.

Until the seventh day prior to the date set for the General Meeting of Shareholders, the shareholders shall be entitled to request in writing (or orally, when the General Meeting of Directors takes place) the reports and clarifications that they deem necessary on the matters on the agenda, as well as the public information that the Company has previously facilitated to the Spanish Securities Exchange Commission from the celebration of the last General Meeting of Shareholders and in relation with the auditor's report. 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 Company's website an Electronic Forum of Shareholders will be made available, where both the individual shareholders and the voluntary associations that these can constitute (properly registered in the special register made for these purposes in the Spanish Securities Exchange Commission) will have a guaranteed access with the main aim of easing their communication before the celebration of the General Meeting of Shareholders. In this Forum, the publication of proposals will be allowed whenever they are intended to be presented as a complement on the points of the proposed agenda, as well as adhesion applications to these proposals, initiatives to reach the needed percentage to exercise the minority right foreseen by the law, and offers or requests of voluntary representation.

Moreover, article 10 of the new Regulations of the Board of Directors established the following:

#### Article 10.- Publicising the resolutions

The passed agreements and results of the voting process will be entirely published in the webpage of the Company during the five following days after the termination of the General Meeting of Shareholders.

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.

Article 4 of the new Regulations of the Board of Directors establishes the following:

Article 4.- Right to information and Electrical Forum of Shareholders

From the publication of the announcement of a call and until the holding of the General Meeting of Shareholders, the Company has to make public in its webpage, at least, the announcement of the call; the total number of shares and voting rights available on the call's day; the documents that are going to be presented to the General Meeting of Shareholders (and, in particular, the reports coming from the management, auditors and independent experts); the proposals of agreement (including those presented by the shareholders) or, in case of existence, a report from the corresponding body discussing each of the points that are going to be covered during the call; and the forms that will be used in the case of voting through a representative or from afar.

In particular, when the General Meeting of Shareholders needs to approve the annual accounts, from the date of the announcement of the call, any shareholder will be entitled to obtain, immediately and freely, in the registered office, the annual accounts, the proposal of application of the results, the management's report and the auditor's report. In the same way, this information needs to be made available for the shareholders in the Company's website.

Until the seventh day prior to the date set for the General Meeting of Shareholders, the shareholders shall be entitled to request in writing (or orally, when the General Meeting of Directors takes place) the reports and clarifications that they deem necessary on the matters on the agenda, as well as the public information that the Company has previously facilitated to the Spanish Securities Exchange Commission from the celebration of the last General Meeting of Shareholders and in relation with the auditor's report. 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 Company's website an Electrical Forum of Shareholders will be made available, where both the individual shareholders and the voluntary associations that these can constitute (properly registered in the special register made for these purposes in the Spanish Securities Exchange Commission) will have a guaranteed access with the main aim of easing their communication before the celebration of the General Meeting of Shareholders. In this Forum, the publication of proposals will be allowed whenever they are intended to be presented as a complement on the points of the proposed agenda, as well as adhesion applications to these proposals, initiatives to reach the needed percentage to exercise the minority right foreseen by the law, and offers or requests of voluntary representation.

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 7 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.

According to article 8 of the Regulations of the General Meeting of Shareholders, 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.

During the year 2012 it has been approved a revised text of the Regulations of the Board of Directors. The aim of this change is to better adapt the text to the Spanish Capital Companies Act and also to improve its writing.

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	
26/06/2012	19,141	52,008	0,000	0,000	71,149
27/07/2012	24,790	25,940	0,000	0,000	50,730

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 26 June 2012

ONE: Examination and adoption, as the case may be, of the individual Annual Accounts and Director's Report for the year ended 31 December 2011, as well as the examination and approval, as the case may be, of the Consolidated Annual Accounts and the Consolidated Director's Report for said year of the Fersa Energías Renovables Group.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,872 (99.9987% of the capital present or represented)

Votes against: 1,254 (0,0013% of the capital present or represented)

TWO: Adoption, as the case may be, of the management of the Governing Body and of the proposed distribution of net income for 2011.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,572 (99.9984% of the capital present or represented)

Votes against: 1,254 (0,0013% of the capital present or represented)

Abstaining: 300 (0.0003% of the capital present or represented)

THREE: Appointment of the auditors of Fersa Energías Renovables, S.A. and its consolidated group for the years 2012, 2013, 2014.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,035,978 (99.9947% of the capital present or represented)

Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 3,894 (0.0040% of the capital present or represented)

FOUR: Appointment or ratification of Directors designated due to vacancies subsequent to this call .

[Not needed no vacancy has taken place from the date of the call of the General Meeting of Shareholders].

FIVE: Ratification of the appointment by co-optation of Mr. Francesc Homs i Ferret as independent Director.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,281 (99.9981% of the capital present or represented)  
Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 591 (0.0006% of the capital present or represented)

SIX: Ratification of the appointment by co-optation of Mr. Rodrigo Villamizar Alvargonzález as independent Director.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98.039.281 (99.9981% of the capital present or represented)  
Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 591 (0.0006% of the capital present or represented)

SEVEN: Ratification of the appointment by co-optation of Grupo Empresarial Enhol, S.L. as independent Director.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,019,494 (99.9780% of the capital present or represented)  
Votes against: 4,848 (0.0049% of the capital present or represented)  
Abstaining: 16,784 (0.0171% of the capital present or represented)

EIGHT: Establishment of the number of Directors

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,281 (99.9981% of the capital present or represented)  
Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 591 (0.0006% of the capital present or represented)

NINE: Adoption, as the case may be, of the new revised text of the Articles of Association which, a part from the re-numbering of some precepts, implies:

(i) The modification of the articles 10, 14, 19 and 22 so as to make them fit in the current Capital Companies Act; and

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,572 (99.9984% of the capital present or represented)  
Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 300 (0.0003% of the capital present or represented)

(ii) The modification of the articles 1,6,8,9,11,12,16,17 bis,18,19,20 bis, 21,23 and 25 including technical and writing improvements.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,572 (99.9984% of the capital present or represented)  
Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 300 (0.0003% of the capital present or represented)

TEN: Adoption, as the case may be, of the new revised text of the Regulations of the General Meeting of Shareholders.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,572 (99.9984% of the capital present or represented)  
Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 300 (0.0003% of the capital present or represented)

ELEVEN: Information about the adoption of the new revised text of the Regulations of the Board of Directors.

[No voting conducted, given the informative nature of this point in the agenda].

TWELVE: Adoption, as the case may be, of the Annual Report of Appointments and Remunerations of the Directors and of their fixed retribution for the current year.

Vote: Adopted by virtue of the following vote:

Votes in favour: 97,996,320 (99.9543% of the capital present or represented)  
Votes against: 44,215 (0.0451% of the capital present or represented)  
Abstaining: 591 (0.0006% of the capital present or represented)

THIRTEEN: Ratification of the creation of the corporative webpage as electronic headquarter of the Company.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,572 (99.9984% of the capital present or represented)  
Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 300 (0.0003% of the capital present or represented)

FOURTEEN: Delegation of the faculties for the formalization and execution of all the adopted agreements in the General Meeting of Shareholders, for its designation as public instrument and for its interpretation, complement or development and registration.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,039,572 (99.9984% of the capital present or represented)  
Votes against: 1,254 (0.0013% of the capital present or represented)  
Abstaining: 300 (0.0003% of the capital present or represented)

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

Held on 27 July 2012

No agreement was reached, given the informative nature of this Meeting.

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.

Article 5 of the Regulations of the General Meeting of Shareholders established the following:

[...]

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. The appointment of the representative party by the shareholder and the notification of the appointment to the company has to be

done either in writing or electronic means. This power of proxy shall be understood notwithstanding the legal provisions in force regarding cases of familial representation and the conferral of general powers.

If instructions have been given from the represented shareholder, the representative party will have to emit his vote in accordance with them and will have the obligation of keeping those instructions with him for a period of one year after the celebration of the corresponding meeting.

In any case, shareholders shall only be entitled to have one representative at the General Meeting of Shareholders. However, the representative can act in representation of more than one shareholder, in which case he will have to emit different votes as a function of the instructions given by each of the different 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 and have it appended thereto, along with the request for instructions in order to exercise the voting right.

An entity providing investment services, in its condition of financial intermediary, will be able to execute the voting right in the General Meeting of Shareholders in behalf of its client, when this one chooses it as his representative. Intermediaries that receive representations will have to notify to the emission company, in a period of six days prior to the celebration of the meeting, a list in which they indicate the identity of each client, the number of shares granted according to which it is going to exercise the voting right, as well as the voting instructions that the intermediary has received, which can differ from shareholder to shareholders. The financial intermediary will be able to delegate its vote to a third party appointed by its client.

In any case the representative, before the appointment, will have to inform in detail the shareholder of any conflict of interests that may exist. If the conflict already existed before the appointment and the represented shareholder was not informed of it, he would have to be informed immediately. In both cases, if no new voting instructions are given for each of the issues over which the representative has the power to vote, he will have to refrain from voting.

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](http://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 effect 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

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

Complies

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

Complies partially

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 partially

The Regulations of the Board of Directors does not implicitly establish that the dismissal of the Company Secretary needs to be informed to the Appointments Committee.

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 partially

The whole Board evaluates once per year the performance of its functions. This function is performed by the chief executive of the company, but points (a) and (c) are not met.

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*

Complies

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*

Complies

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.

Complies

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.

Complies

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.

Complies

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

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.2 and A.3.

Without prejudice to the information contained in sections A.2. and A.3. of 31 December 2012, it needs to be pointed out that subsequent to that date it has been notified to the company the merger by acquisition of Corporación Caja de Granada, S.L.U. by Corporación Empresarial Caja de Murcia, S.L.U., subrogating the latter to the juridical position of the former.

Moreover, in 2013 Banco Mare Nostrum, S.A. has communicated the reduction of its shareholding in the Company, which is now of a 4.697% (including both direct and indirect shareholding).

On the other hand, Banco Mare Nostrum, S.A., sole shareholder of the Corporación Empresarial Caja Murcia, S.L.U, is now denominated Corporación Empresarial Mare Nostrum, S.L.U.

SECTION B.1.2

Without any prejudice to the information contained in section B.1.2. of 31 December 2012, it needs to be pointed out that subsequent to that date written confirmation has been received from Mr. Rodrigo Villamizar Alvargonzález, in which he presented his resignation as Director due to personal reasons.

SECTION B.1.37

The resulting percentage of Total remuneration of directors / The profit attributable to the controlling company amounts to 46.99% (number that appears automatically in the section B.1.37 is incorrect).

SECTION C.2 and C.3

The template of the ACGR does not allow for the introduction of the following related operations, corresponding to the sections C.2 and C.3:

- a) Operations with significant shareholders (C.2)

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

Inver is a company belonging to the Enhol Group.

On 22 July 2012 a contract with Inver was signed. Its maturity was initially of three months, which were renewable for periods of three months. The aim of the contract was the management of those energy purchases and sales due to surpluses or shortages in the daily energy production. The fees arising from this contract amount to Euros 97 thousand in the year 2012 (Euros 101 thousand in 2011).



#### Transactions with Grupo Empresarial Enhol

During the year 2011, the deferred payments corresponding to the acquisition of Eólica Postolin Sp. Z.o.o. were renegotiated with Generación Eólica Internacional, S.L. (company of the Enhol Group), which decreased the liability with the Enhol Group by Euros 3,960 thousand.

On 28 February 2011, Grupo Empresarial Enhol, S.L. (hereinafter Enhol) and the Fersa Group signed a contract in accordance with which Enhol has provided ongoing permanent advisory services to Fersa Group's Management for the management and administration of the Group's material and human resources and adequate execution of its business activities and objectives. The fees accrued in 2011 for these services total Euros 400 thousand.

In 2011, Grupo Empresarial Enhol, S.L. and Empordavent, S.L.U. signed a contract in accordance with which Enhol has provided support for the development of the wind farm. The fees accrued in 2011 for this service total Euros 300 thousand.

At 31 December 2011, these two contracts were no longer in force, thus no import has been accrued during the year 2012.

#### Transactions with Caja General de Ahorros de Granada

Parque Eólico Hinojal, S.L. (fully owned by the Fersa Group) has a current account with the financial entity Caja General de Ahorros de Granada which balance at 31 December 2012 totals Euros 2,197 thousand (Euros 3,275 thousand at 31 December 2011), which has accrued interest in its favour of Euros 36 thousand in 2012 (Euros 29 thousand in 2011). Furthermore, Caja General de Ahorros de Granada, as the agent bank, together with a syndicate of banks, have granted a loan to Parque Eólico Hinojal, S.L.. The amount drawn down exclusively from Caja General de Ahorros de Granada at 31 December 2012 totals Euros 5,090 thousand (Euros 5,501 thousand at 31 December 2011), and interest of Euros 124 thousand were accrued in 2012 (Euros 152 thousand in 2011).

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

The total amount accrued during 2012 with respect to the rental of the offices of the registered office of the Fersa Group 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. until 16 March 2012), totals Euros 187 thousand (Euros 154 thousand during 2011).

During the year 2013 these lease agreements have been terminated.

#### Transactions with Comsa Emte Medioambiente, S.L.U.

Comsa Emte Medioambiente is a company belonging to the Comsa Emte, S.L. Group.

On 21 December 2012 Comsa Emte Medioambiente, S.L.U. (hereinafter CEMA) has signed a contract with the companies Eólica el Pedregoso, S.L. and Eólica del Pino, S.L. in which they order the repair of the foundations of seven wind turbines in El Pedregoso wind farm to CEMA. This operation will total Euros 688 thousand in 2013. During the year 2012 no import has been accrued for this contract.

#### b) Transactions with Directors and senior management (C.3):

In addition to the operations with Real Wind stated in the previous section, in 2011 the Fersa Group signed a service contract with Riva y Garcia, the Director of which is Ignacio Garcia-Nieto, for services related to the restructuring of Fersa's debt. The fees accrued in 2011 for this service total Euros 59 thousand. The fees accrued in 2012 for this service total Euros 191 thousand.

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;

YES

**Name of Director**

MR. IGNACIO GARCIA-NIETO PORTABELLA

**Type of relationship**

Services rendered

**Explanation**

Riva y Garcia Proyectos, S.A. of which Mr. Ignacio García-Nieto is administrator, has entered into a service contract with Fersa in relation to the restructuring of Fersa's debt. However, the Group considers that this relationship is not sufficiently significant or important to consider that Mr. Ignacio García-Nieto is not an independent director, taking into consideration the amount of fees accrued for the service (in 2012 Euros 191 thousand) and the momentary nature of the relationship.

Date and signature:

This Annual Corporate Governance Report has been adopted by the Board of Directors of the Company in its session held on

28/02/2013

Indicate whether or not there have been Directors who voted against or abstained from voting on the adoption of this report.

NO



**APPENDIX REPORT OF FERSA ENERGÍAS  
RENOVABLES S.A. BELONGING TO THE YEAR  
2012 ABOUT THE ADDITIONAL INFORMATION  
REQUIRED BY THE ARTICLE 61 BIS OF THE LAW  
24/1988/28 JULY OF THE SECURITIES MARKET  
ACT**

**28 FEBRUARY 2013**

## **Appendix of the Annual Corporate Governance Report of Fersa Energías Renovables S.A. belonging to the year 2012 about the additional information required by the article 61 bis of the law 24/1988/28 July of the Securities Market Act.**

The Board of Directors of Fersa Energías Renovables, S.A. (the “**Company**”), in accordance with the emitted instructions from the Spanish Securities Exchange Commission (CNMV) about the additional information required by the article 61 bis of the law 24/1988/28 July, of the Securities Market Act, approves this appendix during its meeting of 28 February 2013.

- (i) **Securities that are not traded in a Community regulated market, with an indication, as the case may be, of the different types of shareholders and, for each type of shares, the rights and obligations that it confers as well as the percentage of the share capital that it represents.**

The Company does not have any security that is not traded in a Community regulated market.

- (ii) **Any restriction on the ability to transmit the securities and any restriction on the voting right**

The Articles of Association of the Company do not establish any restriction on the ability to transmit the shares.

In this sense, article 6 of the Articles of Association establishes that the shares are represented by account entries. Therefore, the shares are transmissible through all the means recognized by the Law, according to their nature and in conformity with the norms in relation with the transmission of securities represented through the account entries.

Without any prejudice to the prior statements, and given that Fersa Energías Renovables, S.A. is a quoted entity, any shareholder that acquires or transmits shares of the Company which attribute voting rights to the holder will need to notify the Company and the Spanish Securities Exchange Commission (CNMV) about the proportion of voting rights that he holds whenever, as a result of these operations, this proportion reaches, passes or decreases below the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% and 90%, all this according to what is established by the article 53 of the Law 24/1988/28 July of the Spanish Securities Exchange Market, by the RD 1362/2007/19 October and by the Circular Letter 2/2007/19 December of the Spanish Securities Exchange Commission (CNMV). Lastly, and also given its condition of quoted entity, the Company will have to comply with the current legislation in relation with the Public Offerings of Securities Acquisition, according to the modifications passed by the Law 6/2007/12 April, and the RD 1066/2007/27 July, about the regime of the public offers of acquisition of securities.

On the other hand, there exist nor legal neither by-laws restrictions over the exercise of the voting right.

**(iii) Norms applicable to the modification of the by-laws of the Company**

Without any prejudice to the prior statements, articles 194, 201 and concordant of the RDL 1/2010/2 July, by which it is approved the new revised text of the Spanish Corporate Law, the applicable norms in terms of by-law's modification are contained in the article 14 of the Articles of Association, which establish the following:

*"[...] In order for the Board to validly agree on a capital increase or reduction and any other modification of the Articles of Association, the emission of obligations, the elimination or limitation of the right of preferential subscription of new shares, as well as the transformation, the merger, the demerger or the global transfer of assets and liabilities and the change of the registered office, it will be needed, in a first call, the attendance of shareholders present or represented that hold, at least, 50% of the subscribed capital with voting rights. In a second call it will be enough with the attendance of a 25% of the subscribed capital. When the audience reaches at least 50% of the subscribed capital with voting rights, the agreements will only be adopted if 2/3 of the capital present or represented in the Board votes in favor".*

**(iv) Significant agreements hold by the Company that enter into force, are modified or terminated whenever a change in the Company's control takes place resulting from a public acquisition offer, and its effects**

The Company has no significant subscribed agreements that enter into force, are modified or terminated as a consequence of a public acquisition offer.

**(v) Agreements between the Company and its managers and directors or employees that have at their disposal severance payments when they resign or are unfairly dismissed or if the working relation concludes due to a public acquisition offer**

The Company, at the end of the year 2012, has a contract subscribed with the high rank executives of the Company which contain severance payment clauses.

In this sense, the contract stipulates that in case of desistment due to an unilateral decision from the company, they will be entitled to receive a severance payment equivalent to three months of fixed remuneration. Moreover, in the case of unfair dismissal, the Company will have to pay its executives a gross severance payment equivalent to three months of fixed remuneration. In case of a change in the shareholding structure, the executive position will be insured by a one year contract, being the Company able to choose between its compliance or its termination by payment of 100% of the annual fixed retribution.

**(vi) Description of the main characteristics of the internal systems of control and management of risks in relation with the process of emission of financial information**

Attached as Appendix 1.

\* \* \*

## APPENDIX 1

### BASIC REFERENCE INDICATORS

#### Control framework of the entity

1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its monitoring.

#### **Board of Directors**

The Board of Directors of the Fersa Group (hereinafter “**Fersa Group**” or the “**Group**”) is the maximum decision body of the Group, delegating the ordinary management to the executive bodies and the management team, and concentrating, therefore, its activity on monitoring.

The Board of Directors has the ultimate responsibility on the existence and maintenance of an adequate and effective ICFR, delegating this function to the Audit Committee.

Among its direct responsibilities, in terms of the internal control of the financial statements, which has to be exerted by the Board of Directors, without any prejudice to the effects that the delegations and powers granted may cause to third parties, and according to what it is established in its own Regulations, the following duties to be approved are:

- The control and management of the risk policies, as well as the regular monitoring of the internal information and control systems.
- The financial information that, given its quoted condition, the Company needs to make public on a regular basis.

#### **Audit Committee**

The Regulations of the Board of Directors of Fersa, in its Article 7 Section 3, establishes that the main function of the Audit Committee is that of taking care of the well corporate governance and the transparency of all the actions that the Company undertakes in its economic and financial fields, external and internal auditing and compliance.

With this aim, the Audit Committee has been entrusted, through its own Regulations, with the functions of getting informed and monitoring the process of financial statements and the information and internal control systems of the Company, which include, among others, the following functions:

- Monitor the efficiency of the internal control of the company, the internal auditing, as the case may be, and the risk management systems, as well as discussing with the external auditors about the significant weaknesses of the internal control system identified during the development of the auditing process.
- Monitor the process of elaboration and presentation of the regulated financial statements and the internal control systems related with the relevant risks for the company.
- Take care of the compliance with the ethical moral code and the well governance of the company and, especially, of the legal requirements in relation with this matters.

The Board of Directors will establish with a permanent nature an Audit Committee that will be composed of a minimum of three (3) and a maximum of five (5) Directors, appointed, through a proposal made by the Appointments and Remuneration Committee, by the Board of Directors itself among its members with a majority of non-executive Directors. At least one of the member of the Audit Committee will be independent and appointed taking into account his knowledge and experience in the fields of accounting, auditing or both. Moreover, the Chairman of the Audit Committee will be appointed by the Board of Directors of the Company from among the non-executive Directors members of this Committee.

The members of the Audit Committee will perform their duties for a maximum period of four (4) years, with a possible re-election. The position of Chairman will be performed for a maximum period of four (4) years, and in order to be re-elected at least one (1) year must lapse between their removal and their re-election as a member of the Board.

It is also important to point out that the Audit Committee has available the function of Internal Auditing that, with the monitoring of the former, takes care of the well functioning of the information systems and the internal control, evaluating the efficiency of the ICFR and informing regularly of the weaknesses detected during the performance of its job and the assigned timetable for the proposed correction measures.

Moreover, it is a function that needs to be performed by the Internal Audit Department that of evaluating and informing the Audit Committee about the efficiency of the established controls, as well as its effectiveness and, as the case may be, of the possible breaches of the internal control policies approved, based on the opinions of the different Managements and Departments of the Group.

### **Financial Management of Fersa**

The Financial Management of Fersa is in charge of performing the following functions in relation with the Internal Control of the Financial Statements:

- Revise and approve the *Policies* and *Manuals* referring to the management of the financial statements.
- Establish and spread the needed procedure for the internal control of the financial statements.
- Establish and maintain internal controls of the financial statements, with the main aim of ensuring its reliability, and guarantee that the reports, facts, transactions, and other relevant aspects, are notified properly inside the adequate timeframe.
- Monitor the compliance of the internal controls of the financial statements and of the internal controls and procedures aimed at spreading the information outside, as well as analyzing and verifying the efficiency of the controls and their effectiveness.

Additionally, all the aspects related with the internal control of the financial statements are regulated in the corporate document *Modelo Organizativo y de Supervisión del SCIIF* which is applicable to all the companies belonging to the Fersa Group, whose aim is to establish the functioning principles and the responsible bodies of the key identified processes.

Lastly, it needs to be pointed out that the Internal Control System for Financial Information (ICFR) of the Group is evaluated and ratified annually by the Internal Audit Department of Fersa, delegated by the Audit Committee, performing the monitoring of the well functioning of the System, the evaluation of its design and effectiveness and informing of the weaknesses detected during the performance of the work, and notifying the timetable of the proposed correction measures.



**2. What are the departments and/or mechanisms that are in charge of the design and revision of the organizational structure, as well as of clearly defining the main line of responsibility and authority, with an adequate distribution of the tasks and functions and of the existence of enough procedures so as to ensure its correct diffusion inside the entity, especially in relation with the elaboration process of financial information?**

The Financial Management of the Group is the one in charge of the design and revision of the organizational structure as well as of its modification whenever it considers so appropriate.

Inside the Fersa Group the appropriate guidelines of authority and responsibility have been developed for the different processes, for each business unit of the Group. It also exists an organizational chart that develops the authority guidelines at different levels. Moreover the authority policy is centralized.

The definition of the tasks and functions to be performed is carried out for each business department, being the functions that currently need to be performed in each of the relative positions of the Internal Control System for Financial Information, as it is detailed on the *Modelo Organizativo y de Supervisión del SCIIF*, report finally approved by the Audit Committee in 2011, clearly identified and formalised. This document is available for all the employees of the Group through a network unit of common access which exists in all the internal servers of the Group.

Lastly, it needs to be pointed out that the Group, through the approval of the Management and the Audit Committee, elaborated in 2011 the *Modelo de Operatividad del SCIIF*, where the functioning of the reports is detailed (identification of key controls, formats, and those responsible of conducting the evaluation and supervision) as well as the executive reporting to be realized by the Internal Audit Department, and the evolution and supervision of the ICFR in its totality. This document is available for all the employees of the Group through a network unit of common access which exists in all the internal services of the Group.

**3. If the following elements exist, especially those related with the process of elaboration of the financial statements:**

- **Code of conduct, approval bodies, degree of diffusion and instruction, principles and values included (indicating if specific mentions in the registry of operations and the elaboration of the financial statements exist), bodies in charge of analyzing the breaches and of suggesting corrective actions and sanctions...**
- **Channel of complaints, that allows the communication to the Audit Committee of irregularities of financial and accounting nature, in addition to temporary breaches of the code of conduct and irregular activities in the organization, informing as the case may be if this one is of confidential nature.**
- **Training and regular updating programs for those employees involved in the preparation and revision of the financial statements, as well as the evolution of the ICFR, that cover at least, accountable norms, auditing, internal control and risk management.**



## Corporate Code of Ethics and Conduct

The Fersa Group has a Corporate Code of Ethics and Conduct, approved by the Board of Directors in 2011, that explains the ethic commitments and responsibilities, in the management of the business and its corporate activities, assumed by the professionals of Fersa and its subsidiaries, being these ones directors or employees, of any type, inside these companies.

The Corporate Code of Ethics and Conduct forces all the professionals of the Group, independently of their hierarchical level and their geographic or functional location. Also in accordance with it, executives and employees of the companies and entities belonging to the Group, including also the members of the Board of Directors, as well as those people whose activity is subduced to the said Code, are considered professionals of the Group.

The Corporate Code of Ethics and Conduct is composed by:

- The General Principles that regulate the relationship with the implicated parts and that define the reference values for the Group activities;
- The Behavior Principles that regulate the relationship with all the parties involved, and provides specific guidelines and norms that the contributors of Fersa must abide by so as to respect the general principles and prevent the risk of non-ethic performance;
- The implementation mechanisms, that describe the duties of the Audit Committee, relating to the diffusion, implementation and control of the Corporate Code of Ethics and Behavior, and of the Internal Audit Department, which are the supervision and emission of reports as well as modification proposals, and of the Management, through the diffusion of its reports as well as the training of the professionals.

It needs to be pointed out that all the professionals inside the Fersa Group need to provide formally their conformity with the Corporate Code of Ethics and Behavior, without any exception. Moreover, the compliance with the Code is understood without any prejudice to the strict compliance of the Corporate Governance System of the Company, especially, of the *Reglamento Interno de Conducta en los Mercados de Valores*.

Lastly, it needs to be pointed out that, in reference with the Corporate Code of Ethics and Behavior, in 2012 it has been elaborated and approved, by the Board of Directors, the *Reglamento de procedimiento disciplinario y regimen sancionador*. This Regulation complements the Ethics Code, given that it regulates the disciplinary procedures of the misdemeanors committed by the professionals of the Group. Moreover, point out that the body in charge of proposing the sanction and/or corrective measures is the Management of the Group, or the Audit Committee, as the case may be.

## Channel of Complaints

The Fersa Group has available, since 2011, a channel of complaints, through the establishment of an email account enabled for this purpose, so as to make it possible for all the professionals to notify, in a secure and anonymous way, all the irregular conducts, non-ethical or illegal ones that, according to them take place during the development of the Group activities.

The established procedures for the use of this Channel guarantee the confidentiality, given that the received information is managed by an independent third party, being this figure the Chairman of the Audit Committee of the Group.

Any complaint done through this channel will be reported by the Audit Committee of the Fersa Group to the Board of Directors, notifying in this way the result of each investigation conducted and the measures adopted in the case were the complaint was found to be true.

### Training

The Group's will is to permanently update the knowledge that the staff related with the financial field has about the changes in the ICFR. For that, the constant communications with the external auditors and other independent professionals ensure this permanent update.

Moreover, it is in the Group's intention to conduct specific training sessions in relation with the aspects that relate to the process of elaboration and control of the financial statements for the staff involved in the elaboration of the Financial Statements of the Group.

### Evaluation of the financial statements' risk

**4. Which are the main characteristics of the process of risk identification, including the mistakes or fraud, in relation to:**

- **If the process exists and is documented.**
- **If the process covers the totality of the objectives of the financial statements, (existence and happening; integrity; valuation; presentation, breakdown and comparability; and rights and obligations), if it is updated and if so how frequently.**
- **The existence of a process of identification of the perimeter of consolidation, taking into account, among other aspects, the possible existence of complex business structures, instrumental entities or of special purpose.**
- **If the process takes into account the effects of the other typologies of risks (operating, technological, financial, legal, reputational, environmental, etc.) according to the extent by which they affect the financial statements.**
- **Which governance body of the entity supervises the process.**

The Fersa Group has available a Risk Map whose maintenance and updating is responsibility of the General Meeting/Executive Committee, through which some of the strategic decisions of the company are supported. This Risk Map, considers that the relevant risks are those that can negatively affect the economical profitability, the financial solvency, the corporate solvency and the integrity of its employees, including the risk of fraud.

On the other hand, the Fersa Group has established a risk identification procedure in relation with the financial statements, as well as a procedure for the maintenance of the reach of the system (as a function of its impact and materiality). In this sense, the Accountancy Department, inside the Financial Management, has documented the methodology and the procedures that need to be followed for the management of risks and financial information (inside the framework of action of the Internal Control System for Financial Information), collecting the key processes, the financial information and associated control activities risk, evaluating the concrete action guidelines for the proper implementation, functioning and supervision. The resulting document is called *Manual de Procesos de Control Interno de la Información Financiera*, whose version was initially approved both by the Management of the Company as well as by the Audit Committee in 2011.

It is important to point out that in relation with the *Manual de Procesos de Control Interno* the processes, risks and controls included in the above mentioned document have been entirely updated during the year 2012. On the other hand, in relation with the Risk Map the Management of the Group, together with the Internal Audit Department, have started to work

in its redefinition and updating, having as main objective the termination of the final document for the first half of the year 2013.

Currently, as a continuation of the work conducted during the past year, the Financial Management of the Group has identified the control objectives for each risk, as well as the people responsible for them, according to the methodology established by the *Manual de Procesos de Control Interno de la Información Financiera*, taking into account the following potential mistakes in the financial information:

- Integrity.
- Validity.
- Register.
- Cut-off (operations).
- Valuation.
- Accounting classification.
- Breakdown and comparability.

The supervision of the process is detailed in the document *Modelo Organizativo y de Supervisión del SCIF*, approved by the Management of the Company and the Audit Committee in 2011, being the latter the body in charge of the supervision of the off process. Point out that in the functions of the Audit Committee, through their own Regulations, has been included the function of supervision body of the mentioned process. This way, and according to what was previously stated, the periods and big processes that elaborate the financial statements are analyzed – at least – once per year so as to identify potential mistake risks, in relation with attributes such as validity (existence and authorization), integrity, valuation, presentation, cut-off and register.

Regarding the identification of the Consolidation perimeter, the Group keeps a corporate register clearly identifiable and regularly updated that collects the totality of its participations, without considering their nature, direct or indirect, as well as any entity in which the Group has the capacity of exercising the control independently of the juridical form through which control is obtained.

The consolidation perimeter of Fersa is monthly determined by the Financial Management, together with the Accountancy Department of Fersa, in accordance with the criteria established by the International Accounting Standards (hereinafter, “IAS”) 27, and other local accountancy regulation. The possible changes in the consolidation perimeter are notified to all the Group companies.

## **Control Activities**

**5. Descriptive documentation of the activity flows and controls (including those related to the risk of fraud) of the different types of transactions that can affect significantly the financial statements, including the procedures of accounting closure and the specific revision of the trials, estimates, valuations and relevant consequences.**

In 2011, the Financial Management, through the coordination and execution of the Accountancy Department, elaborated the *Manual de Procedimientos sobre Control Interno de la Información Financiera*, which includes narrative of activities, identification of risks and flow charts, as well as the matrix of the risks and controls that facilitated their monitoring and control.

The procedures are developed for those processes that are considered significant and relevant in relation to the financial statements, being these the following:

- Financial Closing (Accountancy closing and Consolidation)
- Impairment test
- Hedging treatment
- Treasury
- Operating Revenues recognition
- Exchange differences
- Operating information published about the portfolio distribution

All the processes just stated are permanently monitored and supported by the Financial Management and the Internal Audit Department of the Group. The conclusions about the compliance and effectiveness of the verification of the resulting ICFR, are revised and evaluated through Internal Auditing and by the Financial Management, presenting them for their analysis and conclusion to the Audit Committee through the corresponding regular quarterly *Reports*.

Control weaknesses detected by the Internal System of Control result in a specific action plan for each of them, in which the internal Audit Department monitors, controls and informs, as it has been doing with the corresponding reports of the Internal Audit Department throughout the year 2012, the Audit Committee until its final correction. Moreover, it is important to point out that the specific revision of the trials, estimates, valuations, provisions and relevant repercussions to quantify some assets, liabilities, income, expenses and obligations registered and/or broken down in the Annual Accounts, are constantly supervised by the Financial Management of the Group.

Lastly, point out, specifically, that the Company throughout the last two years has made an effort in the elaboration of those key performance measures so as to prevent, mitigate or diminish the risk of fraud inside the Group, such as: the Corporate Code of Ethics and Conduct, the establishment of the Channel of Complaints, a centralized management of the conferral of power, the establishment of a Investments, Purchases and Suppliers' Management Policy, as well as an Accounting Policies Manual, among others.

Moreover, in the elaboration process for the year 2013, one of the relevant measures taken to prevent fraud situations, that has to do with an adequate internal control, is the creation of a manual or a code of penal prevention, that will be elaborated for the mentioned purpose and that will enter into force during 2013. This manual will gather together all the actions and measures that the Company has conducted and considered convenient, among which the prior stated ones stand out, as well as the activities related to its control.

**6. Policies and procedures of internal control of the information systems (among others, of security access, change control, their operating continuity and segregation of functions) that support the relevant processes of the entity in relation with the elaboration and publication of the financial information.**

The Group develops in a continuous manner the establishment of an information system where a map with the different applications that need to be implemented is developed, under the establishment of the convenient polices and security measures. With a permanent nature, revisions of this information system will be conducted, prioritizing and applying the measures that the Management of the Company deems convenient.

In relation to the general segregation of functions, the Company will define in a formal and final way during the year 2013 a corporate policy that fits the current needs and that can be implemented in the current or future computer programs that will be developed.

In relation with the continuity of the operations, not only that of the computing techniques, but also those related to business, the Fersa Group has the following security measures so as to avoid any loss of physical or electronic information due to accidents:

- Back-ups kept inside the company.
- Back-ups kept outside the company.
- Back-ups safeguarded by the supplier of computing services.
- Division of the server by access profiles according to the user's profile.

During the year 2011, the Fersa Group implemented a new ERP, which meant the migration of the financial information from the previous system to the new ERP system. This process, which is included inside a continuous-improvement process, allows, among other aspects, for the maintenance of the access and control security levels inside some acceptable and operating thresholds inside the organization, both for the financial information and that of a different nature. During 2012, those measures that have been deemed appropriate for the improvement of the reliability and security of the processes, such as the management of orders through the system, as well as their respective authorizations through its corresponding approval scale.

#### **7. Internal control policies and procedures aimed at supervising the management of the activities subcontracted to third parties, as well as those evaluation aspects, calculation and valuation conducted by independent experts, that can affect in a material way the financial statements.**

In general terms, the Fersa Group has no significant functions subcontracted to third parties with a direct or indirect impact in the financial statements. The evaluations, calculations or valuations conducted by third parties that can affect in a material way the financial statements are considered relevant activities for the generation of financial statements that result, as the case may be, in the identification of priority mistakes risks, which implies the design of related internal controls. These controls cover the analysis and internal approval of the fundamental hypothesis that need to be applied, as well as the revision of the evaluations, calculations or valuations conducted by external parties, through the corroboration of the internally performed calculations.

This way, whenever the Company uses the services of an independent third party, it makes sure about the competence and technical and legal abilities of the professional, and about the independent expert's reports, and that the Group has control activities and competent professionals so as to validate the fairness of his conclusions. In any case, the results or reports of the hiring process related to the accounting, financial or legal fields are supervised by those responsible of the Financial Management or other departments if that was deemed appropriate.

Additionally, and during the year 2012, the Management of the Group has elaborated and implemented an *Investments, Purchases and Suppliers' Management Policy*, by which the investments and purchases approvals' process is detailed, as well as the selection, hiring and suppliers' management process policy, with the aim of maximizing. This policy aims at defining, standardizing and formalizing the principles and criteria so as to homogenize the

approval process of investment projects, purchases and working and/or management contracts. In the same way, it is deemed highly relevant by the Fersa Group the importance of minimizing the global costs of the equipment and materials purchases and the hiring of works and services, guaranteeing the strategic alignment of the allocations, the conformity of the processes with the approved purchasing processes and the compliance with the defined requirements by the petitioning internal client.

**8. Financial statements' revision and authorization procedures, and the description of the Internal Control System of the Financial Statements, which needs to be published in the Spanish Securities Exchange Commission (CNMV), indicating who is held responsible.**

The Fersa Group, through the Financial Management, is in charge of referring quarterly the mandatory financial information to the Spanish Securities Exchange Commission (CNMV). This financial information is elaborated by the Financial Management Department, through the different departments dependants of this Management Department.

In this stated process the Accountancy Department is relevant, which, during the process of closure of the accounting cycle, undertakes different control activities that insure the fairness of the sent information. Additionally, the Management Control unit, also integrated inside the Financial Management Department, analyzes and supervises the elaborated information. Ultimately, the Financial Management Department analyzes and approves the mentioned financial statements.

In coordination with the Internal Audit Department and the legal advice, as well as the General Management and the Operations Management, the Financial Management Department sends quarterly to the Spanish Securities Exchange Commission (CNMV) the mandatory financial statements (Quarterly, Biannually, Annually... Report) as well as the relevant facts of the Group.

Moreover, prior to sending the information to the market, the Audit Committee supervises the financial statements that it is given. During those closures of the accounting cycle that coincide with the ending of a semester, the Audit Committee also has available the comments and information facilitated by the external auditors of the Group in relation with the results of the revision works performed.

Finally, the Audit Committee informs (in relation with the biannual closures) the Board of Directors about the financial statements' conclusions presented so that, once they get the approval of this body, they can be sent to the Spanish Securities Exchange Commission (CNMV).

In this sense, during the year 2011, the Group elaborated the *Manual de Información Regulada a Publicar en el Mercado*, subsequently approved by the Audit Committee, through which those mandatory communications that are required by the regulatory body are detailed, and those risks and controls related with this issue are identified.



## **Information and communication**

**9. An specific function aimed at defining, keeping updated the accountancy policies (body or department of accounting policies), as well as solving those doubts or conflicts that may arise from their interpretation, while keeping a fluid communication with those responsible for the operations inside the organization.**

The responsibility of applying the Accounting Policies of the Group is unique for all the geographical area of the Fersa Group and is centralized in the Financial Management of Fersa.

Among others, the functions of this Management Department, together with the intense participation of the Accountancy Department, are the following:

- To define and update the *Manual de Políticas Contables* of the Fersa Group.
- To analyze those operations and transactions undertaken or that are foreseen to be undertaken by the Group with the main aim of determining its suitable treatment in accordance with the accountancy policies.
- Direct a monitoring of the new regulatory projects in process in the IASB, of the new norms passed by this same Body and of the related recognition process conducted by the European Union so as to determine the impact that its implementation will have on the Consolidated Accounts of the Group.
- Solve any doubt that may arise in any of the companies of the Group about the application of the Accountancy Policies.

Generally, and also in those cases in which the application of the accountancy regulation is specially complex, the Financial Management of the Fersa Group notifies its external auditors about the accountancy analysis' conclusions reached by the Group and requests them their opinion.

**10. A manual of updated accounting policies and announcement to the units through those operated by the entity.**

The Accountancy Policies of the Fersa Group are developed in accordance with the International Financial Reporting Standards (hereinafter "IFRS") and are collected in a document called *Manual de Políticas Contables del Grupo Fersa*.

The Fersa Group, through the Accountancy Department, and under the supervision of the Financial Management Department, has developed and formalized during the year 2011 the mentioned Manual, which collects the accounting principles and criteria of the companies of the Group, determining the registry and valuation guidelines so as to homogenize the accountancy in all the companies of the Group, thus making sure of the uniformity of the accountancy information.

This Manual includes the detail of the sufficient information that the Accounting Department and the Financial Management have deemed necessary and significant, thus making sure that both the subsidiaries and the holdings have an adequate knowledge of them. Such Policies include a general framework and a detail of the policies performed; being these the ones referring to *Impairment tests, Policies and methods of capitalization of costs, Swaps calculations, and Dismantling provisions*.

The responsibility of applying the Accountancy Policies is unique for all the geographical area of the Fersa Group and is centralized in the Financial Management of Fersa.

It needs to be pointed out that these Accountancy Policies have been approved by the Financial Management Department and the Audit Committee during the year 2011, as well as supervised by the external auditor. Additionally, inside the Fersa Group, other procedures and sub-procedures of relevant business can be found. All these documents are available for all those in charge of elaborating the Financial Statements of the different Companies that make up the Group.

Lastly, it needs to be pointed out that the *Manual de Políticas Contables del Grupo Fersa* is regularly updated, being constantly under review. The last version of December 2012 has been distributed to all the subsidiaries of the Group throughout the mentioned month.

**11. Catch and preparation mechanisms of the financial statements with homogeneous formats, of application and utilization by all the units of the entity or the group, that support the main financial statements and notes, as well as the detailed information of the ICFR.**

So as to refer the information for the preparation of the consolidated financial statements of the Fersa Group, as well as the information that needs to be included in the Quarterly/Biannual Closing Report that is sent to the Audit Committee and the Board of Directors, the Group relies on a standard reporting template that is send monthly (under an homogeneous format and of application by all the companies of the Group).

For that, it has been established a closing timetable, that all the subsidiaries need to follow. This reporting template, in a centralized way, includes the main financial statements, the detail of the intercompany balance, and the detail of the balances that suffer from modifications due to the interpretation of the IFRS and the explanation of the main balances.

These reports are transmitted to the Control Management Department for their revision from:

- The operating subsidiaries located abroad.
- The Accountancy Department (Fersa itself and subsidiaries whose accountancy is internalized).

Once the quality of the information is checked by the Control Management Department, this financial information is send through the internal network to the Accountancy Department, which is in charge of undertaking the consolidation process.

During the year 2011, the Fersa Group has implemented a new ERP of application and reporting of the financial statements. This application incorporates the companies whose accountancy is internalized and which have a unique plan of accounts. This ERP covers, on the one hand, the necessities of reporting its financial statements individually and eases, on the other hand, the consolidation process and the subsequent analysis and revision.

Moreover, this tool achieves the centralization in a unique system of all the information corresponding to the accountancy of the individual financial statements of the subsidiaries that make up the Group as well as the notes or breakdowns needed for the elaboration of the annual accounts. The system is managed in a centralized way, has an homogeneous format, and uses a unique plan of accounts, following the guidelines of the Accountancy Policies of the Group.



Lastly, it needs to be pointed out that the Fersa Group, through the formal approval of the management and the Audit Committee, elaborated in 2011 the *Modelo de Operatividad del SCIFF*, in which it is detailed the functioning of the *Reports* (identification of the key controls, format, and those responsible for the evaluation and supervision) as well as the executive reporting that needs to be conducted by the Internal Audit Department of the Group, and the evolution and supervision of the ICFR in its totality.

### **Supervision and functioning of the system**

#### **12. If the Company has available an internal auditing function that has among its competences that of assisting the audit committee in the supervision of the internal control system, including the ICFR.**

The Fersa Group has an Internal Audit Department since 2011, which has been incorporated inside its organizational structure, under the direct supervision of the Audit Committee.

Among the functions of the Internal Audit Department is included that of assisting the Audit Committee in relation with the supervision of the correct functioning of the internal control system. In particular, in relation with the ICFR, is responsibility of the function of internal control, with at least an annual nature, to analyze the effectiveness of the controls, identifying weaknesses and elaborating improvement recommendations through the emission of the corresponding Reports. These reports are presented to the Audit Committee, with the internal control weaknesses identified together with the action plans adopted by those responsible of the Group for its mitigation.

Deriving from this, the Internal Audit Department performs the permanent monitoring of the action plans agreed by the different organizations so as to correct the identified weaknesses and adopt the suggested improvement measures. Specifically, during the year 2012 different cycles in different companies of the Group as well as in the corporate Financial area have been revised, coinciding both with the quarterly closures and the biannual ones. These revisions enable that the function of Internal Auditing performs an evaluation of the internal control system – both about its design and its operation – and emits an opinion about the effectiveness of the internal controls established so as to guarantee the fairness of the financial statements, which afterwards transmits to the Audit Committee in the framework of the meetings that are regularly held.

Regarding the proper design and effectiveness of the mentioned financial statements' control, it needs to be pointed out that all the processes detailed in the *Manual de Procedimientos del SCIFF* elaborated by the Group include the so called Risk Control Matrix (RCM) and the flowcharts associated to each of the processes that imply some risk and the needed mitigating controls. These tools are a part of the *Manual de Procedimientos del SCIFF*, thus its updating will be made on an annual basis, as well as the performance of the planned internal auditing works.

**13. If the Company has a discussion procedure by which, the auditor of the accounts (in accordance with what is established in the NTA), the internal auditing function and other experts, can notify the high executives and the audit committee or the managers of the company of the significant internal control weaknesses identified during the revision process of the annual accounts or those others that have been requested. Moreover it will inform about whether it has an action plan that aims at correcting or mitigating those observed weaknesses.**

Generally, the discussion procedure about the significant internal control weaknesses identified is based on regular meetings that the different agents hold.

The Internal Auditing function notifies in a periodical basis the Financial Management Department and the Audit Committee about the significant internal control weaknesses identified during the revisions conducted by the ICFR and about the internal auditing processes conducted throughout the year, as well as the implementation condition of the action plan and those responsible for its mitigation.

In turn, the auditor of the Group has direct access to the Management, maintaining periodic meetings (for referring biannual information, before the annual financial statements formulation to expose the incidences detected and before the start of the audit to explain the scope of this coming audit) for both to obtain necessary information for the development of his work and to communicate the control weaknesses detected during this work.

Additionally, the auditor informs biannual to the Audit Committee about the conclusions of his work related to checking the financial statements of the Group including any aspect that he considers relevant. Also, annually, the external auditor presents to the Management and the Audit Committee his conclusions, among which include the internal control weaknesses detected during the course of his work.

Furthermore, the Department responsible of elaborating the consolidated financial statements also maintains meetings with the external auditors and the Internal Audit Department, as well as for the biannual closing report as well as for the annual one, to deal with the relevant questions related to the financial information.

**14. A description of the ICFR scope of evaluation realized in the present year and of the procedure through the responsible of execute it report his results, if the entity owns an action plan that details the possible corrective measures, and whether it has been considered its impact on the financial information.**

Particularly, related to the ICFR, during the year 2011 the Group worked in the elaboration of *Manual de Procedimientos sobre Control Interno de la Información Financiera (Narrativas, Flujos y Matices)*, which involves the flows of the material activities selected, and where are described the possible risks and the controls performed to mitigate that risks.

Based on that manual, during the year 2012 the Internal Audit Department has realized the audits correspondents to every single process identified in the Manual, analyzing the suitability of existing controls in each of the department figures and their weaknesses. At the end of each audit a report has been elaborated, in which is evaluated the level of control existing in the process, and where are included once identified, the weaknesses of control and the advice necessary for mitigate that weaknesses and the action plans for solve them.

The conclusions of this annual review process, both related to the identified issues as well as to the action plans for solve them, are presented during the year in the Audit Committee meetings, and which is also present the Financial Management. These meetings conclude on the effectiveness of internal control system of each of the processes on the whole Group.

Regardless of what is described in the preceding paragraphs, the Internal Audit function - which reports functionally to the Audit Committee, and has as main function to facilitate the analysis, evaluation and monitoring effective internal control systems and risk management relevant for the Company and its Group -, performs in support of the Audit Committee, an independent review of the design and operation of internal control system, identifying gaps and developing recommendations for improvement. Derived from this, the Internal Audit function performs continuous monitoring of the action plans agreed with different corporate departments, correcting identified deficiencies and carrying out suggestions for improvement agreed with them.

Specifically, during the year 2012 every cycle identified as relevant for the Group companies has been revised as well as corporate finance area, coinciding both quarterly and semi-annual closures. Such reviews enable the Internal Audit function conducts an evaluation of the internal control system, (both on its design, as its operation) and issue an opinion on the effectiveness of internal controls to ensure the reliability of financial information, an opinion which is transferred to the Audit Committee as part of the meetings held periodically.

#### **15. A description of the ICFR monitoring activities realized by the Audit Committee.**

It is up to Audit Committee, in any case, the following tasks, according to the existing definition in the Regulations of the Board of Directors of the Group:

- a) Report to the General Meeting of Shareholders on the issues raised by shareholders on matters within its competence.
- b) Propose to the Board of Directors for submission to the General Meeting of Shareholders the appointment of auditors or audit firms of society, according to the regulations applicable to the entity.
- c) Monitor the effectiveness of internal control of the company, internal audit where applicable, and risk management systems, and discuss with the external auditors any significant weaknesses in internal control detected during the audit.
- d) Supervise the preparation and presentation of regulated financial information and internal control systems associated with significant risks of society.
- e) Establish appropriate relationships with auditors or audit firms to receive information on any issues that may jeopardize their independence, for consideration by the Committee, and any others related to the development process of the audit accounts and other communications under the audit legislation and technical auditing standards applicable at all times.
- f) In any case, they shall receive annually from the external auditors or audit firms a written confirmation of their independence from the Company or related entities directly or indirectly, as well as information on additional services of any kind provided to such entities by the mentioned auditors or companies or by persons or entities related thereto in accordance with the provisions of the legislation on auditing.
- g) Issue annually, prior to the emission of the audit report, a report expressing an opinion on the independence of the external auditors or audit firms. This report shall, in any case, on the provision of additional services referred to above.
- h) Ensure compliance with codes of conduct and governance of society and, in particular, of the laws relating to such matters.

In relation to internal control systems and risk management, the Audit Committee will have the following main functions:

- a) Overseeing the financial reporting process and internal control systems associated with significant risks of the Company, so that the main risks are identified, managed and disclosed properly.
- b) Ensure that the control policy and risk management detects at least:
  - i. The different types of risk faced by the Company, including financial or economic risks, contingent liabilities and other off-balance sheet risks;
  - ii. The level of risk that the Company considers acceptable;
  - iii. Measures in place to mitigate the impact of identified risks, in case they happen;
  - iv. The Information systems and internal control that will be used to control and manage the above risks, including contingent liabilities and off-balance risks.
- c) Ensure that the Management establish proper controls through the creation and implementation of manuals or codes, which are aimed to mitigate the inherent risks in the development of the activity of the Company, such as: risk assessment system, internal control system of financial information, policies and procedures of internal control and corporate ethical code of behavior, code of criminal prevention, reporting channel and associated protocols, communication and training policies, etc.

Furthermore, and in relation to the functions relatives to financial information, the Audit Committee will have the following main functions:

- a) Monitor the preparation and integrity of financial information of the Company and checking the compliance with regulatory requirements, the proper delimitation of the consolidation perimeter and the correct application of the criteria.
- b) Check that compliance with the principles and practices generally accepted in accounting and financial reporting standards that are appropriate at each moment.
- c) Evaluate any proposal by Senior Management on changes in accounting policies and practices.
- d) To help improve the transparency of information disseminated by the Company to the stock markets on the system of internal control over financial reporting of the Company.
- e) Know any claim, clarification or data request made by the regulators or agencies legally authorized for it. Such incidents will be reported immediately by the Secretary of the Board to the members of the Committee as soon as it becomes aware.

Finally, note that the Audit Committee pursuant to the Rules of the Board of Directors and the Regulations of the Committee, is responsible for overseeing the internal audit function, ensuring its independence, monitor its services and review the annual plan work, among others.

The Internal Audit Department, delegated by the Audit Committee and as reflected in its annual planning, performs a supervision to check the correct performance of ICFR, evaluating its design and effectiveness.

**16. If the SCIIF information forwarded to the markets has been reviewed by the external auditor, in which case the entity should include the report as Annex. Otherwise, should report their reasons.**

Fersa Group has considered relevant that the information related to the Internal Control System of Financial Reporting (ICFR) sent to the markets has to be under review, on a proposal of the Audit Committee, by the external auditors of the Group.

The scope of the auditor's review procedures have been performed according to the draft dated October 28, 2011 'Performance Guide' and the corresponding approximate model auditor report, which was made public by the Corporations representative of accounts auditors. Additionally, on January 25, 2012, the Institute of Chartered Accountants of Spain, in its Circular E01/2012, established additional considerations concerning the same that have been taken into account also in the procedures performed by the external auditor.

\* \* \*

## **STATEMENT OF RESPONSIBILITY ON THE ANNUAL FINANCIAL STATEMENTS**

### ***FERSA ENERGÍAS RENOVABLES, S.A.***

#### **Annual Accounts and Director's Report at 31 December 2012**

The members of the Board of Directors of Fersa Energías Renovables, S.A, according to article 8 of the RD 1362/2007, declare that, insofar as they know, the annual individual and consolidated financial statements corresponding to the year closed at 31 December 2012 and formulated in its meeting on 28 February 2013, have been drawn up under the applicable accounting standards, offer a faithful image of the net assets, financial situation and results of Fersa Energías Renovables, S.A. and the companies comprising the consolidated group as a whole, and that the Director's report includes a faithful analysis of the business earnings and the position of Fersa Energías Renovables, S.A. and the companies comprising the consolidated Group taken as a whole, along with the description of the main risks and uncertainties faced, duly signed by all the Directors.

#### **BOARD OF DIRECTORS**

Fdo.: Mr. Francesc Homs Ferret Chairman	Comsa Emte Energías Renovables, S.L. (represented by Mr. José María Font Fisa) Board Member
Eólica Navarra, S.L.U. (represented by Mr. Vidal Amatriain Méndez) Board Member	Grupo Empresarial Enhol, S.L. (represented by Mr. Hipólito Suárez Gutiérrez) Board Member
Mytaros B.V. (represented by Mr. Josep Vicens Torradas) Board Member	Grupo Catalana Occidente, S.A. (represented by Mr. Jorge Enrich Izard) Board Member
Larfon, S.A.U. (represented by Mr. José Francisco Gispert Serrats) Board Member	Corporación Caja Murcia, S.L.U. (represented by Mr. Joaquín Espigares Cerdán) Board Member
Fdo.: Mr. Ignacio Garcia-Nieto Portabella Board Member	Fdo.: Mr. Esteban Sarroca Punsola Board Member

Barcelona, 28 February 2013

This annual statements have neither been signed by the Corporación Empresarial Caja Murcia, S.L.U., given its absence in the meeting, nor by the Grupo Empresarial Enhol, S.L., given its absence in the meeting, having the latter delegated its representation to Eólica Navarra, S.L.U.