

FERSA ENERGIAS RENOVABLES GROUP

Consolidated Annual Accounts as at 31 December 2011

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



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

AUDITOR'S REPORT ON THE CONSOLIDATED ANNUAL ACCOUNTS

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

We have audited the consolidated annual accounts of Fersa Energías Renovables, S.A. (parent company) and its subsidiaries (the Group), consisting of the consolidated balance sheet at 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in net equity, the consolidated cash flow statement and related notes to the consolidated annual accounts for the year then ended. As explained in Note 2 to the accompanying annual accounts, the Directors are responsible for the preparation of these Group annual accounts, in accordance with the International Financial Reporting Standards, as endorsed by the European Union, and other provisions of the financial reporting framework applicable to the Group. Our responsibility is to express an opinion on the consolidated annual accounts taken as a whole, based on the work performed in accordance with the legislation governing the audit practice in Spain, which requires the examination, on a test basis, of evidence supporting the consolidated annual accounts and an evaluation of whether their overall presentation, the accounting principles and criteria applied and the estimates made are in accordance with the applicable financial reporting framework.

In our opinion, the accompanying consolidated annual accounts for 2011 present fairly, in all material respects, the consolidated financial position of Fersa Energías Renovables, S.A. and its subsidiaries at 31 December 2011, and the consolidated results of its operations and the consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards, as endorsed by the European Union, and other provisions of the applicable financial reporting framework.

The accompanying consolidated Directors' report for 2011 contains the explanations which the Fersa Energías Renovables, S.A.'s Directors consider appropriate regarding the Group's situation, the development of its business and other matters and does not form an integral part of the consolidated annual accounts. We have verified that the accounting information contained in the consolidated Directors' report is in agreement with that of the consolidated annual accounts for 2011. Our work as auditors is limited to checking the consolidated Directors' report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the accounting records of Fersa Energías Renovables, S.A. and its subsidiaries.

PricewaterhouseCoopers Auditores, S.L.

Original signed in Spanish by
Albert Vilumara Pérez
Audit Partner

29 February 2012

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RENOVABLES GROUP**

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FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED BALANCE SHEETS
(in Thousand Euros)

ASSETS	Notes	31.12.11	31.12.10	LIABILITIES AND NET EQUITY	Notes	31.12.11	31.12.10
NON-CURRENT ASSETS		523,362	702,375	NET EQUITY	13	211,161	342,069
Intangible assets:	5	192,947	352,182	NET EQUITY		235,091	336,982
Goodwill		38,856	75,633	Capital		140,004	140,004
Other intangible assets		154,091	276,549	Share premium account		278,948	278,948
Property, plant and equipment	6	315,830	336,109	Reserves		(74,629)	(25,277)
Investments as per equity accounting	7	1,887	2,265	Less: Shares and holdings in own net equity		(6,768)	(8,774)
Non-current financial assets	8	4,548	6,450	Profit for year attributable to the parent company		(102,464)	(47,919)
Deferred tax assets	19	8,150	5,369	VALUE ADJUSTMENTS		(40,878)	(17,734)
				Hedging operations		(10,054)	(5,863)
				Translation differences (Note 13)		(30,824)	(11,871)
				NET EQUITY ATTRIBUTED TO THE PARENT COMPANY		194,213	319,248
				MINORITY INTERESTS		16,948	22,821
				NON-CURRENT LIABILITIES		303,825	349,729
CURRENT ASSETS		44,299	30,907	Non-current provisions	14	3,780	1,928
Trade and other receivables:	11	10,154	9,401	Non-current financial liabilities :	15	225,792	222,241
a) Trade receivables for sales and services rendered		6,721	7,767	Bank loans and bonds and other negotiable securities		206,769	213,719
b) Other receivables		3,433	1,634	Other non-current financial liabilities		19,023	8,522
Other current financial assets	8	8,513	2,919	Deferred tax liabilities	19	45,792	81,242
Other current assets		140	299	Other non-current liabilities	16	28,461	44,318
Cash and other cash equivalents	12	25,492	18,288	CURRENT LIABILITIES		52,675	41,484
				Current financial liabilities:	15	43,622	31,182
				Bank loans and bonds and other negotiable securities		42,541	29,832
				Other financial liabilities		1,081	1,350
				Trade and other payables	17	6,380	9,313
				Other creditors		6,019	8,933
				Current tax liabilities		361	380
				Other current liabilities	16	2,673	989
TOTAL ASSETS		567,661	733,282	TOTAL LIABILITIES AND NET EQUITY		567,661	733,282

Notes 1 to 30 are an integral part of the consolidated annual accounts

FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED INCOME STATEMENTS
(in Thousand Euros)

For the year ended 31 December

	Note	2011	2010
Net turnover	4	43,009	30,100
Supplies		-	(10)
Other operating income		402	700
Staff costs	20	(2,447)	(2,611)
Other operating expenses		(12,025)	(9,653)
Own work capitalised	20	973	1,086
Amortisation and depreciation	5,6	(20,022)	(12,605)
Impairment of fixed assets	5,6	(145,451)	(54,840)
Results of disposals of fixed assets	2.3	6,153	-
OPERATING PROFIT (LOSS)		(129,408)	(47,833)
Financial income		4,632	311
Financial expenses		(15,978)	(8,303)
Exchange differences		(104)	(9)
Results of disposals of financial instruments		(146)	291
NET FINANCIAL INCOME (EXPENSE)	21	(11,596)	(7,710)
Profit (loss) from companies consolidated by equity accounting	7	(63)	(127)
PROFIT (LOSS) BEFORE TAX		(141,067)	(55,670)
Corporate Income Tax	19	31,127	6,013
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR		(109,940)	(49,657)
a) Profit (loss) attributed to the parent company		(102,464)	(47,919)
b) Profit (loss) attributed to minority interest		(7,476)	(1,738)

PROFIT PER SHARE
(Euros per share)

For the year ended 31 December

		2011	2010
Basic	13	(0.741)	(0.347)
Diluted	13	(0.741)	(0.347)

Notes 1 to 30 are an integral part of the consolidated annual accounts

FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in Thousand Euros)

	31 December	
	2011	2010
CONSOLIDATED PROFIT (LOSS) FOR THE YEAR	(109,940)	(49,657)
INCOME AND EXPENSES CHARGED DIRECTLY TO NET EQUITY	(26,343)	6,528
Cash flow hedges	(10,527)	(11,008)
Valuation of financial instruments	-	(102)
Translation differences	(18,864)	15,733
Tax effect	3,048	1,905
RELEASES TO THE INCOME STATEMENT	2,718	2,014
Cash flow hedges (Note 9)	3,847	3,168
Valuation of financial instruments	-	(291)
Tax effect	(1,129)	(863)
TOTAL RECOGNISED INCOME/(EXPENSES)	(133,565)	(41,115)
Attributed to the parent company	(125,608)	(39,086)
Attributed to minority interest	(7,957)	(2,029)

Notes 1 to 30 are an integral part of the consolidated annual accounts

FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED STATEMENTS OF CHANGES IN NET EQUITY
(in Thousand Euros)

	Capital	Share Premium account	Reserves	Treasury Shares	Profit and loss	Value adjustments	Total Parent Company	Minority Interests	Total
Balances as at 31-12-09	140,004	280,019	(21,754)	(10,999)	1,210	(26,567)	(361,913)	18,617	380,530
Comprehensive income for the year	-	-	-	-	(47,919)	8,833	(39,086)	(2,029)	(41,115)
Transactions with shareholders and minority interest									
Dividends	-	(1,071)	(139)	-	-	-	(1,210)	(148)	(1,358)
Divestments	-	-	(1,637)	-	-	-	(1,637)	6,379	4,742
Operations with treasury shares	-	-	(2,499)	2,225	-	-	(274)	-	(274)
Other changes in net equity									
Distribution of results	-	-	1,210	-	(1,210)	-	-	-	-
Other movements	-	-	(458)	-	-	-	(458)	2	(456)
Balances as at 31-12-10	140,004	278,948	(25,277)	(8,774)	(47,919)	(17,734)	319,248	22,821	342,069
Comprehensive income for the year	-	-	-	-	(102,464)	(23,144)	(125,608)	(7,957)	(133,565)
Transactions with shareholders and minority interest									
Dividends	-	-	-	-	-	-	-	(189)	(189)
Divestments	-	-	(229)	-	-	-	(229)	2,273	2,044
Operations with treasury shares	-	-	(1,523)	2,006	-	-	483	-	483
Other changes in net equity									
Distribution of results	-	-	(47,919)	-	47,919	-	-	-	-
Other movements	-	-	319	-	-	-	319	-	319
Balances as at 31-12-11	140,004	278,948	(74,629)	(6,768)	(102,464)	(40,878)	194,213	16,948	211,161

Notes 1 to 30 are an integral part of the consolidated annual accounts

FERSA ENERGIAS RENOVABLES GROUP - CONSOLIDATED CASH FLOW STATEMENTS			
(in Thousand Euros)			
	Note	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES	22	13,771	16,440
Profit (loss) before tax		(141,067)	(55,670)
Adjustments to results		170,729	75,273
Amortisation and depreciation		20,022	12,605
Impairment losses		145,451	54,840
Results of disposals of financial instruments		(6,153)	(291)
Interest income		(4,632)	(311)
Borrowing costs		15,978	8,303
Exchange differences		-	-
Profit (loss) from companies consolidated by equity accounting		63	127
Other adjustments to results		-	-
Changes in working capital		(854)	2,128
Other cash flows from operating activities		(15,037)	(5,291)
Interest paid		(14,295)	(4,834)
Collection of interests		672	311
Collections (payments) of corporate income tax		(225)	(462)
Collection of dividends		-	-
Other payments (collections)		(1,189)	(306)
CASH FLOW FROM INVESTMENT ACTIVITIES		(16,980)	(97,708)
Payment of investments		(31,305)	(114,418)
Group and associated companies and business units		-	(4,243)
Tangible, intangible assets and real estate investments		(24,567)	(103,072)
Other financial assets		(1,303)	(7,103)
Other assets		(5,435)	-
Collection on divestment		14,325	16,710
Group and associated companies and business units		11,639	11,744
Tangible, intangible assets and real estate investments		2,174	24
Other financial assets		512	1,836
Non current assets held for sale		-	3,106
CASH FLOW FROM FINANCING ACTIVITIES		10,413	79,755
Payments for net equity instruments		483	(274)
Acquisition of treasury shares		(131)	(1,109)
Disposal of treasury shares		614	835
Collections/ (payments) for financial liabilities		10,119	81,387
Issues		42,815	131,078
Returns and amortisation		(32,696)	(49,691)
Payments for dividends and the remuneration of other net equity instruments		(189)	(1,358)
Capital increase		-	-
Other cash flows from financing activities		-	-
EFFECT OF CHANGES IN EXCHANGE RATES		-	-
INCREASE / (REDUCTION) IN NET CASH AND EQUIVALENTS		7,204	(1,513)
NET CASH AND EQUIVALENTS AT THE BEGINING OF THE PERIOD		18,288	19,801
NET CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD		25,492	18,288
BREAKDOWN OF NET CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD			
Cash and banks		17,461	16,288
Other financial assets		8,031	2,000
TOTAL NET CASH AND EQUIVALENTS AT THE CLOSE OF THE PERIOD		25,492	18,288

Notes 1 to 30 are an integral part of the consolidated annual accounts

FERSA ENERGIAS RENOVABLES GROUP
Notes to the Consolidated Annual Accounts for the year 2011
(In Thousand Euros)

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS OF FERSA ENERGÍAS RENOVABLES GROUP 2011

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 2010 were approved by the General Meeting of Shareholders on 30 June 2011.

The consolidated annual accounts of the Group for the year 2011 were formulated by the Directors of the parent Company on 27 February 2012 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 AND ACCOUNTING POLICIES

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

The consolidated annual accounts of the Fersa Group for 2011 have been prepared 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.

FERSA ENERGIAS RENOVABLES GROUP
Notes to the Consolidated Annual Accounts for the year 2011
(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 2011, 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 2011 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 annual accounts is the responsibility of the Directors of the Group.

In 2011 the Fersa Group has registered impairment for goodwill, intangible fixed assets and property, plant and equipment totalling Euros 145,451 thousand (Note 5). This impairment arises mainly from the following factors which have mainly taken place in the last quarter of 2011:

- Changes in the price of the farms for which there are no purchase price agreements, especially in Spain. In relation to the premium (component of the total price), in 2011 there has been some uncertainty about the impact that regulations could have in the context of the debate on the remuneration of renewable energies. For the farms that are operating and the pre-assigned farms this uncertainty has disappeared substantially at the end of the year as a result of the coming into force of RD 1565/2010/19 November, RD 1614/2010/7 December and RD 14/2010/23 December, with a final impact that is not very significant on the premiums for wind energy companies. In addition, RD 1/2012/27 January has reconfirmed these premiums but there has been no resolution for the farms that are currently not pre-assigned. This last Royal Decree temporarily suspends economic incentives for farms that are not pre-assigned. The estimated impact of this on total impairment is approximately Euros 40 million.
- An increase of the discount rates used for the valuation of the various CGUs, as a result of the increase of the estimated risk premium for companies of this sector, especially during the last quarter of 2011. The estimated impact of the increase of the discount rates on the total impairment is approximately Euros 50 million.
- The continuing climate of credit restriction in the market has given rise to delays in the start-up of certain projects in the development phase and also, as a result, the loss of registration of certain farms in Spain in the pre-assignment register, which has given rise to a deferral and, consequently, a reduction of cash flows which affects their present values.
- Review and restructuring of the portfolio of projects in development (Note 5).

The Fersa Group has negative working capital (current assets less current liabilities) totalling Euros 8,376 thousand at 31 December 2011. The Directors have prepared these consolidated annual accounts under the going concern principle, given the factors that mitigate this situation, such as:

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- On 1 February 2012, Fersa Energías Renovables, S.A. signed an agreement for restructuring its financial debt with the company's creditor banks which will extend maturity terms of Euros 21,683 thousand of financial debt classified as current debt at 31 December 2011 (Note 30).
- The Group is undertaking procedures for the divestment of certain assets. However, there are no assets classified as held for sale at 31 December 2011 as the requirements under IFRS 5 have not been met.
- The projects which are currently in operation and which will enter into operation in 2012 will generate the necessary cash flows in 2012.

2.3 Consolidation principles and standards

a) Consolidation methods

The consolidated companies are listed in the Appendix 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.

Subsidiaries

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 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.

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 are 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 surplus price paid in relation to the net book value is recognised directly in net equity.

FERSA ENERGIAS RENOVABLES GROUP
Notes to the Consolidated Annual Accounts for the year 2011
(In Thousand Euros)

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 consideration paid and the corresponding acquired proportion of the recorded amount 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

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 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

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 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 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.

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.

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b) Consolidation scope

The Appendix 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 2011.

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 has generated profits before taxes totalling Euros 7,570 thousand.

As a result of this operation, the Group has 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 has 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 have 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. has been reduced, since 9.76% of this company was owned by the former company. After this sale the Group's stake in AERE has fallen to 10.58% and, consequently, it is no longer recorded using equity accounting.

During the first quarter of 2011, Fersa Energías Renovables, S.A. has 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 has 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 has 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 has generated losses before Corporate Income Tax totalling Euros 112 thousand.

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b) Additions to the consolidation scope:

31.12.11				
Company	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".

Year 2010:

The main variations in the consolidation scope in 2010 have been as follows:

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

Company	31.12.10			31.12.09	
	% shareholding	Consolidation method	Effective date of transaction	% shareholding	Consolidation method
Parc Eòlic Mudèfer, S.L. (anteriormente denominada Catalana d'Energies Renovables, S.L.)	84.00%	F.C.	05/02/2010	100.00%	F.C.
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	27.15%	E.A.	05/02/2010	29.67%	E.A.
Aprofitament d'Energies Renovables de L'Ebre, S.L.	20.34%	E.A.	05/02/2010	21.32%	E.A.
CastelWind 03, S.L.	60.48%	F.C.	18/05/2010	67.39%	F.C.
Fersa Panamá, S.A.	93.67%	F.C.	20/07/2010	92.00%	F.C.
Est Wind Power Ösauhing	93.79%	F.C.	11/11/2010	93.12%	F.C.

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

In January 2010 Fersa Energías Renovables, S.A. allowed the specialist renewable energy fund Green Alliance, F.C.R to take up a stake in its subsidiary Parc Eòlic Mudèfer, S.L. (Mudèfer) (previously named Catalana d'Energies Renovables, S.L.). Through this transaction Green Alliance F.C.R. acquired 16% of Mudèfer and the Fersa Group reduced its stake to 84%. The transaction generated income for the Group of Euros 6,045 thousand and also included 16% of the related subordinated debt. The impact of this sale in 2010 led to a decrease in net equity of Euros 1,317 thousand since this is a transaction with minority interest. Furthermore, and as a result of this transaction, a minority interest was recognised totalling Euros 5,333 thousand, as this minority interest recorded the 16% in Mudèfer.

On 20 July 2010 Fersa Energías Renovables, S.A. sold its 5% stake in Fersa Panamá, S.A. to Administradora de Inversiones Renovables S.A. (AIRE). Thereafter, on 9 December 2010, Fersa Panamá, S.A. increased share capital. The impact of these operations has led to a decrease in net equity of Euros 271 thousand.

In respect of Fersa Panamá, S.A., on 16 November 2010 there were two additional sales of 1% and 5% of share capital, which execution is subject to the completion of the suspension clauses; consequently, at 31 December 2010 these two transactions were not qualified as sales (Note 30).

The other changes in shareholding as a whole in 2010 had an impact, leading to a decrease in net equity of Euros 49 thousand.

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b) Additions to the consolidation scope:

Company	Transaction	31.12.10		
		Effective date of transaction	% shareholding	Consolidation method
Fersar Yenilenebilir enerji üretim Ltd. Sirketi	Incorporation	22/03/2010	50.00%	P.C.
Ferrolterra Renovables, S.L.	Incorporation	17/06/2010	40.00%	E.A.
Fersa-Aventalia, S.L.	Incorporation	20/12/2010	80.00%	F.C.

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

There have been no significant business combinations during 2011 and 2010.

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

The criteria applied in the homogenisation have been as follows:

- Temporary homogenisation: the accounts of the companies in the consolidation scope are referred to at 31 December 2011 and 2010.
- 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.

2.4 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 at the balance sheet date.
- The income and expenses of each income statement are translated at monthly average exchange rates, unless this measure is does not reasonably reflect the accumulative 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).

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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 2011 and 2010 have been:

	31 December de 2011		31 December de 2010	
	Closing rate	Accumulated average rate	Closing rate	Accumulated average rate
American Dollar	1.2939	1.3951	1.3362	1.3299
Polish Zloty	4.4580	4.1256	3.9750	4.0126
Estonian Crown (*)	15.6466	15.6466	15.6466	15.6466
Indian Rupee	68.7130	65.1068	59.7580	60.7798
Chinese Yuan Renminbi	8.1588	9.0140	8.8220	8.9975

(*) Fixed exchange rate with the Euro.

2.5 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.

2.6 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 goodwill is not amortised and is tested for impairment annually, and valued at cost less accumulated impairment losses. Any impairment loss is immediately recognised as an expense and not subsequently reversed.

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).

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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 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.

The Certified Emission Reductions (CERs) generated by electrical energy projects carried out in certain countries under the Kyoto Protocol are recorded as intangible assets. As the CERs are not for the Group's own production process, they are not subject to amortisation. They are initially recognised at their fair value, are not revalued and are subject to impairment analyses in subsequent valuations.

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

2.7 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:

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	<u>Years of estimated useful life</u>
Furniture and other plant	5 - 10
Computer hardware	4
Machinery and plant	20

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

No changes have been made to depreciation criteria in 2011.

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.

2.8 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.

2.9 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 income statement.

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b) Available-for-sale financial assets:

This account includes debt securities and net equity instruments that are not classified in any of the resting 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 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 Company recognises in the income statement the accumulated losses recognised previously in net equity due to the decrease in fair value.

If the market for a financial assets is not active, the 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 profit and loss for the year.

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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:

- 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 2.10).

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.

2.10 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%.

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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 income statement. The amounts accumulated in net equity are released to the income statement in the year in which the hedged items affects profit or loss.

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 income statement, together with any change in the fair value of the asset or liability hedged that is attributable to the risk hedged.

2.11 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".

2.12 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.

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2.13 Share capital

Share capital is represented by ordinary shares.

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.

2.14 Provisions and contingent liabilities

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.

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

2.15 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 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.

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.

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.

2.16 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.

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The CERs (Note 2.6) are recognised in the 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.

The dividend income is recognised as income on the income statement when the right to receive it has been established.

2.17 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 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.

2.18 Cash flow statement

The consolidated cash flows statements 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.

2.19 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.

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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.

2.20 New accounting standards IFRS-EU and interpretations IFRIC

The following new accounting standards (IFRS-EU) and interpretations (IFRIC) have been approved and published and enacted at 1 January 2011 and applied by the Group:

- IFRS 1 (Amendment), "First-time Adoption of IFRS". Limited exemption of comparative IFRS 7 disclosures for first-time adopters of IFRS".
- IAS 24 (Revised), "Related Party Disclosures".
- IAS 32 (Amendment), "Classification of Rights Issues".
- IFRIC 14 (Amendment), "Pre-payments. Minimum information requirements when there is the obligation to maintain a minimum level of funding".
- IFRIC 19, "Extinguishing financial liabilities with net equity instruments".
- Improvements in International Financial Reporting Standards.

The application of these standards, modifications and interpretations has not had a significant impact on the consolidated annual accounts of Fersa Group as at 31 December 2011.

During the year the following IFRS and IFRIC, which have not been adopted in advance, have been published in the Official Gazette of the European Union, coming into force for the periods beginning as from 1 January 2012:

- IFRS 7 (Amendment). "Financial instruments: Disclosures". Transfers of financial assets.

In addition, the following amendments of IFRS which will come into force for financial years commencing as from 1 January 2012 have been approved although they have not yet been adopted by the EU:

- IAS 12 (Amendment), "Deferred tax. Recovery of underlying assets".
- IFRS 1 (Amendment), "Severe hyperinflation and elimination of the dates established for first-time adopters of IFRS".

Based on our analysis of the new accounting standards and their interpretations applicable as from 1 January 2012, the Fersa Group does not expect that their application will have a significant effect on its consolidated annual accounts.

In addition, in 2011, the IASB has issued a series of standards not yet approved by the EU which will come into force on 1 January 2013 and 2015 including, amongst others, the amendment of the consolidation standard by IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities". The Fersa Group is assessing the impact of the application of these standards on its consolidated annual accounts.

2.21 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 estimates 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:

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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 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 estimates 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.

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.

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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.

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 trades.

Spain

The regulatory framework of the wind energy industry in Spain includes, fundamentally, the Spanish Electricity Industry Act, which came into force in 1997, and the regulations subsequently implemented under this act.

Among these subsequent regulations, most notable is RD 661/2007/25 May, regulating the production of electricity under the special regime (regime for electricity produced from renewable sources).

This Royal Decree is currently in force and determines what types of technology and sources of energy come under the special regime, establishes the economic and administrative relationships between the authorities and producers of renewable energy, and regulates the tariffs for an installed capacity of 20,155 MW.

This remunerative and legal framework is obligatory for all generation plants availing themselves of the special regime that began operating on 1 January 2008, but is optional for the rest, although there is a transition period until 31 December 2012, as from which time all producers will operate under RD 661/2007. Accordingly, the plants in operation prior to 2008 can remain under the previous regulatory framework, RD 436/2004/12 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.

The current regulation of the special regime as per RD 661/2007/25 May is designed to regulate the tariffs for installed capacity of 20,155 MW.

RD 436/2004/12 March establishes that the plants that were brought into use prior to 31 December 2007 (except solar energy plants) can choose between:

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

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2. Or selling this energy directly in the electricity market at a market tariff that will be the price generated by the organised market or the freely negotiated price, supplemented by an uncapped maximum and minimum premium or incentive. This premium was Euros 38.3 / MWh in 2010.

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 for 2010 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 recently 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 are eliminated in view of the risk that the target established by RDL 6/2009/30 April for the reduction of the tariff deficit from 2013 onwards will not be reached.

Basically two measures have been adopted with this law:

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. Suspending of the remuneration pre-assignment procedures for the granting of the private economic regime.

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The measures will affect facilities which have 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 (28 January 2012) and the facilities regulated under the ordinary regime which, at the date on which the regulation came into force, 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 facilities which are being installed and which are not registered in the pre-assignment registry when the regulation comes into force (28 January 2012) may waive their application for registration in the registry, in which case, the guarantees which they have furnished will be returned to them. In addition, furnished guarantees will be returned for facilities registered in the pre-assignment registry when it is decided within a period of two months as from the date on which RDL 1/2012/27 January came into force (28 March 2012) that such facilities will not be executed.

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.

France

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

- Law nº 2000-108/10 February 2000, on the modernisation and development of the electricity utilities.
- Decree nº 2000-877/7 September of that year on the authorisation for operating 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 to inflation on 1 November of each year. In 2011, the tariff applied to the company in the Fersa Group in France was 8.554 Euro cents per KWh until 1 November, and from that date, 8.838 Euro 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*)

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- Reduction of the income tax for 10 consecutive years for all electricity producers.
- Incentives for generation: all facilities starting up after 17 December 2009 have a right to receive an incentive of Rupees 0.50 per unit if the electricity is sold to the state or central government power grid.
- Benefits arising from international standards, such as the (*Clean Development Mechanism, CDM*) under the Kyoto Protocol.

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

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 2011 was PLN 195.83 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 275.98 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).

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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 2011	Wind				Solar	Biogas	TOTAL	
	Western Europe	Eastern Europe	Asia	Latin America				
Turnover	27,294	6,058	8,334	-	41,686	767	556	43,009
EBITDA (*)	23,993	4,450	7,326	(402)	35,367	520	178	36,065
Depreciation charge	(12,805)	(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)	(58,853)	(18,671)	(38,374)	(402)	(128,901)	(454)	(53)	(129,408)
Net financial income (expense)								(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

31 December 2010	Wind				Solar	Biogas	TOTAL	
	Western Europe	Eastern Europe	Asia	Latin America				
Turnover	24,453	1,198	3,034	-	28,685	853	562	30,100
EBITDA (*)	16,938	27	2,279	(289)	18,955	585	72	19,612
Depreciation charge	(9,780)	(334)	(1,936)	-	(12,050)	(345)	(210)	(12,605)
Impairment of fixed assets	(35,568)	(9,492)	(9,780)	-	(54,840)	-	-	(54,840)
Operating profit (loss)	(28,410)	(9,799)	(9,437)	(289)	(47,935)	240	(138)	(47,833)
Net financial income (expense)								(7,710)
Participation in profit for the year of associates	(127)	-	-	-	-	-	-	(127)
Profit before tax								(55,670)
Corporate Income Tax								6,013
Consolidated Profit (loss) for the year								(49,657)
a) Profit (loss) attributed to the parent company								(47,919)
b) Profit (loss) attributed to minority interest								(1,738)

(*) EBITDA: Operating profit plus depreciation and impairment

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b) Format for presentation of geographic segment reporting

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, France and Italy.
- Eastern Europe, which includes Poland, Estonia, Montenegro, Turkey and Russia.
- Asia, which includes India and China.
- Latin America, which includes Panama.

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

	2011	2010
Western Europe	28,617	25,868
Eastern Europe	6,058	1,198
Asia	8,334	3,034
Total	43,009	30,100

The assets and liabilities by segments are as follows:

a) By business segment

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

	Assets	Investment as per equity accounting	Goodwill	Liabilities
As at 31.12.10				
Wind	614,392	2,265	74,998	55,616
Biogas	320	-	110	624
Solar	7,646	-	525	308
Total	622,358	2,265	75,633	56,548

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b) By geographic segment

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
Total	480,215	1,887	38,856	41,294

As at 31.12.10	Assets	Investment as per equity accounting	Goodwill	Liabilities
Western Europe	344,780	2,265	22,573	49,032
Eastern Europe	140,603	-	24,468	3,146
Asia	134,679	-	12,583	3,286
Latin America	2,296	-	16,009	1,084
Total	622,358	2,265	75,633	56,548

The assets by segments consist mainly of property, plant and equipment, intangible assets, trade receivables, and other receivables. They exclude the financial assets, goodwill, deferred tax asset and cash and other cash equivalents. The assets excluded total Euros 87,446 thousand at 31 December 2011 and Euros 108,659 thousand at 31 December 2010.

The liabilities by segments consist mainly of operating liabilities. Excluding the borrowings and deferred tax liabilities. The liabilities excluded total Euros 315,206 thousand at 31 December 2011 and Euros 334,665 thousand at 31 December 2010.

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NOTE 5 – INTANGIBLE ASSETS

The movement for the year ended 31 December 2011 and 2010 in the accounts under Intangible assets is as follows:

	Goodwill	Other intangible assets	Total intangible assets
Cost	106,256	290,154	396,410
Accumulated amortisation	-	(3,760)	(3,760)
Net book value as at 01/01/2010	106,256	286,394	392,650
Investment	90	216	306
Amortisation	-	(2,725)	(2,725)
Impairment	(34,662)	(16,370)	(51,032)
Translation differences	3,949	9,034	12,983
Net book value as at 31/12/10	75,633	276,549	352,182
Cost	110,295	299,404	409,699
Accumulated amortisation	-	(6,485)	(6,485)
Impairment	(34,662)	(16,370)	(51,032)
Net book value as at 31/12/10	75,633	276,549	352,182
Investment	259	188	447
Divestment/ disposals	(2,174)	-	(2,174)
Amortisation	-	(4,244)	(4,244)
Impairment	(31,355)	(103,060)	(134,415)
Translation differences	(3,507)	(15,342)	(18,849)
Net book value as at 31/12/11	38,856	154,091	192,947
Cost	104,873	284,250	389,123
Accumulated amortisation	-	(10,729)	(10,729)
Impairment	(66,017)	(119,430)	(185,447)
Net book value as at 31/12/11	38,856	154,091	192,947

The Translation differences basically reflect the impact of the valuation of assets related to the investments in India, Panama and Poland due to the negative evolution of the Rupee and the Zloty.

Divestments/ disposals includes the impact of the sale of the company Empordavent, S.L. for Euros 1,510 thousand (Note 2).

At 31 December 2011 and 2010 there are no fully amortised intangible assets still in use.

Set out below is a summary by segment of the allocation of Goodwill:

	As at 31.12.11				As at 31.12.10			
	Wind	Solar	Biogas	Total	Wind	Solar	Biogas	Total
Western Europe	2,458	-	-	2,458	21,938	525	110	22,573
Eastern Europe	16,701	-	-	16,701	24,468	-	-	24,468
Asia	3,165	-	-	3,165	12,583	-	-	12,583
Latin America	16,532	-	-	16,532	16,009	-	-	16,009
Total	38,856	-	-	38,856	74,998	525	110	75,633

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

	As at 31.12.11				As at 31.12.10			
	Wind	Solar	Biogas	Total	Wind	Solar	Biogas	Total
Western Europe	79,625	2	-	79,627	140,000	3	-	140,003
Eastern Europe	50,572	-	-	50,572	80,094	-	-	80,094
Asia	23,892	-	-	23,892	56,452	-	-	56,452
Latin America	-	-	-	-	-	-	-	-
Total	154,089	2	-	154,091	276,546	3	-	276,549

Impairment test:

The Company has made impairment tests using cash flow projections in order to determine recoverable value. The impairment tests were made on 31 December 2011 and 2010, and, as a result, as indicated in Note 2.2, an impairment provision has been recorded of Euros 145,451 thousand at 31 December 2011 (Euros 54,840 thousand at 31 December 2010), which breaks down as follows:

	2011	2010
Goodwill	31,355	34,662
Other intangible assets	103,060	16,370
Property, plant and equipment	10,678	3,183
Other assets	358	625
Total	145,451	54,840

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

	2011	2010
Western Europe	70,822	35,568
Eastern Europe	32,730	9,492
Asia	41,899	9,780
Total	145,451	54,840

As a result of this impairment, the amount of Euros 30,995 thousand (Euros 4,875 in 2010) in deferred tax liabilities (Note 19) has been reversed. Moreover, the impact of this impairment on Minority interest has been Euros 6,695 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 cost of equity (return required by the shareholder) 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, plus
 - 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.

We set out below the costs of own capital for the main geographic segments:

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Discount rate	Western Europe		Eastern Europe	Asia	Latin America	
	Spain	France				
2011	Risk-free rate	5.08%	3.14%	5.88%	8.56%	5.18%
	Risk premium (*)	5.42%	5.20%	5.31%	5.24%	5.09%
	Cost of capital	10.50%	8.34%	11.19%	13.80%	10.27%
2010	Risk-free rate	5.43%	3.32%	6.00%	7.89%	4.68%
	Risk premium (*)	3.39%	3.25%	3.26%	3.36%	3.07%
	Cost of capital	8.82%	6.57%	9.26%	11.25%	7.75%

(*) The estimated risk premium is the result of multiplying the estimated beta (average for companies of the sector) by the market risk premium.

The future cash flows used have been discounted taking into account the tax effect so that they are comparable.

The weighted average capital costs ("WACC") before tax for the cost of equity rates indicated above, taking into account the structures and terms and conditions for funding for the whole project of a farm, are set out in the table below:

	<u>As at 31.12.11</u>	<u>As at 31.12.10</u>
Western Europe		
Spain	11.75%	10.25%
France	10.92%	8.54%
Eastern Europe	12.17%	11.47%
Asia	15.00%	12.73%
Latin America	12.63%	10.19%

- b) 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 Spanish farms which are being developed and which are 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 between 2012 and 2014. To estimate sales prices for 2015 onwards, different scenarios have been established which have been weighted on the basis of certain scenarios of percentages of premium established by Group Management, ranging from the scenario of considering that there is no premium during the whole life of the farm to the scenario of a 20% reduction of the premium. As a result of this estimation, an adjustment of approximately 50% has been applied to the premium. For countries in which there are master power purchase agreements, such as India or Poland, the agreed-upon price has been used.

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:

- Productions: In order to determine productions, a series of historical measurements have been used.
- Estimated life of the project.
- 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 licences required as well as the status of the negotiations for obtaining the financing.

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- Investments: For projects in which the investments in property, plant and equipment (wind farms) are still pending, the investments have been estimated using the investment committed in the event of the existence of signed agreements with the suppliers of wind farms, and, failing this, using the best estimate taking into account the progressive decrease in wind farm sale prices due to the increase in competition.
- Cost of debt: For projects governed by signed financial agreements, the cost applied in their financing has been used, and for projects in which there is no signed financing, the cost has been estimated depending on the conditions of each market.
- Operating expenses: For future years, the operating expenses have been estimated on the basis of past experience and by applying an estimated inflation rate.

In addition, as a result of the lawsuit of Eólica Cieplowody Sp (wholly owned by the Fersa Group), as stated in Note 27, Group Management has impaired the total investment value for this project.

On 17 December 2011, the Group companies Fersa India Private Limited and EN Wind Power Private Limited entered into a contract with their supplier of wind turbines and contractor in India which was executed to adjust the capacity to be installed in the future and reimburse part of the funds advanced by the Fersa Group. The contract establishes a reduction of capacity from 80 MW to 20 MW and a reimbursement of approximately Euros 10,000 thousand. The reduction in capacity has given rise to a net impairment of intangible assets and goodwill of approximately Euros 24,000 thousand.

Sensitivity: 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:

	Increase/decrease in percentage	Effect on net income attributed to the parent company	
		2011	2010
Discount rate	10%	(27,806)	(27,420)
	(10%)(*)	18,087	9,542
Electricity sale price	10%(*)	21,024	9,250
	(10%)	(27,008)	(34,405)

(*) Given that the impairment of goodwill cannot be reversed, the positive impact on the sensitivity analysis is limited in relation to the negative impact, as a future improvement in the key assumptions would not permit a reversal of the goodwill provision, although it would allow a reversal of the provision for other intangible assets, property, plant and equipment and other assets.

The Group has obtained permits from the relevant authorities which, in some cases, are subject to certain requirements being met regarding the commencement and termination of construction of the farms and their start-up.

In Spain, farms registered in the Fersa Group's pre-assignment registry should be registered as definitive registrations in the registry of production facilities regulated under the special regime and should begin to sell energy before December 2012. The consequences of not complying with this requirement would be loss of entitlement to the tariff established for wind energy in RD 661/2007 and, consequently, of the tariff certainty (see Note 2). The impairment of this note has been calculated taking into account that the entitlement to the tariff is lost for farms in Spain which are not in operation. In spite of this, loss of pre-registration will not result in loss of permits or licences which may put the feasibility of the farm at risk.

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In Panama, the final permits of the farms are subject to certain dates of termination of works and commencement of commercial operations which, if not complied with, could result in loss of the permits. In view of certain regulatory amendments expected, the Fersa Group has carried out the necessary procedures to extend the validity of the permits which it already has.

The Group considers that it has complied with all its obligations so that the permits for the construction of the farms developed by the Group will continue to be valid.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

The movement for 2011 and 2010 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	152,209	109,503	261,712
Accumulated depreciation	(19,187)	-	(19,187)
Net book value as at 01/01/2010	133,022	109,503	242,525
Investment	327	99,083	99,410
Divestment/ disposals	(24)	-	(24)
Transfers and others	129,615	(129,615)	-
Depreciation	(9,880)	-	(9,880)
Impairment	(1,873)	(1,310)	(3,183)
Translation differences	2,665	4,596	7,261
Net book value as at 31/12/10	253,852	82,257	336,109
Cost	284,792	83,567	368,359
Accumulated depreciation	(29,067)	-	(29,067)
Impairment provision	(1,873)	(1,310)	(3,183)
Net book value as at 31/12/10	253,852	82,257	336,109
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)
Net book value as at 31/12/11	275,415	40,415	315,830
Cost	322,050	52,486	374,536
Accumulated depreciation	(44,845)	-	(44,845)
Impairment provision	(1,790)	(12,071)	(13,861)
Net book value as at 31/12/11	275,415	40,415	315,830

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

The most significant investments in 2010 were in the construction of wind farms in Spain, India and Poland. During 2010 the group started up two wind farms in Caseres (Tarragona) with a total of 57.6 MW called Mudèfer and Mudèfer II and another 22MW farm in Poland called Kisielice.

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As a result of the impairment test (Note 5), a provision for Property, plant and equipment totalling Euros 10,678 thousand (Euros 3,183 thousand in 2010) has been recorded.

Divestment/disposals includes the effect of the sale of Empordavent, S.L. totalling Euros 1,670 thousand (Note 2.3) and the effect of recovering advance funds for the construction of two farms in India totalling Euros 2,334 thousand in accordance with the contract signed with the supplier and contractor (Note 2) and by means of which a further Euros 8,032 thousand are expected to be recovered in 2012.

Financial expenses (interest) capitalised during 2011 total Euros 1,211 thousand (Euros 3,083 thousand during 2010). 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 2011, the Group has commitments for the purchase of fixed assets, mainly wind turbines for wind farms in Poland and Estonia, totalling Euros 61 million (Euros 119 million at 31 December 2010). These commitments are subject to obtaining the respective financing (Project Finance) for the different wind farms.

In the Group's fixed assets under construction, it has recorded the amount withheld by the purchaser in the purchase-sale operation of Empordavent, S.L.U. totalling Euros 1,130 thousand (see Note 2.3) 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, Poland and Panama due to the positive evolution of the Rupee, the Zloty and the Dollar in 2010, and the negative evolution of the Rupee and Zloty in 2011.

At 31 December 2011 and 2010 there is no fully depreciated property, plant and equipment still in use.

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 for 2011 and 2010 in investments recorded by equity accounting is as follows:

<u>Company</u>	Balance 31.12.10	Participation in the results	consolidation scope	Other	Balance 31.12.11
Berta Energies 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)	-	-
Parque Eólico Valcaire S.L.	136	-	(136)	-	-
Ferrolterra Renovables, S.L.	52	(2)	68	13	131
Total	2,265	(63)	(328)	13	1,887

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The movement in 2010 in the investments recorded by equity accounting is as follows:

<u>Company</u>	Balance 31.12.09	Participation in the results	Changes in consolidation scope	Other	Balance 31.12.10
Berta Energias Renovables, S.L.	1.436	(25)	-	-	1.411
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	491	(65)	(15)	(29)	382
Aprofitament d'Energies Renovables de L'Ebre S.L.	320	(33)	(3)	-	284
Parque Eólico Valcaire S.L.	136	-	-	-	136
Ferrolterra Renovables, S.L.	-	(4)	56	-	52
Total	2.383	(127)	38	(29)	2.265

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 2.3 section b).

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 2.3).

In January 2010 Fersa Energías Renovables, S.A. sold its 16% stake in Parc Eòlic Mudèfer, S.L. As a result of this sale, the Group reduced its holding in Aprofitament d'Energies Renovables de la Terra Alta, S.A. and Aprofitament d'Energies Renovables de L'Ebre, S.L. as they are directly owned by Parc Eòlic Mudèfer, S.L. (see more detail in Note 2.3 section b).

On 17 June 2010 Ferrolterra Renovables, S.L. incorporated with the corporate purposes of development and future operation of wind farms in Galicia. At 31 December 2011, the Fersa Group has a 37% stake in this company (40% at 31 December 2010). During 2011, the company has increased its capital by Euros 184 thousand.

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 31-12-11						
Ferrolterra Renovables, S.L.	Spain	306	2	-	(5)	36,99%
Berta Energias Renovables, S.L.	Spain	5.754	1.043	-	(108)	29,09%
Aprofitament d'Energies Renovables de la Terra Alta,	Spain	1.309	113	154	(21)	27,15%
Total		7.369	1.158	154	(134)	

	Country	Asset	Liability	Income	Net income	% Shareholding
As at 31-12-10						
Ferrolterra Renovables, S.L.	Spain	131	4	-	(10)	40,00%
Berta Energias Renovables, S.L.	Spain	5.413	624	-	(84)	29,09%
Aprofitament d'Energies Renovables de la Terra Alta,	Spain	22.216	21.406	1	(232)	27,15%
Aprofitament d'Energies Renovables de L'Ebre, S.L.	Spain	26.440	23.114	34	(164)	20,34%
Parque Eólico Valcaire, S.L.	Spain	1.957	1.655	-	-	33,75%
Total		56.157	46.803	35	(490)	

At 31 December 2011 and 2010 none of the associates are listed companies.

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NOTE 8 - FINANCIAL ASSETS

The breakdown of the financial assets is as follows:

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

As at 31 December 2010	Available-for-sale financial assets	Loans and other receivables	Investments held to maturity	Other financial assets at fair value through profit and loss	Total
Net equity instruments	18	-	-	-	18
Other non-current financial assets	-	5,810	-	622	6,432
Non-current financial assets	18	5,810	-	622	6,450
Other current financial assets	-	250	2,669	-	2,919
Current financial assets	-	250	2,669	-	2,919

No debt securities have been issued, purchased or paid in 2011 or 2010.

There are no financial assets in default at the date of presentation of the consolidated annual accounts of the Fersa Group for 2011.

Available-for-sale financial assets

The movement in available-for-sale financial assets is as follows:

Balance 01.01.10	21
Additions	-
Disposals	(3)
Balance 31.12.10	18
Additions	3
Disposals	-
Balance 31.12.11	21

At 31 December 2011 none of the companies in the account are listed on a stock exchange.

Loans and other receivables

The breakdown at 31 December 2011 and 2010 is as follows:

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	31.12.11	31.12.10
Deposits and guarantees	196	196
Other loans	16	4,915
Other assets	1,106	699
Total loans and other non-current items	1,318	5,810
Other loans	184	250
Total other assets current	184	250

The decrease of Other loans is mainly due to the cancellation during the year of loans granted to companies consolidated using the equity accounting method, Aprofitament d'Energies Renovables de la Terra Alta, S.A. (Euros 3,409 thousand at 31 December 2010) and Parque Eólico Valcaire, S.L. (Euros 644 thousand at 31 December 2010).

The non-current commercial loans fall due between 2013 and 2014. 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.

Other financial assets at fair value through profit and loss

As a result of the sale of 17% of Fersa Panamá, S.A. (Note 2.3.b), Fersa Energías Renovables, S.A. is pending receipt of USD 1,909 thousand (Euros 622 thousand in 2010), which is due and payable when the Fersa Group has to make, 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 (Note 16).

Investments held to maturity

Investments held to maturity at 31 December 2011 relate to fixed-term deposits which mature between January and June 2012 for current deposits and May 2017 for non-current deposits. These investments accrue a 3.78% weighted average interest rate. There are restrictions for Euros 8,581 thousand at 31 December 2011.

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. In addition, in 2011, the Group has entered into hedging contracts against the variation of the sale price of energy in Spain to insure against volatility risk for the sale price of electricity although; at the period end date, all of these contracts have expired.

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

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	As at 31.12.10		As at 31.12.09	
	Asset	Liability	Asset	Liability
Derivative hedging financial instruments				
Cash flow hedge	-	-	-	-
Non-current	-	-	-	-
Current	25	-	-	-
Cash flow interest rate hedge				
Non-current	-	(15,536)	-	(8,522)
Current	-	(761)	-	(914)
Cash flow sale price of electricity hedge				
Non-current	-	-	-	-
Current	-	-	-	(192)
Total	25	(16,297)	-	(9,628)

At 31 December 2011 and 2010, the Fersa Group does not have any derivatives that do not meet the criteria for hedge accounting under IFRS-EU, and, accordingly, the variations in the value of these financial instruments is 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 and the contracting of new derivatives.

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 or the price of energy in the futures market (OMIP).

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).

Cash flow hedges of interest rates

The breakdown of the derivative financial instruments at 31 December 2011 and 2010, their fair value and the breakdown by maturities of the notional values are as follows:

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

	Fair Value	As at 31.12.10						Total
		Notional Value (in Thousand Euros)						
		2011	2012	2013	2014	2015	Years beyond	
INTEREST RATE HEDGE:								
Cash flow hedge :								
Financial swaps	(9,436)	8,676	9,761	10,019	10,437	10,968	92,278	142,139

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In 2011 Eólica Kisielice Sp, due to the fact that it is exposed to fluctuations in floating interest rates, and according with the project finance, entered into 3 Euribor interest rate variation hedges in order to ensure a maximum rate with the following entities: La Caixa, BRE Bank and Erste Group Bank. The three “swaps” have in identical structure and will hedge 81% of the nominal amount of the syndicated loan (totalling Euros 26,888 thousand) and they mature in 2017.

The amount subtracted from net equity, which has been included in net financial income or expense for 2011 and 2010 totals Euros 3,631 thousand and Euros 3,232 thousand, respectively.

Hedges of the market sale price of energy

The Group does not have these derivative financial instruments at 31 December 2011 as it has not renewed the contracts which expired in November 2011. At 31 December 2010, the fair value of these derivative financial instruments which expired in 2011 was Euros 192 thousand.

The negative impact on the 2011 income statement (on net turnover) is Euros 216 thousand (a positive impact of Euros 64 thousand in 2010).

Hedges of net foreign investments

At 31 December 2011, the Fersa Group uses a debt payable in American dollars to hedge certain net foreign investments for which it also uses debt denominated in non-Euro currency. At the balance sheet date, the total notional amount of the debt in non-Euro currency (debt for the deferred payment of the investment in the subsidiary in Panama) which is used as a net foreign investment hedging instrument (net investment in the Panamanian subsidiary) totals American dollars 14,135 thousand.

NOTE 10 – ASSETS HELD FOR SALE

At 31 December 2010 and 2011, there are no assets held for sale. However, during the year, the Fersa Group has recorded assets held for sale totalling Euros 3,378 thousand and liabilities held for sale totalling Euros 415 thousand as a result of the purchase-sale of Empordavent, S.L.U. (Note 2.3) carried out on 14 July 2011.

NOTE 11 – TRADE AND OTHER RECEIVABLES

The breakdown of this account is as follows:

	As at 31.12.11	As at 31.12.10
Trade receivables	6,716	7,762
Trade receivables with related companies	5	5
Total trade receivables for sales and services rendered	6,721	7,767
	As at 31.12.11	As at 31.12.10
Other receivables	1,817	563
Public Administration	1,616	1,071
Total other receivables	3,433	1,634
Total trade and other receivables	10,154	9,401

Tax refundable includes the VAT refundable for services related to the certifications received for the wind farms under construction.

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

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A provision is not required for bad debt at 31 December 2011 and 2010. 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 31.12.11	As at 31.12.10
Cash and banks	17,461	16,288
Short-term investments	8,031	2,000
Total	25,492	18,288

Short-term investments at 31 December 2011 accrued a 3.13% weighted effective interest rate. There are restrictions on the draw of cash at 31 December 2011 totalling Euros 3,267 thousand compared to Euros 1,700 thousand at 31 December 2010 (Note 15).

NOTE 13 – NET EQUITY

Share capital

The share capital of the parent Company as at 31 December 2011 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 2011 of the company's shares was Euros 0.710 per share (Euros 1.205 at 31 December 2010).

The breakdown of the significant shareholders of the parent Company at 31 December 2011 is as follows:

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Shareholders	As at 31.12.10 %
Grupo Enhol	22.44%
Other shareholders (*)	77.56%
	100.0%

Shareholders	As at 31.12.10 %
Grupo Enhol	22.39%
Other shareholders (*)	77.61%
	100.0%

(*) None of which are higher than 10%

Other net equity accounts:

a) Share premium account

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

b) 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.

c) Treasury shares

In 2011 and by virtue of the authorisation granted by the General Meeting of Shareholders of the Company of 30 June 2011 and in order to facilitate the liquidity of the quotation, the Company made acquisitions of 113,996 treasury shares totalling Euros 132 thousand. At 31 December 2011, the Company has 1,570,954 treasury shares totalling Euros 6,768 thousand.

Also, by virtue of the authorisation granted by the General Meeting of Shareholders of the Company of 23 June 2010, the Company had at 31 December 2010 1,951,581 treasury shares totalling Euros 8,774 thousand.

In 2011, the parent Company has sold 494,623 treasury shares for Euros 614 thousand; these sales have generated a decrease in reserves of Euros 1,523 thousand (in 2010, the sales were 634,205 treasury shares with a decrease of Euros 2,499 thousand).

Fersa Energías Renovables S.A. has pignored 1,403,707 treasury shares at 31 December 2011 to back a guarantee given by a financial entity to his subsidiary Generación Eólica India Limited.

d) Translation differences

This account in the consolidated balance sheets 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, as well as the net variation in the value of hedging instruments for net foreign investments.

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The movement in the balance of this account during 2011 and 2010 is as follows:

	2011	2010
Opening balance	(11,871)	(27,187)
Variation in hedge of net foreign investments (Note 16)	(160)	(748)
Variation in exchange differences	(18,793)	16,064
Closing balance	(30,824)	(11,871)

The following is a breakdown of the translation differences as at 2011 and 2010 by functional currency:

Functional currency	2011	2010
Indian Rupee	(10,652)	(2,616)
Polish Zloty	(19,759)	(8,715)
American Dollar	(801)	(728)
Russian Ruble	-	(13)
Chinese Yuan Renminbi	413	208
Turkish Lira	(25)	(7)
Total	(30,824)	(11,871)

The main negative effects are due to the translation into Euros of the items on the balance sheets of the subsidiary companies, their goodwill and intangible assets.

The following is a breakdown of the translation differences as at 31 December 2011 and 2010 by concept:

	As at 31.12.11	As at 31.12.10
For balance sheet items subsidiaries conversion	(7,987)	(3,283)
Goodwill and intangible net of tax	(22,837)	(8,588)
Total	(30,824)	(11,871)

Dividends:

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

The General Meeting of Shareholders of 23 June 2010 agreed to distribute dividends totalling Euros 1,071 thousand to be charged against the share premium, and Euros 139 thousand to be charged against the profit and loss brought forward of the parent Company, and these were paid on 26 July 2010.

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:

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	Thousand Euros	
	As at 31.12.10	As at 31.12.10
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	(102,464)	(47,919)
Average number of treasury shares	1,666,111	1,820,063
Average number of shares in circulation	138,337,667	138,183,715
Profit per share (Euros per share)		
- Basic	(0.741)	(0.347)
- Diluted	(0.741)	(0.347)

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 2011 that the Board of Directors will propose to the General Meeting of Shareholders for its approval, is as follows:

Basis of distribution	Thousand Euros
Profit and loss	(126,381)
Total	(126,381)

Basis of distribution	Thousand Euros
Retained earnings	(126,381)
Total	(126,381)

Minority interest:

The movement during the year in this account has been as follows:

Balance as at 31.12.2010	22,821
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 (acquisition of minority interest)	2,273
Balance as at 31.12.2011	16,948

NOTE 14 – PROVISIONS

	Balance		Balance		Balance
	01.01.10	Additions	31.12.10	Additions	31.12.11
Provision for liabilities	401	-	401	1,300	1,701
Provision for dismantling	809	718	1,527	552	2,079
Totals	1,210	718	1,928	1,852	3,780

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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 entity's position for each of them is stated in the Contingencies section of Note 27.

Dismantling provision

At 31 December 2011, the Group has recorded a provision of Euros 2,079 thousand (Euros 1,527 thousand in 2010) to cover the costs of dismantling the wind farms that are now in operation.

NOTE 15 – FINANCIAL LIABILITIES

The movement in the accounts under Financial liabilities in 2011 and 2010 is as follows:

	Balance 31.12.10	Increases	Decreases	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
Total non-current financial liabilities	222,241	36,749	-	-	(7,248)	(25,950)	225,792
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
Total current financial liabilities	31,182	26,225	-	(42,959)	(754)	29,928	43,622
	Balance 31.12.09	Increases	Decreases	Cancellations by payment	Translation differences	Transfers	Balance 31.12.10
Debts with credit entities	99,424	94,651	-	-	1,656	17,988	213,719
Derivative financial liabilities	4,918	4,518	-	-	-	(914)	8,522
Total non-current financial liabilities	104,342	99,169	-	-	1,656	17,074	222,241
Debts with credit entities	57,479	44,478	-	(54,445)	308	(17,988)	29,832
Derivative financial liabilities	551	192	(551)	-	-	914	1,106
Other financial liabilities	324	-	-	(80)	-	-	244
Total current financial liabilities	58,354	44,670	(551)	(54,525)	308	(17,074)	31,182

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

	Book Value		Fair Value	
	As at 31.12.11	As at 31.12.10	As at 31.12.11	As at 31.12.10
Debts with credit entities	206,769	213,719	183,153	199,228

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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 2011 and at 31 December 2010 on the financial liabilities with similar maturities and credit characteristics.

At 31 December 2011, the Fersa Group has credit facilities totalling Euros 15,571 thousand (Euros 16,620 thousand at 31 December 2010), of which Euros 724 thousand have not been drawn down.

At 31 December 2011, the Fersa Group has corporate debt totalling Euros 27,452 thousand, which includes Euros 21,683 thousand classified as current debt, of which Euros 3,775 thousand has matured at year end. As stated in Note 30, these credit facilities have been renewed after the year end.

The following tables describe the gross consolidated financial liabilities by instrument at 31 December 2011 and at 31 December 2010 and their maturities, taking into account the impact of the hedging of the derivatives and the other financial liabilities.

	2012	2013	2014	2015	2016	2017 and years beyond	Total
As at 31 December 2011:							
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
Total	43,622	22,223	19,001	18,961	19,634	145,973	269,414

	2011	2012	2013	2014	2015	2016 and years beyond	Total
As at 31 December 2010:							
Commercial banks and other financial liabilities							
Fixed	3,953	13,657	12,105	11,330	11,919	95,442	148,406
Floating	27,229	7,959	7,480	5,447	5,231	51,671	105,017
Total	31,182	21,616	19,585	16,777	17,150	147,113	253,423

If we were to exclude the impact of the derivatives on the financial liabilities, all the financial liabilities, both for 2011 and 2010, would accrue interest at a floating rate.

The following tables describe the gross financial liabilities denominated by foreign currency at 31 December 2011 and at 31 December 2010 and their maturities, taking into account the impact of the hedging on the derivatives and the other financial liabilities:

As at 31 December 2011:	2012	2013	2014	2015	2016	2017 and years beyond	Total
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
Total	43,622	22,223	19,001	18,961	19,634	145,973	269,414

As at 31 December 2010:	2011	2012	2013	2014	2015	2016 and years beyond	Total
Borrowings denominated in Euros	25,957	17,332	15,266	12,276	12,534	115,582	198,947
Borrowings denominated in zloty	1,023	1,157	1,111	1,213	1,328	15,145	20,977
Borrowings denominated in Rupees	4,202	3,127	3,208	3,288	3,288	16,386	33,499
Total	31,182	21,616	19,585	16,777	17,150	147,113	253,423

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The main features of these loans are as follows:

Geographic segment	Amount drawn down	Average interest rate	Maturity
Western Europe	184,579	5.568%	Between 2012 and 2028
Eastern Europe	23,987	8.800%	2023
Asia	42,967	11.355%	Between 2012 and 2023
Total	251,533		

The companies in the consolidation scope Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausemblant, 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 Eólica Kiselice Sp have bank loans under Project Finance agreements for which they have pignorated their treasury shares.

In 2011, EN Renewable Energy Limited and Eolica Kiselice Sp have made new drawdowns of loans (for Euros 12,559 thousand and Euros 6,357 thousand, respectively) for funding that they signed in 2010.

The part of this loan drawn down on by Eólica Kiselice Sp at 31 December 2010 has been classified as fixed financial debt when the hedging contract on the variation in interest rates was obtained during the year (Note 9).

Moreover, the loans to Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausemblant, Parque Eólico Hinojal S.L., Parc Eólic Mudèfer S.L., Gestora Fotovoltaica de Castellón S.L. and Eólica Kiselice, Sp 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 2011 and 2010, 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 year end the following amounts have been appropriated to this reserve:

Company	Thousand Euros	
	2011	2010
Eólica el Pedregoso S.L.	952	961
Eólica del Pino S.L.	5	5
SAS Eoliennes de Beausemblant	180	740
Parque Eólico Hinojal, S.L.	1,856	1,856
Parc Eólic Mudefer, S.L.	4,113	-
Eólica Kiselice Sp	1,652	-
Total	8,758	3,562

Additionally, Fersa Energías Renovables, S.A. has given a guarantee for the financing of the wind farm of Generación Eólica India Limited totalling Euros 2,200 thousand.

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NOTE 16 – OTHER LIABILITIES

The following is a breakdown of Other Liabilities as at 31 December 2011 and 2010:

	As at 31.12.11	As at 31.12.10
Long-term deferred payments	28,461	40,286
Other non-current liabilities	-	4,032
Other non-current liabilities	28,461	44,318
Short-term deferred payments	2,632	967
Other current liabilities	41	22
Other current liabilities	2,673	989

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 2011, it is estimated that Euros 2,632 thousand (Euros 967 thousand as at 31 December 2010) will be payable next year and that Euros 28,461 thousand (Euros 40,286 thousand as at 31 December 2010) will be paid in more than 12 months.

The breakdown of the deferred payments outstanding per geographic segment and based on the wind farm whose acquisition generated the outstanding payment is as follows:

	As at 31.12.11	As at 31.12.10
Western Europe	14,005	16,412
Eastern Europe	2,598	8,560
Asia	-	3,686
Latin America	11,858	11,628
Total long-term deferred payments	28,461	40,286
Eastern Europe	463	-
Western Europe	2,169	967
Total short-term deferred payments	2,632	967

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. In 2011, as a result of the evolution of the development of certain farms, some deferred payments have been revalued which has resulted in a reduction totalling Euros 4,348 thousand with a counter-entry under goodwill.

During this year, the deferred payments for the purchase of Eólica Postolin Sp. Z.o.o. have been renegotiated which has reduced nominal value by Euros 3,960 thousand. This waiver of part of the debt has been recorded as a financial income for the variation of the fair value of the liability. In addition, as a result of this renegotiation, Euros 2,040 thousand were classified as current liabilities, of which Euros 1,577 thousand had been paid at 31 December 2011.

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At 31 December 2011, the payment schedule is expected to be as follows:

	2012	2013	2014	2015 and years beyond	Total
Total deferred payments	2,632	4,167	2,131	22,163	31,093

These deferred payments do not accrue any interest. In any case, the amounts carried in this account do not taken into account the time value of money since the impact is not significant in the context of the Group consolidated annual accounts. Given that all the deferred payments are subject to the achievement of milestones prior to start up, the time effect of the money in the form of financial expense) would be recorded as part of Property, plant and equipment and intangible assets in accordance with the Group accounting policy on the capitalization of financial costs prior to start up (Note 2.7). Accordingly, although in initial recognition this effect would represent, on the one hand, less consolidated goodwill and/or intangible assets, and on the other hand, less consolidated liabilities, the impact would not be significant for consolidated balance sheet purposes.

At 31 December 2011, long-term deferred payments include an outstanding payment to be made totalling American dollars 15,504 thousand, equivalent to Euros 11,858 thousand (American dollars 15,504 thousand at 31 December 2010, equivalent to Euros 11,628 thousand), for outstanding payments for the purchase of the company Fersa Panamá, S.A.

The Group has designated this deferred liability as a hedge on net investments. The impact on translation differences on the net equity of the Group arising from this hedge totals Euros 161 thousand, net of the tax effect (Note 13).

NOTE 17 - TRADE AND OTHER PAYABLES

The breakdown at 31 December 2011 and 2010 is as follows:

	As at 31.12.11	As at 31.12.10
Public Administration	841	760
Other creditors	5,178	8,173
Current tax liabilities	361	380
Other non-current liabilities	6,380	9,313

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

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:

	Payments made and outstanding at the balance sheet date	
	2011 (Thousands of euros)	
	Amount	%
Payments for the year made within the maximum legal time limit	11,173	89.40
Remainder	1,324	10.60
Total payments for the year	12,498	100.00
Average period of payments exceeding the limit (days)	156	
Balance outstanding at year end exceeding the maximum legal time limit	174	

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The outstanding balance with suppliers for trading operations, which at 31 December 2010 has accumulated a deferral in payment longer than the maximum legal limit permitted under Law 15/2010/5 July for all the Spanish companies, totalled Euros 88 thousand.

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.

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 management 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 31.12.2011	As at 31.12.2010
Fixed interest rate	174,838	165,554
Floating interest rate	94,576	87,869
Total	269,414	253,423

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
2011	10%	(234)	983
	(10%)	234	(983)
2010	10%	(255)	6,398
	(10%)	255	(6,398)

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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 2011 and 2010 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 or decrease) in the exchange rate against the Euro is as follows:

	Increase/decrease in the exchange rate of the functional currency	Effect on net equity
2011	10%	14.447
	(10%)	(14.447)
2010	10%	22.439
	(10%)	(22.439)

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.

The Fersa Group uses financial instruments to manage its exposure to fluctuations of the sales price of electricity.

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 price (electricity sale price)	Effect on net income before tax
2011	10%	4,086
	(10%)	(4,086)
2010	10%	2,571
	(10%)	(2,571)

Credit risk

At 31 December 2011 and 2010 there are no provisions for bad debts as they are not considered necessary.

At 31 December 2011 and 2010, 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.

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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 Company (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 2012 should also be added (Note 17).

At 31 December 2011, available liquidity totals Euros 26,216 thousand, taking into account cash and other cash equivalents (Euros 25,492 thousand, Note 12) and undrawn credit facilities (Euros 724, Note 15).

At 31 December 2010, available liquidity totalled Euros 18,164 thousand, taking into account cash and other cash equivalents (Euros 18,288 thousand, Note 12) and undrawn credit facilities (Euros 326 thousand, Note 15).

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).

The leverage ratio is as follows:

	As at 31.12.11	As at 31.12.10
Long-term financial liabilities (Note 15)	206,769	213,719
Short-term financial liabilities (Note 15)	42,541	29,832
Cash and other cash equivalents (Note 12)	(25,492)	(18,288)
Derivatives (Note 9)	16,272	9,436
Net financial liability:	240,090	234,699
Net equity holders of the parent company (Note 13)	194,213	319,248
Minority interest (Note 13)	16,948	22,821
Net equity:	211,161	342,069
Leverage (Net financial liability / (Net financial liability + Net equity))	53.2%	40.7%

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NOTE 19 – TAX SITUATION

The reconciliation of the applicable tax rate to the effective tax rate for 2011 and 2010 is as follows:

	2011	%	2010	%
Profit (loss) before tax	(141.067)		(55.670)	
Theoretical tax	(42.320)	30%	(16.701)	30%
Impairment of fixed assets	12.658	(9,%)	10.399	(18,7%)
Divestments	(1.625)	1,2%	-	-
Unrecognized tax credits	1.297	(0,9%)	380	(0,7%)
Foreign exchange differences	(189)	0,1%	-	-
Tax rates foreign companies	(216)	0,2%	(19)	0,0%
Effect on net income using equity accounting method	19	(0%)	38	(0%)
Deduction for goodwill amortisation	(380)	0%	-	-
Other	(371)	0,3%	(110)	0,2%
Corporate income tax accrued	(31.127)	22,1%	(6.013)	10,8%

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 2011, the Group has tax loss carryforwards (TLC's) available for offset totalling Euros 19,907 thousand (Euros 11,856 thousand at 31 December 2010), maturing in 2024, and a deferred tax asset balance of totalling Euros 14,927 thousand (Euros 11,627 thousand at 31 December 2010).

Part of these credits are not recognised. The breakdown of these unrecognised credits and the nature of their accounting counter-entry at 31 December 2011 is as follows:

	Charged to net income	Charged to net equity	Total
Tax credit loss carryforwards	2,219	2,199	4,418
Deferred tax assets	418	6,359	6,777
	2,637	8,558	11,195

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	As at 31.12.11	As at 31.12.10
Current tax	1,160	(49)
Deferred tax	(32,287)	(5,964)
Total	(31,127)	(6,013)

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The following table reflects the movements during 2011 and 2010 of deferred tax:

	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)
	(75,873)	1,923	31,706	-	4,602	(37,642)

	Balance 31.12.09	Increases	Decreases	Transfers	Translation differences	Balance 31.12.10
Deferred tax assets	3,477	1,908	(16)	-	-	5,369
Deferred tax liabilities	(84,211)	(91)	5,769	-	(2,709)	(81,242)
	(80,734)	1,817	5,753	-	(2,709)	(75,873)

The additions deferred tax assets for the years 2010 and 2011 relate, mainly, to the tax of the hedging contracts according to their valuation (Note 9). The disposals of deferred tax liabilities for 2011 include the tax effect of the impairment charge totalling Euros 30,955 thousand (Note 5).

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

*Incorporated into the consolidated tax regime in 2010

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NOTE 20 - STAFF COSTS

The breakdown of staff costs at 31 December 2011 and 2010 is as follows:

	2011	2010
Wages and salaries	2,080	2,241
Social welfare expenses	367	370
Total staff costs	2,447	2,611

The average number of employees breaks down as follows:

	2011	2010
Management	3	3
Technicians	37	31
Others	5	6
Total	45	40

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 2011 and 2010 broken down by category and gender is as follows:

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

As at 31.12.10	Men	Women	Total
Management	3	-	3
Technicians	23	12	35
Others	1	6	7
Total	27	18	45

NOTE 21 – NET FINANCIAL INCOME (EXPENSE)

The breakdown of this account in the income statement for 2011 and 2010 is as follows:

	2011	2010
Interest	4,632	311
Exchange gains	-	6
Results of disposals of financial instruments	-	291
Total financial income	4,632	608
Cost of borrowings	(15,978)	(8,303)
Exchange losses	(104)	(15)
Loss for disposal of financial instruments	(146)	-
Total financial expenses	(16,228)	(8,318)
Net financial income (loss)	(11,596)	(7,710)

Financial income for interest of 2011 includes the effect of the waiver of part of the debt of deferred payments for the acquisition of Eólica Postolin Sp, Z.o.o. (Note 16).

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NOTE 22 – CASH FLOWS

Cash flows from operating activities

The breakdown of cash flow from operations in 2011 and 2010 is as follows:

	2011	2010
Profit (loss) before tax	(141,067)	(55,670)
Adjustments to results	170,729	75,273
Amortisation and depreciation (Notes 5 and 6)	20,022	12,605
Impairment losses (Note 5)	145,451	54,840
Results of disposals of financial instruments	(6,153)	(291)
Interest income	(4,632)	(311)
Borrowing costs	15,978	8,303
Net income of companies consolidated by equity accounting (Note 7)	63	127
Other adjustments to net income	-	-
Changes in working capital (excluding the effects of changes in consolidation scope and translation differences):	(854)	2,128
Trade and other receivables	(1,996)	(4,555)
Trade and other payables	1,142	6,683
Other cash flows from operating activities	(15,037)	(5,291)
Interest paid	(14,295)	(4,834)
Collection of interest	672	311
Collections (payments) of corporate income tax	(225)	(462)
Collection of dividends	-	-
Other payments (collections)	(1,189)	(306)
CASH FLOW FROM OPERATING ACTIVITIES	13,771	16,440

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 2011 and 2010, after taking into account the shareholding percentage, is as follows:

	2011	2010
Non current assets	1,032	12,763
Current assets	1,711	1,624
Non current liabilities	819	3,017
Current liabilities	3	36
Income	78	52
Expenses	298	105

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NOTE 24 - RELATED PARTY TRANSACTIONS

Related persons are:

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

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

Name or registered name of the Board Member	Total % of share capital
Grupo Empresarial Enhol, S.L. (*)	22.44%
Banco Mare Nostrum, S.A. (**)	7.98%
Grupo Catalana Occidente, S.A.	7.51%
Larfon, S.A.U.	2.70%
Grupo Comsa Emte, S.L.	7.68%
Windmill Investment S.A.R.L.	4.04%
Mr. José M ^a Roger Ezpeleta	2.01%

(*) 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.

(**) Caja General de Ahorros de Granada is shareholder and member of the board of directors of Banco Mare Nostrum S.A. and owns 3.40% of the Fersa Group's shares, which is included in Banco Mare Nostrum S.A.'s stake.

- The Directors and Senior Management of the Company 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 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 2011 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.

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In 2010 a contract was entered into with Inver for the integrated management of projects of the company that the Group promotes in Poland (Eólica Kisielice, Sp Z.o.o). On 28 February 2011, this service contract was terminated by the mutual agreement of the parties.

No amounts have been accrued in 2011 for this item (Euros 369 thousand in 2010).

On 22 July 2010 an agreement was entered into with Inver to manage the purchase and sale of energy in relation to the excess or shortfall in daily energy production. This agreement has accrued fees of Euros 101 thousand in 2011 (Euros 51 thousand in 2010).

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 2011 totals Euros 3,275 thousand (Euros 1,878 thousand at 31 December 2010), which has accrued interest in its favour of Euros 29 thousand in 2011 (Euros 12 thousand in 2010). Furthermore, Caja General de Ahorros de Granada, as the agent bank, together with a syndicate of banks, had granted a loan to Parque Eólico Hinojal, S.L.; the amount drawn down exclusively from Caja General de Ahorros de Granada at 31 December 2011 totals Euros 5,501 thousand (Euros 5,923 thousand at 31 December 2010), and interest of Euros 152 thousand has accrued in 2011 (Euros 132 thousand in 2010).

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

The total amount accrued during 2011 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.), totals Euros 154 thousand (Euros 182 thousand during 2010). These leases have a term of five years, automatically renewable for periods of one year.

On 18 May 2010, a lease renewal was entered into, by virtue of which the rent was reduced by 10% during the one-year period between May 2010 and April 2011, both inclusive. As from March 2011, the rent was reduced by approximately 15%.

Transactions with Grupo Empresarial Enhol

During the current year, the deferred payments corresponding to the acquisition of Eólica Postolin Sp. Z.o.o. have been renegotiated with Generación Eólica Internacional, S.L. (company of the Enhol Group), which has decreased the liability with the Enhol Group by Euros 3,960 thousand (Note 16).

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 are no longer in force.

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 has signed a service contract with Riva y Garcia, which the Director, Ignacio Garcia-Neto, is director of, for services related to the restructuring of Fersa's debt. The fees accrued in 2011 for this service total Euros 59 thousand.

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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 18 May 2010, unanimously adopted the remuneration system proposed by the Appointments and Remuneration Committee.

Furthermore the General Meeting of Shareholders of 23 June 2010 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 2010 and subsequent years.

The Company'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.
- 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 2011 the total amount accrued to the members of the Board of Directors of Fersa Energías Renovables, S.A. totals Euros 453 thousand (Euros 712 thousand during 2010), comprising the assignment of Per diems, 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.

Transactions with Directors

Article 229 of the Spanish Corporate Enterprises Act, adopted by Royal Legislative Decree 1/2010/2July, has imposed on Directors 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 Company and how they have been treated:

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<i>Directors</i>	<i>Description of the conflict of interest</i>
<i>Mr. Vidal Amatrain Méndez</i>	In his capacity as individual representative of the Director Eólica Navarra, S.L.U., he has abstained from intervening in the discussion and vote on the agreement dated 25 February 2011 regarding the execution of contracts between companies of the FERSA Group and companies of the Enhol Group.
<i>Mr. Hipólito Suárez Guitérrez</i>	In his capacity as individual representative of the Director Grupo Empresarial Enhol, S.L., he has abstained from intervening in the discussion and vote on the agreement dated 25 February 2011 regarding the execution of contracts between companies of the FERSA Group and companies of the Enhol Group.
<i>Mr. Ignacio Garcia-Nieto Portabella</i>	The resolution for approval of the service contract with the financial group RIVA Y GARCIA was passed without the presence of Mr. Ignacio Garcia-Nieto Portabella

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 2011 to the members of the Management, excluding that of the members who are also members of the Board of Directors, is carried under remuneration of the members of the Board of Directors, totalling Euros 238 thousand in fixed remuneration (Euros 398 thousand in fixed remuneration in 2010)

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 as a result of an unlawful dismissal.

NOTE 26 – AUDITORS FEES

The fees accrued during the year to PricewaterhouseCoopers for auditing total Euros 244 thousand (Euros 271 thousand during the year 2010) and other assurance services total Euros 18 thousand (Euros 22 thousand during the year 2010).

The fees accrued during the year to other companies using the PricewaterhouseCoopers brand for other services rendered to the Group, total Euros 40 thousand, mainly for tax advisory services (Euros 92 thousand during the year 2010).

Furthermore, the fees accrued during the year by other auditing firms for audit services total Euros 3 thousand (Euros 6 thousand in 2010) and Euros 20 thousand for other services, mainly tax advisory services (fees were not accrued for these services in 2010).

NOTE 27 – COMMITMENTS AND CONTINGENCIES

Guarantees with third parties

The following 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:

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Company	As at 31.12.2011	As at 31.12.2010
Eólica Cijara, S.L	1,300	1,300
Sinergia Andaluza S.L. y Energías Renovables Guadiana Menor, S.L.	2,000	4,000
Energía Renovable Mestral Eólica, S.L.,	1,000	1,000
Castellwind 03, S.L.	2,100	2,100
Entreyeltes 1, S.L.	2,320	2,320
Total	8,720	10,720

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:

Company	As at 31.12.2011	As at 31.12.2010
P.E. Tajos de Bazán	620	620
Texte	150	150
La Tossa del Vent	210	210
Eolener	687	687
P.E. L'Arram	400	400
P.E. Coll de Som	210	210
Empordavent	960	1,920
Orta Eólica	990	1,980
Electravent	12	442
E.R. Guadiana Menor	400	1,200
Sinergia Andaluza	3,564	3,564
La Pedrera	-	870
Ferrolterra Renovables, S.L.	133	1,188
Parc Eòlic Mudefer, S.L.	6	6
Total	8,342	13,447

Fersa Energías Renovables, S.A. furnishes guarantees to the General Directorate of Energy Policy and Mines totalling Euros 8,354 thousand for the tendering of various wind farm projects in Catalonia, which were provisionally awarded in 2010.

Additionally, Fersa Energías Renovables, S.A. has given a guarantee for the financing of the wind farm of Generación Eólica India Limited totalling Euros 2,099 thousand and Euros 2,050 thousand in order to guarantee the credit facility from Axis Bank granted to Generación Eólica India Ltd.

Fersa Energías Renovables, S.A. gives a guarantee to the Ministry of Economy of Montenegro totalling Euros 1,500 thousand relating to the final guarantee for the tendering for 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 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.

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

Some previous guarantees have been cancelled and reimbursed during the current year.

The Directors of the Fersa Group estimate that unexpected liabilities at 31 December 2011, 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 2011:

Period	Amount
Up to one year	1,174
Between one and five years	5,570
More than five years	27,475
Total	34,219

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 land where the company intends to construct a wind farm. The Polish company, Nord Energy Sp (which does not form part of the Fersa Group), has signed other lease contracts with the owners of this land. In the legal proceedings which have been initiated, Eólica Cieplowody Sp has 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. The Fersa Group has considered that it will probably lose the right to lease the land and, consequently, it has impaired the total investment made for this project (Euros 18,172 thousand).
- Eólica Warblewo, SP, Polish 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 is not claiming any sum of money in this lawsuit. It has asked 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. The Fersa Group has not considered it necessary to record a provision or impairment for this matter as it considers that the appeal will uphold the previous judgment.
- 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., signed in disagreement by the company, 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 was 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.

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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 2011, 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 for twelve months following the 2011 year.

- On 5 March 2010, the Magistrates Court of the First Instance no. 2 of Guadix (Granada) has given a judgment against the subsidiary Sinergia Andaluza, S.L. and the company Viento y Energía, S.L. totalling Euros 104 thousand, as a result of a contract for land occupation for the property called "los Cuellos", for the installation of a wind farm on the property. On 29 September 2011, the Provincial Court of Granada gave a judgment against the companies. The Fersa Group has considered it necessary to record a provision for Euros 73 thousand for this matter.
- In 2011, a provision for Euros 1,300 thousand has been 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 2.3).
- The Orta de Sant Joan town council has filed 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, consequently, that the pre-registry tariff may be lost (Note 2). This fact has been taken into account when determining the value in use (Note 5).

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 2011 and in relation to the facilities being operated, the Group incurred expenses totalling Euros 200 thousand, basically, for wildlife conservation purposes (Euros 216 thousand during 2010).

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 CO₂ 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.

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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). At 31 December 2011, the volume of CERs generated by the two companies totalled Euros 1,195 thousand although they have not been recognised as they do not comply with the requirements established for their recognition (Note 2.16).

NOTE 30 – SUBSEQUENT EVENTS

On 1 February 2012, Fersa Energías Renovables, S.A. signed a financing 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. in accordance with which the parties agreed to restructure the financial debt which these companies had granted to Fersa. The cancellation of the debt previously granted by these financial entities will give rise to the recognition of an impact totalling Euros 39 thousand in the 2012 consolidated income statement due to the cancellation of commissions for the previous loans which had not yet been recognised.

With this restructuring agreement, Fersa's financial debt, which at 31 December 2011 totalled Euros 27,452 thousand (of which Euros 5,769 thousand is considered to be non-current and Euros 21,683 thousand is considered to be current) will be replaced with a syndicated loan agreement structured in two tranches:

- First tranche: A loan for Euros 22,961 thousand which will mature as follows.

Thousands of euros						
2012	2013	2014	2015	2016	2017	Total
150	2,650	5,450	5,900	5,950	2,861	22,961

- Second tranche: A credit facility for Euros 4,600 thousand maturing in 2015.

The contract establishes agreements for divestment of certain assets and limits for new investments. In addition, as a guarantee to the creditors, it establishes the pledge of shares of various companies of the Group.

In addition, the contract establishes the obligation to present certain information to the bank providing financing, specifically audited Drawdown Cash Flow, application of funds to Minimum Operating Cash, and recording of the Reserve Fund Account and cash shortfalls. It also establishes that dividends cannot be distributed until 50% of the first tranche has been repaid and that additional borrowing may not be obtained except when they are credit facilities for a maximum amount of the maximum amount of the second tranche when this tranche has matured and has been fully repaid.

APPENDIX I: FERSA GROUP COMPANIES

FERSA GROUP COMPANIES AS AT 31 DECEMBRE 2011

Company	Address	Shareholding percentage	Method of consolidation
Eólica El Pedregoso, S.L	Travessera de Gracia, 30 Barcelona SPAIN	80%	F.C.
Invetem Mediterrànea, S.L	Av.Baix Llobregat, 10 Esplugues SPAIN	71%	F.C.
Eólica Del Pino, S.L	Travessera de Gracia, 30 Barcelona SPAIN	80%	F.C.
Parc Eòlic Mudefer, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	84%	F.C.
Fercom Eólica, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
La Tossa del Vent, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Texte, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Eolener, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Orta Eólica, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Electravent, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Gestora Fotovoltaica de Castellón, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Fotovoltaica Fer, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Weinsberg Ecotec, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Fotovoltaica Ecotec, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Joso Fotovoltaica, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Fotovoltaica Padua, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Fotovoltaica Vergos, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Fotovoltaica La Mola, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Inversions Trautt, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Fotovoltaica de Castelló, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Fotovoltaica de les Coves, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Inversions Vinroma, S.L.	Travessera de Gracia, 66 Barcelona SPAIN	76%	F.C.
Parque Eólico Hinojal, S.L	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Fersa Panamá, S.A	Cincuenta, edificio 2000, 5a planta Ciudad de Panamá, PANAMA	82%	F.C.
Eólica Postolin Sp	Krasinskiego n° 19, Bydgoszcz, POLAND	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 SPAIN	100%	F.C.
Parc Eòlic Coll De Som, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Parc Eòlic L'Arram, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Explotación Eólica La Pedrera S.L.	Travessera de Gracia, 30 Barcelona SPAIN	100%	F.C.
Sinergia andaluza, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	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, POLAND	100%	F.C.
Eólica Warblewo Sp	Krasinskiego n° 19, Bydgoszcz, POLAND	100%	F.C.
Eólica Cieplowody Sp	Krasinskiego n° 19, Bydgoszcz, POLAND	100%	F.C.
Eoliennes De Beausablant, SAS	1 Chemin de Lavigne (64800) Mirepeix, Ródano-Alpes, FRANCE	80%	F.C.
Castellwind 03 S.L	Travessera de Gracia, 30 Barcelona SPAIN	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/Farmaceutico Obdulio Fernandez 11 Burgos SPAIN	51%	F.C.
Fersa Montenegro Llc	Zgrada Montex 5, Stara Varos 3 - 81000 Podgorica MONTENEGRO	100%	F.C.
Fersa Italia, S.R.L.	Via della Giuliana n 66 CAP 00195 - Roma ITALY	100%	F.C.
Management Kisielice, S.P.zo.o.	Krasinskiego n° 19, Bydgoszcz, POLAND	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 SPAIN	29%	E.A
Aprofitament d'Energies Renovables de la Terra Alta, S.A	Travessera de Gràcia, 56 entresuelo Barcelona SPAIN	27%	E.A
Los Siglos AIE	Gregorio Mayans, 3 Valencia SPAIN	30%	P.C.
Mestral Conca, S.L.	Av. Maria Fortuny, 83 Reus SPAIN	33%	P.C.
Energía Cijara, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	50%	P.C.
E. R. Guadiana Menor, S.L.	Plaza Ayuntamiento, 17 Peal de Becerro (Jaén) SPAIN	50%	P.C.
Energía Renovable Mestral Eólica, S.L.	Av. Maria Fortuny, 83 Reus SPAIN	50%	P.C.
Siljan Port, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	80%	P.C.
Fersar Yenilenebilir enerji üretim ltd. Sirketi	Haciosman Bayiri, 65 Sariyer, Istanbul, TURKEY	50%	P.C.
Ferrolterra Renovables, S.L.	Avda. Gonzalo Navarro 36-38, Pol. Rio do Pozo, Narón (A Coruña) SPAIN	37%	E.A
Fersa-Aventalia, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	80%	F.C.
Infraestructures Comunes d'Evacuació Ribera d'Ebre, S.L.	Travessera de Gracia, 30 Barcelona SPAIN	72%	F.C.

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

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

Board Member: José M^a Roger Ezpeleta		
Investee company	Shareholding	Functions
Real Wind, S.L.U.	100% Direct	Sole Administrator
Aprofitament d'energíes renovables de la Terra Alta, S.L.	On behalf of FERSA, 27.15%	
Energía Renovable Mestral Eólica, S.L.	On behalf of FERSA 50%	
Energía Renovable Mestral Conca, S.L.	On behalf of FERSA 33%	
Berta Energías Renvables, S.L.	On behalf of FERSA 29.09%	Individual representative of e FERCOM EOLICA, S.L.U. (Chairman of the Board of Directors/Joint Chief Executive Officer)
A.I.E. Subestación y Línea 2004	On behalf of FERSA 30.30%	
Energía Cijara, S.L.	On behalf of FERSA 50%	
Eólica Cijara, S.L.	On behalf of FERSA 50%	
Energías Renovables del Guadiana Menor, S.L.	On behalf of FERSA 50%	Director
Shandong Lusa New Energy Co, Ltd.	On behalf of FERSA 48%	Vice Chairman
Ferrolterra Renovables, S.L.	On behalf of FERSA 36.99%	Director
FERSAR Yenilenebilir Enerji Üretim, Ltd. Sti	On behalf of FERSA 50%	Administrator
Cater Eólica, S.L.	On behalf of FERSA 16.67%	
Aieara Ecológica, S.L.	On behalf of FERSA 8%	
Arrow Ecology & Engineering Ltd.	On behalf of FERSA 10%	
Aprofitament d'energíes renovables Ebre, S.L.	On behalf of FERSA 10.58%	Individual representative of FERCOM EOLICA, S.L.U. (Director)

Board Member: Comsa Emte Energías Renovables, S.L.		
Investee company	Shareholding	Functions
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
Gotica Solar, S.L.U.	100% Direct	Joint Administrator
Maials Solar, S.L.U.	100% Direct	Joint Administrator
Parque Solar de Ecija, S.L.U. y participadas	100% Direct	Joint Administrator
Parque Solar Viso del Marques, S.L.U. y participadas	100% Direct	Joint Administrator
Parque Solar Dos Hermanas, S.L. y participadas	50.50% Direct	Joint Administrator
Valoritzacions Agroramaderes les Garrigues, S.L.	20.30% Direct	Director
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	-
Energias Renovables d'Añoia, S.L.	9.52% Direct	-
EMTE Renovables, S.L. y participadas	37.88% Direct	Director
Cater Eólica, S.L.	33.33% Direct	-
Termosolar Borges, S.L.	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 Energias renovables de Zaragoza, S.L.	45% Direct	Director
Villoldo Solar, S.L.	45% Direct	-
Energías Renovables Sierra Sesnández, S.L.	20% Direct	Director

Board Member: Comsa Emte Energías Renovables, S.L		
Related party: Josep Maria Font Fisa		
Investee company	Shareholding	Functions
Gamesa Corporación Tecnológica, S.A.	0.00046% Direct	Shareholder

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

Board Member: Eolica Navarra		
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	51% Direct	-
Eólica Black Sea OOD	60.86% Indirect	-
Eólica Bulgaria EAD	60.86% Indirect	-
Eólica Danubio OOD	60.86% Indirect	-
Eólica Suvorovo AD	60.86% Indirect	-
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.	89% Indirect	-
Eólica Mar Brava, S.A.	87% Indirect	-
Eólica Punta Chome, S.A.	71.5% Direct 25.05% Indirect	-
Eólica Viento del Hierro, S.A.	89% Indirect	-
Hidroallipen SpA	89% Indirect	-
Inversiones Krokis SpA	100% Direct	-
Wind Resources America Corp.	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
Eólica del Ebro, S.A.U.	100% Direct	-
Eólica del Romeral, S.L.U.	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	-
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.	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	-
Sistemas Energéticos Torralba, S.A.	40% Direct	-
Transformación Energía Sostenible, S.L.U.	100% Direct	-
Compañía Eólica Casas, S.A.	49.99% Indirect	-

Board Member: Eolica Navarra		
Investee company	Shareholding	Functions
Compañía Eólica de Tamaulipas, S.A. de C.V.	49.99% Direct	-
Compañía Eólica El Amparo, S.A. de C.V.	49.99% Indirect	-
Compañía Eólica El Cielo, S.A.	49.99% Indirect	-
Compañía Eólica El Palmar, S.A.	49.99% Indirect	-
Compañía Eólica La Mesa, S.A.	49.99% Indirect	-
Compañía Eólica Praxedis, S.A.	49.99% Indirect	-
Compañía Eólica Reynosa, S.A.	49.99% Indirect	-
Compañía Eólica Río Bravos, S.A.	49.99% Indirect	-
Compañía Eólica San Andrés, S.A.	49.99% Indirect	-
Compañía Eólica Vicente Guerrero, S.A.	49.99% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	50% Direct	-
Promotora Eólica México, S.A. de C.V.	49.99% 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	-
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	-

Board Member: Eolica Navarra	Related party: Grupo Empresarial Enhol, S.L.(Sole Shareholder and parent Company of the Group)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	51% Indirect	-
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	-
Inver Bulgaria EOOD	100% Direct	-
Aguas Vivas Allipen Tacura, S.A.	95.95% Indirect	-
Energía Renovable del Bío Bío, S.A.	96.67% Indirect	-
Enhol Chile SpA	100% Indirect	-
Eólica Camarico, S.A.	96.55% Indirect	-
Eólica del Norte, S.A.	89% Indirect	-
Eólica Mar Brava, S.A.	87% Indirect	-
Eólica Punta Chome, S.A.	96.55% Indirect	-
Eólica Viento del Hierro, S.A.	89% Indirect	-
Hidroallipen SpA	100% Indirect	-
Inversiones Krokis SpA	100% Indirect	-
Wind Resources America Corp.	100% Indirect	-
Eolica Slovensko a.s.	70.32% Indirect	-
Asturiana de Eólica, S.A.	80% Indirect	-
Cyclone Power Group, S.L.U.	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.	87.9% 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	-

Board Member: Eolica Navarra	Related party: Grupo Empresarial Enhol, S.L.(Sole Shareholder and parent Company of the Group)	
Investee company	Shareholding	Functions
Eólica ValTomás, S.L.	78.01% Indirect	-
Fersa Energías Renovables, S.A.	9.63% Indirect	-
Generación Eólica Internacional, S.L.	87.9% Indirect	-
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	-
Luz de Viento, S.L.U.	100% Indirect	-
New Energy Sources Holding, S.L.	88.31% Indirect	-
Proyectos Eólicos de Galicia, S.L.	55% Indirect	-
Recursos Eólicos de Aragón, S.L.	48% Indirect	-
Sistemas Energéticos Boyal, S.L.	40.02% Indirect	-
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.	49.99% Indirect	-
Compañía Eólica de Tamaulipas, S.A. de C.V.	49.99% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	49.99% Indirect	-
Compañía Eólica El Cielo, S.A.	49.99% Indirect	-
Compañía Eólica El Palmar, S.A.	49.99% Indirect	-
Compañía Eólica La Mesa, S.A.	49.99% Indirect	-
Compañía Eólica Praxedis, S.A.	49.99% Indirect	-
Compañía Eólica Reynosa, S.A.	49.99% Indirect	-
Compañía Eólica Río Bravos, S.A.	49.99% Indirect	-
Compañía Eólica San Andrés, S.A.	49.99% Indirect	-
Compañía Eólica Vicente Guerrero, S.A.	49.99% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	50% Indirect	-

Board Member: Eolica Navarra	Related party: Grupo Empresarial Enhol, S.L.(Sole Shareholder and parent Company of the Group)	
Investee company	Shareholding	Functions
Promotora Eólica México, S.A. de C.V.	49.99% 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.	87.9% Indirect	-
Generacja Wiatrowa Polska Sp Z o.o.	87.9% Indirect	-
SC Carpatia Energia Eolica SRL	95% Indirect	-
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	-

Board Member: Eolica Navarra	Related party: Vidal Amatriain Méndez (Individual representative)	
Investee company	Shareholding	Functions
Eolica Black Sea OOD	1.04% Indirect	-
Eolica Bulgaria EAD	1.04% Indirect	-
Eolica Danubio OOD	1.04% Indirect	-
Eolica Suvorovo OOD	1.04% Indirect	-
Aguas Vivas Allipen Tacura, S.A.	-	Vice Chairman of the Board of Directors
Energía Renovable del Bío Bío, S.A.	0.41% Indirect	Vice Chairman of the Board of Directors
Eólica Camarico, S.A.	0.43% Indirect	-
Eólica del Norte, S.A.	-	Vice Chairman of the Board of Directors
Eólica Mar Brava, S.A.	-	Vice Chairman of the Board of Directors
Eólica Punta Chome, S.A.	0.43% Indirect	-
Eólica Viento del Hierro, S.A.	-	Vice Chairman of the Board of Directors
EN Generacion Eolica Mediterranea Ltd.	0.41% Indirect	
Wind Resources America Corp.	-	Chairman of the Board of Directors and Treasurer
Eolica Slovensko a.s.	1.2% Indirect	-
Eolica del Romeral, S.L.	1.5% Indirect	-
Asturiana de Eólica, S.A.	-	Director
Cyclone Power Group, S.L.U.	-	Joint Administrator
Fersa –Energías Renovables, S.A.	0.21% Indirect	Individual representative of EÓLICA NAVARRA, S.L.U. (Director)
Generación Eólica Internacional, S.L.	1% Direct	-
New Energy Sources Holding, S.L.	0.41% Indirect	Joint Administrator
Proyectos Eólicos de Galicia, S.L.	-	Secretary of the Board of Directors
EN Sustainable Energy Pvt. Ltd.	0.41% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	0.41% Indirect	Director
Promotora Eólica México, S.A. de C.V.	-	Director
Perú Energía Renovable, S.A.	-	Vice Chairman of the Board of Directors
Eolica Polska Sp. Z o.o.	1.5% Indirect	Director
Generacja Wiatrowa Polska Sp. Z o.o.	1.5% Indirect	-
Energia Capidava SRL	1.5% Indirect	-
Energia Ivanu SRL	1.5% Indirect	-
Energia Lotru SRL	1.5% Indirect	-
Energia Yalahia SRL	1.5% Indirect	-
Generacion Eolica Dacia SRL	1.5% Indirect	-

Board Member: Eolica Navarra	Related party: Luis Oliver Gómez (Joint and Several Administrator and Attorney)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12.75% Indirect	-
Eolica Black Sea OOD	19.06% Indirect	-
Eolica Bulgaria EAD	19.06% Indirect	-
Eolica Danubio OOD	19.06% Indirect	-
Eolica Suvorovo AD	19.06% Indirect	-
Inver Bulgaria EOOD	24.99% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23.98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24.16% Indirect	-
Enhol Chile SpA	24.99% Indirect	-
Eólica Camarico, S.A.	24.14% Indirect	-
Eólica del Norte, S.A.	22.25% Indirect	-
Eólica Mar Brava, S.A.	21.75% Indirect	-
Eólica Punta Chome, S.A.	24.14% Indirect	-
Eólica Viento del Hierro, S.A.	22.25% 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.	22.08% Indirect	-
Wind Resources America Corp.	24.99% Indirect	-
Eolica Slovensko, a.s.	17.58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	Director
Cyclone Power Group, S.L.U.	24.99% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energía Termosolar Enertol, S.L.	12.50% Indirect	-
Energías Renovables de América, S.L.U.	24.99% Indirect	-
Energías Alternativas de México, S.L.U.	24.99% Indirect	Chairman of the Board of Directors
Eólica Cabanillas, S.L.	12.5% Indirect	Director
Eólica Caparrosó, S.L.	12.50% Indirect	Chairman of the Board of Directors
Eólica del Ebro, S.A.	24.99% Indirect	-
Eólica del Romeral, S.L.	21.97% Indirect	-
Eólica Erla, S.A.	12.25% Indirect	-
Eólica La Bandera, S.L.	12.50% Indirect	Chairman of the Board of Directors
Eólica La Cantera S.L.	19.50% Indirect	-

Board Member: Eolica Navarra	Related party: Luis Oliver Gómez (Joint and Several Administrator and Attorney)	
Investee company	Shareholding	Functions
Eólica La Foradada, S.L.	19.50% Indirect	-
Eólica Montes de Cierzo, S.L.	12.50% Indirect	Chairman of the Board of Directors
Eólica Navarra, S.L.U.	24.99% Indirect	Joint Administrator
Eólica ValTomás, S.L.	19.50% Indirect	-
Fersa Energías Renovables, S.A.	4.94% Indirect	-
Generación Eólica Internacional, S.L.	21.97% Indireca	Joint Administrator
Grupo Empresarial Enhol, S.L.	24.99% Indirect	Individual representative of ALGO PROYECTO, S.L. (Director)
Hidroenhoh, S.L.U.	24.99% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2.49% Indirect	-
Innovación Verde Inver, S.L.U.	24.99% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12.50% Indirect	-
LDV Casares, S.L.	18.75% Indirect	Director
LDV Cerro Cortijo de Guerra, S.L.U.	18.75% Indirect	Director
LDV Cortijo de Guerra, S.L.	18.75% Indirect	Director
LDV Sierra de Arcas, S.L.	12.37% Indirect	Director
Luz de Viento, S.L.U.	24.99% Indirect	-
New Energy Sources Holding, S.L.	22.08% Indirect	-
Proyectos Eólicos de Galicia, S.L.	13.75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirecta	Director
Sistemas Energéticos Boyal, S.L.	10% Indirect	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	Director
Sistemas Energéticos Moncayo, S.A.	6.25% Indirect	Chairman of the Board of Directors
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Termosolar Lebrija, S.L.U.	24.99% Indirect	Joint Administrator
Transformación Energía Sostenible, S.L.	24.99% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22.08% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	23.21% Indirect	Director
Compañía Eólica Casas, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica de Tamaulipas S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica El Amparo, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica El Cielo, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica El Palmar, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica La Mesa, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors

Board Member: Eolica Navarra	Related party: Luis Oliver Gómez (Joint and Several Administrator and Attorney)	
Investee company	Shareholding	Functions
Compañía Eólica Praxedis, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica Reynosa, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica Río Bravo, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica San Andrés, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12.5% Indirect	Chairman of the Board of Directors
Promotora Eólica México, S.A. de C.V.	17.50% Indirect	Chairman of the Board of Directors
Grupo Energía México Gemex, S.A. de C.V.	12.50% Indirect	Chairman of the Board of Directors
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.	21.97% Indirect	Director
Generacja Wiatrowa Polska Sp z o.o.	21.97% Indirect	-
Helios Evosol, Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	24.99% Indirect	-
Energia Capidava S.R.L.	21.97% Indirect	-
Energia Ivanu S.R.L.	21.97% Indirect	-
Energia Lotru S.R.L.	21.97% Indirect	-
Energia Yalahia S.R.L.	21.97% Indirect	-
SC Generacion Eolica Dacia SRL	21.97% Indirect	-

Board Member: Eolica Navarra	Related party: Ernesto Oliver Gómez (Attorney)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12.75% Indirect	-
Eolica Black Sea OOD	19.06% Indirect	-
Eolica Bulgaria EAD	19.06% Indirect	-
Eolica Danubio OOD	19.06% Indirect	-
Eolica Suvorovo AD	19.06% Indirect	-
Inver Bulgaria EOOD	24.99% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23.98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24.16% Indirect	-
Enhol Chile SpA	24.99% Indirect	-
Eólica Camarico, S.A.	24.14% Indirect	-
Eólica del Norte, S.A.	22.25% Indirect	-
Eólica Mar Brava, S.A.	21.75% Indirect	-
Eólica Punta Chome, S.A.	24.14% Indirect	-
Eólica Viento del Hierro, S.A.	22.25% 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.	22.08% Indirect	-
Wind Resources America Corp.	24.99% Indirect	-
Eolica Slovensko, a.s.	17.58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Cyclone Power Group, S.L.U.	24.99% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energía Termosolar Enertol, S.L.	12.50% Indirect	-
Energías Renovables de América, S.L.U.	24.99% Indirect	Director
Energías Alternativas de México, S.L.U.	24.99% Indirect	-
Eólica Cabanillas, S.L.	12.5% Indirect	Chairman of the Board of Directors
Eólica Caparroso, S.L.	12.50% Indirect	-
Eólica del Ebro, S.A.	24.99% Indirect	-
Eólica del Romeral, S.L.	21.97% Indirect	-
Eólica Erla, S.A.	12.25% Indirect	-
Eólica La Bandera, S.L.	12.50% Indirect	-
Eólica La Cantera S.L.	19.50% Indirect	-

Board Member: Eolica Navarra	Related party: Ernesto Oliver Gómez (Attorney)	
Investee company	Shareholding	Functions
Eólica La Foradada, S.L.	19.50% Indirect	-
Eólica Montes de Cierzo, S.L.	12.50% Indirect	-
Eólica Navarra, S.L.U.	24.99% Indirect	-
Eólica ValTomás, S.L.	19.50% Indirect	-
Fersa Energías Renovables, S.A.	4.94% Indirect	-
Generación Eólica Internacional, S.L.	21.97% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	24.99% Indirect	Individual representative of DINAL INNOVACIONES, S.L. (Director)
Hidroenhol, S.L.U.	24.99% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2.49% Indirect	-
Innovación Verde Inver, S.L.U.	24.99% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12.50% Indirect	-
LDV Casares, S.L.	18.75% Indirect	Chairman of the Board of Directors
LDV Cerro Cortijo de Guerra, S.L.U.	18.75% Indirect	-
LDV Cortijo de Guerra, S.L.	18.75% Indirect	Chairman of the Board of Directors
LDV Sierra de Arcas, S.L.	12.37% Indirect	Director
Luz de Viento, S.L.U.	24.99% Indirect	-
New Energy Sources Holding, S.L.	22.08% Indirect	-
Proyectos Eólicos de Galicia, S.L.	13.75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirect	Chairman of the Board of Directors
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.	24.99% Indirect	-
Transformación Energía Sostenible, S.L.	24.99% 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.	12.5% Indirect	Director
Compañía Eólica de Tamaulipas S.A. de C.V.	12.5% Indirect	Director
Compañía Eólica El Amparo, S.A. de C.V.	12.5% Indirect	Director
Compañía Eólica El Cielo, S.A. de C.V.	12.5% Indirect	Director
Compañía Eólica El Palmar, S.A. de C.V.	12.5% Indirect	Director

Board Member: Eolica Navarra	Related party: Ernesto Oliver Gómez (Attorney)	
Investee company	Shareholding	Functions
Compañía Eólica La Mesa, S.A. de C.V.	12.5% Indirect	Director
Compañía Eólica Praxedis, S.A. de C.V.	12.5% Indirect	Director
Compañía Eólica Reynosa, S.A. de C.V.	12.5% Indirect	Director
Compañía Eólica Río Bravo, S.A. de C.V.	12.5% Indirect	Director
Compañía Eólica San Andrés, S.A. de C.V.	12.5% Indirect	Director
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12.5% Indirect	Director
Promotora Eólica México, S.A. de C.V.	17.50% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12.50% Indirect	Director
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.	21.97% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	21.97% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	24.99% Indirect	-
Energia Capidava S.R.L.	21.97% Indirect	-
Energia Ivanu S.R.L.	21.97% Indirect	-
Energia Lotru S.R.L.	21.97% Indirect	-
Energia Yalahia S.R.L.	21.97% Indirect	-
SC Generacion Eolica Dacia SRL	21,97% Indirect	-

Board Member: Eólica Navarra	Related party: Antonio-Jesús Oliver Gómez (Joint and Several Administrator and Attorney)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12.75% Indirect	-
Eolica Black Sea OOD	19.06% Indirect	Joint Administrator
Eolica Bulgaria EAD	19.06% Indirect	Chairman of the Board of Directors
Eolica Danubio OOD	19.06% Indirect	Joint Administrator
Eolica Suvorovo AD	19.06% Indirect	Chairman of the Board of Directors
Inver Bulgaria EOOD	24.99% Indirect	Sole Administrator
Aguas Vivas Allipén Tacura, S.A.	23.98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24.16% Indirect	-
Enhol Chile SpA	24.99% Indirect	Sole Administrator
Eólica Camarico, S.A.	24.14% Indirect	-
Eólica del Norte, S.A.	22.25% Indirect	-
Eólica Mar Brava, S.A.	21.75% Indirect	-
Eólica Punta Chome, S.A.	24.14% Indirect	-
Eólica Viento del Hierro, S.A.	22.25% Indirect	-
Hidroallipen SpA	24.99% Indirect	Chairman of the Board of Directors
Inversiones Krokis SpA	24.99% Indirect	Sole Administrator
EN Generacion Eolica Eurasia Ltd.	24.99% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	22.08% Indirect	-
Wind Resources America Corp.	24.99% Indirect	-
Eolica Slovensko, a.s.	17.58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Cyclone Power Group, S.L.U.	24.99% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energía Termosolar Enertol, S.L.	12.50% Indirect	Chairman of the Board of Directors
Energías Renovables de América, S.L.U.	24.99% Indirect	Sole Administrator
Energías Alternativas de México, S.L.U.	24.99% Indirect	-
Eólica Cabanillas, S.L.	12.5% Indirect	-
Eólica Caparroso, S.L.	12.50% Indirect	Director
Eólica del Ebro, S.A.	24.99% Indirect	Joint Administrator
Eólica del Romeral, S.L.	21.97% Indirect	-
Eólica Erla, S.A.	12.25% Indirect	Joint Administrator
Eólica La Bandera, S.L.	12.50% Indirect	Director
Eólica La Cantera S.L.	19.50% Indirect	-

Board Member: Eólica Navarra	Related party: Antonio-Jesús Oliver Gómez (Joint and Several Administrator and Attorney)	
Investee company	Shareholding	Functions
Eólica La Foradada, S.L.	19.50% Indirect	-
Eólica Montes de Cierzo, S.L.	12.50% Indirect	Director
Eólica Navarra, S.L.U.	24.99% Indirect	Joint and Several Administrator
Eólica ValTomás, S.L.	19.50% Indirect	-
Fersa Energías Renovables, S.A.	4.94% Indirect	-
Generación Eólica Internacional, S.L.	21.97% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	24.99% Indirect	Individual representative of INNOVACIONES FAOLSAN, S.L. (Chief Executive Officer)
Hidroenhola, S.L.U.	24.99% Indirect	Sole Administrator
Ingeniería, Energía y Medio Ambiente, S.L.	2.49% Indirect	-
Innovación Verde Inver, S.L.U.	24.99% Indirect	Sole Administrator
Inveravante Gestión de Inversiones, S.L.	12.50% 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	Secretary of the Board of Directors
LDV Sierra de Arcas, S.L.	12.37% Indirect	Secretary of the Board of Directors
Luz de Viento, S.L.U.	24.99% Indirect	Joint Administrator
New Energy Sources Holding, S.L.	22.08% Indirect	-
Proyectos Eólicos de Galicia, S.L.	13.75% Indirect	-
Recursos Eólicos de Aragón, S.L.	12% Indirect	-
Sistemas Energéticos Boyal, S.L.	10% Indirect	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	Director
Sistemas Energéticos Moncayo, S.A.	6.25% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	Chairman of the Board of Directors
Termosolar Lebrija, S.L.U.	24.99% Indirect	-
Transformación Energía Sostenible, S.L.	24.99% Indirect	Sole Administrator
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.	12.5% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	12.5% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12.5% Indirect	-

Board Member: Eólica Navarra	Related party: Antonio-Jesús Oliver Gómez (Joint and Several Administrator and Attorney)	
Investee company	Shareholding	Functions
Compañía Eólica La Mesa, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12,5% Indirect	-
Promotora Eólica México, S.A. de C.V.	17.50% Indirect	-
Grupo Energía México Gemex, S.A. de C.V.	12.50% 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.	21.97% Indirect	-
Generacja Wiatrowa Polska Sp z o.o.	21.97% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	24.99% Indirect	-
Energia Capidava S.R.L.	21.97% Indirect	Joint Administrator
Energia Ivanu S.R.L.	21.97% Indirect	Joint Administrator
Energia Lotru S.R.L.	21.97% Indirect	Joint Administrator
Energia Yalahia S.R.L.	21.97% Indirect	Joint Administrator
SC Generacion Eolica Dacia SRL	21.97% Indirect	-

Board Member: Eólica Navarra	Related party: Mariano Oliver Gómez (Attorney)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12.75% Indirect	-
Eolica Black Sea OOD	19.06% Indirect	-
Eolica Bulgaria EAD	19.06% Indirect	-
Eolica Danubio OOD	19.06% Indirect	-
Eolica Suvorovo AD	19.06% Indirect	-
Inver Bulgaria EOOD	24.99% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	23.98% Indirect	-
Energía Renovable del Bío Bío, S.A.	24.16% Indirect	-
Enhol Chile SpA	24.99% Indirect	-
Eólica Camarico, S.A.	24.14% Indirect	-
Eólica del Norte, S.A.	22.25% Indirect	-
Eólica Mar Brava, S.A.	21.75% Indirect	-
Eólica Punta Chome, S.A.	24.14% Indirect	-
Eólica Viento del Hierro, S.A.	22.25% 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.	22.08% Indirect	-
Wind Resources America Corp.	24.99% Indirect	Vice Chairman and Secretary of the Board of Directors
Eolica Slovensko, a.s.	17.58% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	Chairman of the Board of Directors
Cyclone Power Group, S.L.U.	24,99% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Director
Energía Termosolar Enertol, S.L.	12.50% Indirect	Director
Energías Renovables de América, S.L.U.	24.99% Indirect	-
Energías Alternativas de México, S.L.U.	24.99% Indirect	Director
Eólica Cabanillas, S.L.	12.5% Indirect	-
Eólica Caparroso, S.L.	12.50% Indirect	-
Eólica del Ebro, S.A.	24.99% Indirect	Joint Administrator
Eólica del Romeral, S.L.	21.97% Indirect	-
Eólica Erla, S.A.	12.25% Indirect	Joint Administrator
Eólica La Bandera, S.L.	12.50% Indirect	-
Eólica La Cantera S.L.	19.50% Indirect	-

Board Member: Eólica Navarra	Related party: Mariano Oliver Gómez (Attorney)	
Investee company	Shareholding	Functions
Eólica La Foradada, S.L.	19.50% Indirect	-
Eólica Montes de Cierzo, S.L.	12.50% Indirect	-
Eólica Navarra, S.L.U.	24.99% Indirect	-
Eólica ValTomás, S.L.	19.50% Indirect	-
Fersa Energías Renovables, S.A.	4.94% Indirect	-
Generación Eólica Internacional, S.L.	21.97% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	24.99% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Chief Executive Officer)
Hidroenhol, S.L.U.	24.99% Indirect	-
Ingeniería, Energía y Medio Ambiente, S.L.	2.49% Indirect	Joint Administrator
Innovación Verde Inver, S.L.U.	24.99% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12.50% Indirect	Joint Administrator
LDV Casares, S.L.	18.75% Indirect	-
LDV Cerro Cortijo de Guerra, S.L.U.	18.75% Indirect	Chairman of the Board of Directors
LDV Cortijo de Guerra, S.L.	18.75% Indirect	-
LDV Sierra de Arcas, S.L.	12.37% Indirect	Chairman of the Board of Directors
Luz de Viento, S.L.U.	24.99% Indirect	Joint Administrator
New Energy Sources Holding, S.L.	22.08% Indirect	-
Proyectos Eólicos de Galicia, S.L.	13.75% Indirect	Chairman of the Board of Directors
Recursos Eólicos de Aragón, S.L.	12% 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.	24.99% Indirect	-
Transformación Energía Sostenible, S.L.	24.99% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22.08% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	23.21% Indirect	Director
Compañía Eólica Casas, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	12.5% Indirect	-
Compañía Eólica El Amparo, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica El Cielo, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica El Palmar, S.A. de C.V.	12.5% Indirect	-

Board Member: Eólica Navarra	Related party: Mariano Oliver Gómez (Attorney)	
Investee company	Shareholding	Functions
Compañía Eólica La Mesa, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica Praxedis, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica Reynosa, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica Río Bravo, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica San Andrés, S.A. de C.V.	12.5% Indirect	-
Compañía Eólica Vicente Guerrero, S.A. de C.V.	12.5% Indirect	-
Promotora Eólica México, S.A. de C.V.	17.50% Indirect	Director
Grupo Energía México Gemex, S.A. de C.V.	12.50% 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.	21.97% Indirect	Director
Generacja Wiatrowa Polska Sp z o.o.	21.97% Indirect	-
Helios Evosol Lda.	15% Indirect	-
SC Carpatia Energia Eolica SRL	24.99% Indirect	Sole Administrator
Energia Capidava S.R.L.	21.97% Indirect	-
Energia Ivanu S.R.L.	21.97% Indirect	-
Energia Lotru S.R.L.	21,97% Indirect	-
Energia Yalahia S.R.L.	21.97% Indirect	-
SC Generacion Eolica Dacia SRL	21.97% Indirect	-

Board Member: Eólica Navarra	Related party: Hipólito Suárez Gutiérrez (Attorney)	
Investee company	Shareholding	Functions
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.	Chairman of the Board of Directors	-
Eólica Punta Chome, S.A.	Chairman of the Board of Directors	-
Eólica Viento del Hierro, S.A.	Chairman of the Board of Directors	-
HidroAllipen SpA	Secretary of the Board of Directors	-
Wind Resources America Corp.	Vice Chairman of the Board of Directors	-
Asturiana de Eólica, S.A.	Director	-
Cyclone Power Group, S.L.U.	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	-

Board Member: Eólica Navarra	Related party: Francisco – José Iribarren Fentanes (Attorney)	
Investee company	Shareholding	Functions
Eolica Black Sea OOD	6.64% Indirect	Joint Administrator
Eolica Bulgaria EAD	6.64% Indirect	Chief Executive Officer
Eolica Danubio OOD	6.64% Indirect	Joint Administrator
Eolica Suvorovo OOD	6.64% Indirect	Chief Executive Officer
Energía Renovable del Bío Bío, S.A.	2.64% Indirect	-
Eólica Camarico, S.A.	2.73% Indirect	-
Eólica Punta Chome, S.A.	2.73% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	2.64% Indirect	-
Eolica Slovensko a.s.	7.68% Indirect	Chairman of the Board of Directors
Eolica del Romeral, S.L.	9.6% Indirect	Joint Administrator
Fersa –Energias Renovables, S.A.	1.36% Indirect	-
Generación Eólica Internacional, S.L.	9.6% Indirect	-
New Energy Sources Holding, S.L.	2.64% Indirect	-
Termosolar Lebrija, S.L.U.	-	Joint Administrator
EN Sustainable Energy Pvt. Ltd.	2.63% Indirect	-
EN Wind Alternative Energy	2.64% Indirect	-
Eolica Polska Sp. Z o.o.	9.6% Indirect	-
Generacja Wiatrowa Polska Sp. Z o.o.	9.6% Indirect	Chairman of the Board of Directors
Energia Capidava SRL	9.6% Indirect	Joint Administrator
Energia Ivanu SRL	9.6% Indirect	Joint Administrator
Energia Lotru SRL	9.6% Indirect	Joint Administrator
Energia Yalahia SRL	9.6% Indirect	Joint Administrator
Generacion Eolica Dacia SRL	9.6% Indirect	Chairman of the Board of Directors

Board Member: Eólica Navarra	Related party: Francisco – José Iribarren Fentanes (Attorney)	
Investee company	Shareholding	Functions
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.	-	Director
Eólica Mar Brava, S.A.	-	Director
Eólica Punta Chome, S.A.	0.71% Indirect	Director
Eólica Viento del Hierro, S.A.	-	Director
HidroAllipen SpA	-	Director
EN Generacion Eolica Mediterranea Ltd.	0.27% Indirect	-
Eolica Slovensko a.s.	0.8% Indirect	-
Eolica del Romeral, S.L.	1% Indirect	-
Fersa –Energías Renovables, S.A.	0.14% Indirect	-
Generación Eólica Internacional, S.L.	-	-
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	-
Energia Ivanu SRL	1% Indirect	-
Energia Lotru SRL	1% Indirect	-
Energia Yalahia SRL	1% Indirect	-
Generacion Eolica Dacia SRL	1% Indirect	-

Board Member: Eólica Navarra		Related party: Fernando Erviti Cubillo (Attorney)	
Investee company	Shareholding	Functions	
Asturiana de Eólica, S.A.	-	Secretary of the Board of Directors	
Eolica Slovensko, a.s.	-	Secretary of the Board of Directors	

Board Member: Eólica Navarra		Related party: Alejandro Labarga Galindo (Attorney)	
Investee company	Shareholding	Functions	
Eolica Slovensko, a.s.	-	Director	
Genercja Wiatrowa Polska Sp z o.o.	-	Director	

Board Member: Mytaros B.V.		
Investee company	Shareholding	Functions
Taiga V FCR de Régimen Común	16.60% Direct	-

FERSA ENERGÍAS RENOVABLES GROUP

CONSOLIDATED DIRECTORS' REPORT AT 31 DECEMBER 2011

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.

In spite of this, it is important to note the increase of the price of wind energy in Spain which has had a 14% impact for the Group's farms subject to RD 436/2004 and which has resulted in a stabilising of the price for the Group's farms subject to RD 661/2007 with respect to 2010. Despite the difficulties of the complex economic environment, the Group has completed the construction and start-up of a farm with a power of 50.4 MW in India thereby reaching a total power of 258.9 MW in development in 2011, up 19.1% on 2010.

The Fersa Group has restructured its portfolio of projects to adapt them to the market situation.

Operating

In the first half of 2011, EN Renewable Energy Ltd., wholly owned by the Fersa Group, completed the construction and start-up of the Hanumanhatti wind farm (India) with a total power of 50.4 MW, compared to a total power at December 2010 of 8.8 MW. With this figure, Fersa has reached a total power of 81.6 MW in the Asian market and, on achieving this, the Group's installed capacity is 258.9 MW.

In the first half of 2011, Fersa has let business groups in Panama purchase stakes in its subsidiary in this country, where the Group develops farms with a total energy of 330 MW, in order to share its experience and knowledge of wind farm projects with the country's local businesses.

On 21 November 2011, Fersa Energías Renovables, S.A. completed the sale of Empordavent, S.L., owner of the Escambrons wind farm of 48 MW, ready for the construction of this wind farm.

In addition, Fersa India Pvt., Ltd and En Wind Power Pvt., subsidiaries of Fersa Energías Renovables, S.A., signed a contract with their supplier and contractor in India in accordance with which the parties agreed to adjust the capacity to be installed in the future and reimburse part of the funds advanced by Fersa for this market.

The contract establishes the start-up of 20 MW and the reimbursement of the funds advanced by Fersa for the construction of 80 MW.

Structural organisation

On 22 December 2011, Fersa Energías Renovables, S.A.'s Board of Directors agreed to change the Company's administrative structure as follows:

- The Board of Directors accepted the resignation tendered by Eólica Navarra, S.L.U. as the Company's Managing Director. Mr. Vidal Amatriain, will continue to be linked to Fersa as Eólica Navarra, S.L.U.'s individual representative to perform the offices of Director of the Company and member of its Executive Committee.
- In addition, the Board of Directors accepted the resignation tendered by the Secretary, non-Board Member, AVQ Advocats, S.L.P. and unanimously agreed to appoint Mr. Ignacio Albiñana Civelti, partner of Uría Menéndez Abogados, as the Secretary, non-Board Member.
- The Board of Directors unanimously agreed to appoint Mr. Enrique Fernandez-Cardellach Bonifasi as the Company's General Manager.

On 26 July 2011, Fersa Energías Renovables, S.A. changed the composition of the Board of Directors as a result of the resignations tendered by the Directors BCN Godia, S.L. and Mr. Enrique Lacalle Coll, and appointed Mr. Rodrigo Villamizar Alvargonzález and Mr. Francesc Homs i Ferret as Directors by co-optation.

In addition, on 4 July 2011, Grupo Empresarial Enhol, S.L. tendered its resignation as Director of Fersa Energías Renovables, S.A.

2. OPERATING INFORMATION

Installed capacity at December 2011 totals 258.9 MW, which represents an increase of 19.1% against the same period last year mainly due to the inclusion of the Hanumanhatti wind farm in India.

For its part, production in 2011 has totalled 514.5 GWh, which represents an increase of 46% in production against the same period last year, due mainly to the contribution of the Mudèfer wind farms in Spain, the second phase of the Kisielice wind farm in Poland and the Hanumanhatti wind farm in India.

3. MAIN FINANCIAL HEADLINES

Net turnover in 2011 has totalled Euros 43,009 thousand, which represents an increase of 43% compared with the same period in 2010.

This increase in turnover has been basically due to the start-up of the Company's new wind farms (Mudèfer, Kisielice and Hanumanhatti) and their contribution to sales compared to 2010.

Operating expenses, excluding amortisation, depreciation and impairment, total Euros 14,472 thousand (including staff costs), which is an increase of 18% against the same period last year, as a result, amongst others, of the start-up of new wind farms.

Amortisation and depreciation have totalled Euros 20,022 thousand, an increase of 59% against the same period last year, again as a result of the increase in the Group's installed capacity.

In 2011, the Group has recognised an impairment of goodwill, intangible fixed assets and property, plant and equipment totalling Euros 145,451 thousand (Note 5). This impairment has basically arisen as a result of the following factors:

- Changes in the estimation of the prices of the farms for which there are no price-setting agreements, especially in Spain. In relation to the premium (component of the total price), in 2011 there has been some uncertainty about the impact that regulations could have in the context of the debate on the remuneration of renewable energies. For the farms that are operating and the pre-assigned farms, this uncertainty has disappeared substantially at the end of the year as a result of the coming into force of RD 1565/2010/19 November, RD 1614/2010/7 December and RD 14/2010/23 December, with a final impact that is not very significant on the premiums for wind energy companies. In addition, RD 1/2012/27 January has reconfirmed these premiums but there has been no resolution for the farms that are currently not pre-assigned. This last Royal Decree temporarily suspends economic incentives for farms that are not pre-assigned. The estimated impact of this on total impairment is approximately Euros 40 million.
- Increase in the discount rates used for valuation of certain CGUs as a result of the increase in the estimated risk premium for companies of this sector. The estimated impact of increase in the discount rates on total impairment is approximately Euros 50 million.
- The continuing climate of credit restriction in the market has given rise to delays in the estimation of the start-up date of certain projects in the development phase and also, as a result, the loss of registration of certain farms in Spain in the pre-assignment register, which has given rise to a deferral and, consequently, a reduction of cash flows which affects their present values.
- Review and restructuring of the portfolio of projects in development.

The Fersa Group has reported an operating loss of Euros 129,408 thousand against a loss of Euros 47,833 thousand for the same period last year.

Financial expense totals Euros 15,978 thousand against Euros 8,303 thousand for the same period last year, which has been due to the start-up of new wind farms.

Financial income includes an income totalling Euros 3,960 thousand as a result of the agreement with Generación Eólica Internacional S.L. which waives part of the debt which Fersa had to pay for the acquisition of one of its companies and modifies its payment terms.

Net income attributable to the parent Company is a loss of Euros 102,464 thousand, against a loss of Euros 47,919 thousand for the same period last year.

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

a – Operational risk:

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

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

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

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

The Fersa Group is exposed to the risk of fluctuation in the sale price of electricity. In 2011 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 parent company.

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 2011 and in relation to the facilities that are in operation, the Group has incurred expenses totalling Euros 200 thousand, basically, for wildlife conservation.

6. STAFF

At 31 December 2011, the average number of employees of the Group reaches 40 workers.

7. TREASURY SHARES

At 31 December 2011 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: 31/12/2011

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
GRUPO EMPRESARIAL ENHOL, S.L.	504,318	30,909,073	22.438
BANCO MARE NOSTRUM, S.A.	5,970,650	5,204,670	7.982
COMSA EMTE, S.L.	0	10,755,080	7.682
CO SOCIEDAD DE GESTIÓN Y PARTICIPACIÓN, S.A	0	10,513,302	7.509
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	3,775,620	2.697

Name or company name of the indirect holder of the stake	Through: name or company name of the direct holder of the stake	Number of direct voting rights	% of total voting rights
GRUPO EMPRESARIAL ENHOL, S.L.	EÓLICA NAVARRA, S.L.U.	10,000	0.007
GRUPO EMPRESARIAL ENHOL, S.L.	EÓLICA INDIA, S.L.	15,255,729	10.897
GRUPO EMPRESARIAL ENHOL, S.L.	GENERACIÓN EÓLICA INTERNACIONAL, S.L.	15,643,344	11.174
BANCO MARE NOSTRUM, S.A	CORPORACIÓN CAJA DE GRANADA, S.L.U.	5,204,670	3.718
COMSA EMTE, S.L.	COMSA EMTE MEDIO AMBIENTE, S.L.	7,000,189	5.000
COMSA EMTE, S.L.	EMTE, S.A.	3,754,891	2.682
CO SOCIEDAD DE GESTIÓN Y PARTICIPACIÓN, S.A.	SEGUROS CATALANA OCCIDENTE, S.A. DE SEGUROS Y REASEGUROS	10,513,302	7.509
Ms LILIANA GODIA GUARDIOLA	BCN GODIA, S.L.	6,365,075	4.546
Ms MARIA DOLORES DONADEU CASTANY	WINDMILL INVESTMENT, S.A. R.L.	5,660,378	4.043
BANCO DE SABADELL, S.A.	EXPLOTACIONES ENERGÉTICAS SINIA XXI, S.L.	5,316,570	3.797
Mr ALFONSO LIBANO DAURELLA	LARFON S.A.U.	3,775,620	2.697

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

Name or company name of shareholder	Date of transaction	Description of transaction
BANCO MARE NOSTRUM, S.A.	07/10/2011	It has exceeded 5% of the share capital
CAJA DE AHORROS Y MONTE DE PIEDAD DE BALEARES	07/10/2011	It has descended below 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 JOSE MARIA ROGER EZPELETA	1,000	2,810,727	2.008
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	0	0	0.000
CORPORACIÓN CAJA DE GRANADA, S.L.U.	4,762,724	0	3.402
EOLICA NAVARRA, S.L.U.	10,000	30,899,073	22.077
Mr ESTEBAN SARROCA PUNSOLA	1,200	0	0.001
Mr FRANCESC HOMS FERRET	0	0	0.000
GRUPO CATALANA OCCIDENTE, S.A.	0	10,513,302	7.509
Mr IGNACIO GARCÍA-NIETO PORTABELLA	200	0	0.000
LARFON S.A.U.	3,775,620	0	2.697
MYTAROS B.V.	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 JOSE MARIA ROGER EZPELETA	REAL WIND, S.L.	2,810,727	2.008
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	37,695
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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 28 February 2011 between Empordavent, S.L.U. and Grupo Empresarial Enhol, S.L pursuant to which the latter provides support to the former for the development of the wind farm Els Escambrons (Lleida).

- Contract of 28 February 2011 between Fersa Energías Renovables, S.A. and Grupo Empresarial Enhol, S.L pursuant to which the latter provides advisory services to the General Management of the former and/or the Fersa Group

Name or company name of party with which relations exist
GRUPO EMPRESARIAL ENHOL, S.L.

Type of relations:

Contractual

Brief description:

Modification of 15 April 2011 of the price and manner of payment of the shares of the Polish company, Eólica Postolin, s.p. z.o.o., acquired by Fersa Energías Renovables, S.A. from Generación Eólica Internacional, S.L. on 21 December 2007.

Name or company name of party with which relations exist
GENERACION EOLICA INTERNACIONAL, 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)	- 1,523
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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
--	---

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

NO

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

NO

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

B - STRUCTURE OF THE MANAGEMENT OF THE COMPANY

B.1 Board of Directors

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

Maximum number of Directors	12
Minimum number of Directors	3

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

Name or company name of Director	Representative	Position on Board	Date first appointment	Date last appointment	Election procedure
Mr JOSE MARIA ROGER EZPELETA	--	PRESIDENT	20/06/2006	20/02/2008	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.	JESÚS QUERO MOLINA	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
Mr FRANCESC HOMS FERRET	--	DIRECTOR	26/07/2011	26/07/2011	COOPTATION
GRUPO CATALANA OCCIDENTE, S.A.	JORGE ENRICH IZARD	DIRECTOR	10/07/2000	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
Mr IGNACIO GARCÍANIETO PORTABELLA	--	DIRECTOR	05/06/2007	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
LARFON S.A.U.	JOSÉ FRANCISCO GISPERT SERRATS	DIRECTOR	20/02/2008	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
MYTAROS B.V.	JOSE VICENS TORRADAS	DIRECTOR	15/01/2004	20/02/2008	VOTE OF GENERAL MEETING OF SHAREHOLDERS
Mr RODRIGO VILLAMIZAR ALVARGONZALEZ	--	DIRECTOR	26/07/2011	26/07/2011	COOPTATION

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
ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL	EXECUTIVE	24/01/2011
COMSA EMTE MEDIO AMBIENTE, S.L	EXECUTIVE	09/05/2011
GRUPO EMPRESARIAL ENHOL, S.L.	EXECUTIVE	29/06/2011
Mr ENRIQUE LACALLE COLL	INDEPENDENT	26/07/2011
BCN GODIA, S.L	PROPRIETARY	26/07/2011

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

EXECUTIVE DIRECTORS

Name or company name of Director	Committee which proposed appointment	Position in the Company's management structure
Mr JOSE MARIA ROGER EZPELETA	--	CHAIRMAN

Total number of Executive Directors	1
% total of the Board	9,091

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 ENERGÍAS RENOVABLES, S.L.	--	COMSA EMTE, S.L.
CORPORACIÓN CAJA DE GRANADA, S.L.U.	--	CORPORACIÓN CAJA DE GRANADA, S.L.U.
EOLICA NAVARRA, S.L.U.	--	GRUPO EMPRESARIAL ENHOL, S.L.
GRUPO CATALANA OCCIDENTE, S.A.	--	SEGUROS CATALANA OCCIDENTE, S.A. DE SEGUROS Y REASEGUROS
LARFON S.A.U.	--	LARFON S.A.U.
MYTAROS B.V.	--	MYTAROS B.V.

Total number of Proprietary Directors	6
% total of the Board	54,545

EXTERNAL INDEPENDENT DIRECTORS

Name or company name of Director

Mr ESTEBAN SARROCA PUNSOLA

Profile

Graduate in Economics and Certified Public Accountant.

Name or company name of Director

Mr FRANCESC HOMS FERRET

Profile

Graduate in Economics from the Autonomous University of Barcelona.

Name or company name of Director

Mr IGNACIO GARCÍA-NIETO PORTABELLA

Profile

Lawyer-economist, graduate from the University of Deusto.

Name or company name of Director

Mr RODRIGO VILLAMIZAR ALVARGONZALEZ

Profile

Graduate in Electro-Mechanical Engineering from the University of Valle (Cali, Columbia), with a degree, masters and doctorate in Economics from the University of Texas.

Total number of Independent Directors	4
% total of the Board	36.364

OTHER EXTERNAL DIRECTORS

Total number of External Directors	0
% total of the Board	0.000

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, explains 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

BCN GODIA, S.L.

Reason for resignation

Strictly professional reasons.

Director's name

COMSA EMTE MEDIO AMBIENTE, S.L.

Reason for resignation

Strictly professional reasons

Director's name

ENERGIA INTELIGENTE ENERGENA, S.L. UNIPERSONAL

Reason for resignation

Strictly professional reasons

Director's name

Mr ENRIQUE LACALLE COLL

Reason for resignation

Strictly professional reasons

Director's name

GRUPO EMPRESARIAL ENHOL, S.L.

Reason for resignation

Strictly professional reasons

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

Name or company name of Director

COMSA EMTE ENERGIAS RENOVABLES, S.L.

Brief outline

The members of the Executive Committee, have been granted the power to undertake and carry out whatever is permitted under the corporate purposes of the company, and to exercise any Powers that are not expressly reserved by Law or by the Articles of Association to the Board of Directors.

Name or company name of Director

EOLICA NAVARRA, S.L.

Brief outline

The members of the Executive Committee, have been granted the power to undertake and carry out whatever is permitted under the corporate purposes of the company, and to exercise any Powers that are not expressly reserved by Law or by the Articles of Association to the Board of Directors.

Name or company name of Director

Mr JOSE MARIA ROGER EZPELETA

Brief outline

The members of the Executive Committee, have been granted the power to undertake and carry out whatever is permitted under the corporate purposes of the company, and to exercise any Powers that are not expressly reserved by Law or by the Articles of Association to the Board of Directors.

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

Name or company name of Director	Company name of group company	Position
Mr JOSE MARIA ROGER EZPELETA	APROFITAMENT D'ENERGIES RENOVABLES	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	DE LA TERRA ALTA. S.L. CASTELLWIND-03. S.L.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	E. N. RENEWABLE ENERGY. LTD.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	E. N. WIND POWER. PVT. LTD.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	ENERGIAS RENOVABLES DEL GUADIANA MENOR. S.L.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLICA CIEPLOWODY. SP.Z.O.O.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLICA KISIELICE. SP.Z.O.O.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLICA POSTOLIN. SP.Z.O.O.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLICA WARBLEWO. SP. Z.O.O.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	EOLIENNES DE BEAUSEMBLANT S.A.S.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	EÓLICA DEL PINO. S.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	EÓLICA EL PEDREGOSO. S.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	FERROLTERRA RENOVABLES. S.L.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	FERSA AVENTALIA. S.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	FERSA BUSINESS CONSULTING CO. LTD.	ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	FERSA ITALIA. S.R.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	FERSA PANAMA. S.A.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	FERSAR YENILENEBILIR ENERJİ ÜRETİM LIMITED SİRKETİ	ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA DE CASTELLÓ. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA DE LES COVES. S.L.	JOINT ADMINISTRATOR

Name or company name of Director	Company name of group company	Position
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA ECOTEC. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA FER. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA LA MOLA. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA PADUA. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	FOTOVOLTAICA VERGOS. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	GENERACION EOLICA INDIA. LTD	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	GESTORA FOTOVOLTAICA DE CASTELLON. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	INVERSIONS TRAUTT. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	INVERSIONS VINROMA. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	INVETEM MEDITERRÀNEA. S.L.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	JOSO FOTOVOLTAICA. S.L.	JOINT ADMINISTRATOR
Mr JOSE MARIA ROGER EZPELETA	MANAGEMENT KISIELICE. SP. Z O.O.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	OÛ EST WIND POWER	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	PARC EÒLIC MUDEFER. S.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	SHANDONG LUSA NEW ENERGY CO. LTD.	VICE-CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	SILJAN PORT. S.L.	CHAIRMAN
Mr JOSE MARIA ROGER EZPELETA	SINERGIA ANDALUZA. S.L.	DIRECTOR
Mr JOSE MARIA ROGER EZPELETA	WEINSBERG ECOTEC. S.L.	JOINT ADMINISTRATOR

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

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

NO

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

The investment and finance policy	YES
The definition of the structure of the group of companies	YES
The corporate governance policy	YES
The corporate social responsibility policy	YES
Strategic or business plan, as well as the management aims and annual budgets	YES
The remuneration policy and appraisal of senior management performance	YES
Control of risk management policy, as well as periodic monitoring of the internal information control system	YES
The dividend policy, as well as the treasury stock policy, with special focus on their limits.	YES

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

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

Remuneration concept	Data in thousands of euros
Fixed remuneration	453
Variable remuneration	0
Expenses	0
Established in Articles of Association	0
Stock options and/or other financial instruments	0
Others	0

Total	453
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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	319	0
External Proprietary Directors	0	0
External Independent Directors	134	0
Other External Directors	0	0
Total	453	0

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

Total remuneration of directors (in thousands of euros)	453
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
Ms ANA ISABEL LÓPEZ PORTA	OPERATIONS MANAGER
Ms MARÍA DOLORES BLANCH GARCÍA	FINANCE MANAGER
JAVIER CASTAÑO CRUZ	INTERNAL AUDITOR
Total remuneration of senior management (in thousands of euros)	238

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

Number of beneficiaries	0	
	Board of Directors	General Meeting
Body that authorises the clauses	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.

Process for establishing payment for the members of the Board of Directors and the statutory clauses
<p>The office of the administrators until the end of the fiscal year is remunerated as per the Articles of Association:</p> <p>Article 17 b of the Articles of Association:</p> <p>The annual remuneration of the directors, for their management duties as members of the Board of Directors of the company, are established up to eight percent of liquid profit, which can only be received after reserves and dividends have been appropriated as per legislation in force. The Board of Directors will distribute amongst its members this share, in the form and amount that it deems necessary, which will be disclosed in the notes to the annual accounts as legally laid down.</p> <p>Subject to agreement of the General Meeting of Shareholders under the terms of the Spanish Public Limited Companies Act, the directors who undertake executive duties shall be entitled to also participate in the incentive plans adopted for the company's executives, which confer remuneration consisting of shares, recognition of share options or remuneration indexed to share value.</p> <p>The remuneration forecast in the sections above, resulting from membership on the Board of Directors, will be compatible with our professional or labour-related payments of the Directors for any other executive or advisory duties, which, as the case may be, they undertake for the company other than supervision and decision making as Directors, which are subject to the applicable legislation in force.</p> <p>Furthermore, the Appointments and Remuneration Committee of FERSA issued a report on remuneration policy of the Directors for 2011, effective 1 January 2011, and subsequent years, which 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. This report is available on the Company's website at www.fersa.es in the section under Shareholders and Investors.</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.	NO
The remuneration of Directors, as well as, in the case of executives, the additional remuneration through their executive duties and other conditions that their contracts must include.	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

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	YES
Variable payment concepts	YES
Main characteristics of the social benefits systems, with an estimate of the equivalent annual cost or amount.	YES
Conditions to be observed in the contracts of those who exercise senior management functions as Executive Directors	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
<p>The Appointments and Remuneration Committee of FERSA issued a report on remuneration policy of the Directors for 2011, effective 1 January 2011, and subsequent years.</p> <p>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.</p> <p>The most significant aspects of the report are as follows:</p> <p>The remunerations have been adopted by the Committee in accordance with the principles of personal independence and transparency.</p> <p>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 17b of the Articles of Association of the Company, which state:</p> <p>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 to the annual accounts as per current legislation.</p>

Questions covered by the remuneration policy

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.

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.

These incentive plans regulated by the aforementioned article 17b of the articles of association are currently not included hereunder.

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 basis of the type of Director.

The remuneration covers the undertaking of duties individually or jointly, as well as oversight and responsibility required by the office.

- Delegated Committees:

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

The remuneration includes the demands, dedication, qualification and responsibility of the office.

In order to see the amounts of the remuneration of the Directors applicable in 2011 and years following, please see the report, which is available at the Company website at www.fersa.es in the section on Shareholders and Investors.

Role played by the Remuneration Committee

The Appointments and Remuneration Committee was engaged to prepare the remuneration policy report for Directors, without recourse to external consultants.

Have external consultancy services been used?

Identity of the external consultants

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

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

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

NO

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

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

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

The Directors shall respect the legally established incompatibilities.

Article 11.- Removal and re-election Directors

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

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

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

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

NO

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

NO

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

NO

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

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

NO

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

YES

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

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

NO

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

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

NO

Maximum number of years of mandate	0
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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.

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

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

NO

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

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

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

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

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

Number of meetings of the Board	9
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	9
Number of meetings of the Audit Committee	5
Number of meetings of the Appointments and Remuneration Committee	2
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	3
% 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 20 b of the Articles of Association, and Article 7 of the Regulations of the Board of Directors, is to:

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

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

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

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

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

NO

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

Appointments and dismissal procedure	
<p>In accordance with the provisions of article 16 of the Regulations of the Board of Directors, the latter, upon the proposal of the chairman, shall appoint a Non-member Secretary, Graduate in Law, whose professional activity shall be fully independent.</p>	
<p>Furthermore, article 18 of the Articles of Association stipulates the following: The Board of Directors shall be entitled to regulate its own functions and internal organisation. It shall, at least, appoint from amongst its members a Chairman and elect the person to hold the office of Secretary, which can even be held by a non-Director or non-Shareholder. One or several Vice-Chairmen can be appointed.</p>	
<p>In relation to the former and current non-Director Secretary of the company, his removal and appointment, respectively, 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?	NO
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 9o stipulates:

Article 9.- Relations with the Auditors

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

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

NO

Outgoing auditor	Incoming auditor

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

NO

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

YES

	Company	Group	Total
Amount of tasks other than auditing activities (in thousands of euros)	49	9	58
Amount of tasks other than auditing/Total amount billed by the audit company (%)	16.280	2.990	9.630

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	4	4

	Company	Group
No. of years audited by the current audit company /No. of years the Company has been audited (%)	0.4	0.4

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

Name or company name of Director	Name of object company	% holding	Position or duties
Mr JOSE MARIA ROGER EZPELETA	REAL WIND, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	PARQUE SOLAR DOS HERMANAS, S.L.	50.500	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	ENERGÍAS RENOVABLES DE EUSKADI, S.L.	5.000	-
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	SACAEEL RENOVABLES, S.L.	66.160	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	GENERACIÓN ENERGÍA 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.	45.000	-
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	MAIALS SOLAR, S.L.	100.000	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.	EOLICA EL HORNICÓ, S.L.	50.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	COMPAÑÍA INTEGRAL DE ENERGÍAS RENOVABLES DE ZARAGOZA, S.L.	45.000	DIRECTOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	EOLICA LA CARRASCA, S.L.	50.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	CASTIÁN EOLICA, S.L.	90.000	-
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	PARQUE SOLAR VISO DEL MARQUES, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	RONERGY SERVICES, S.L.	25.000	DIRECTOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	CATER EOLICA, S.L.	33.330	-
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	ENERGÍAS RENOVABLES SIERRA SESNÁNDEZ, S.L.	20.000	DIRECTOR

Name or company name of Director	Name of object company	% holding	Position or duties
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	VALORITZACIONS AGRORAMADERES LES GARRIGUES, S.L	20.300	DIRECTOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	GÓTICA SOLAR, S.L.	100.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	ENERGIES RENOVABLES DE ANOIA	9.520	-
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	TERMOSOLAR BORGES, S.L.	50.000	JOINT ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	EMTE RENOVABLES, S.L.	37.880	DIRECTOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	MAIALS EOLICA, S.L.	100.000	SOLE ADMINISTRATOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	COEMGA RENOVABLES, S.L.	24.980	DIRECTOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	COEMGA RENOVABLES 1, S.L.	24.980	DIRECTOR
COMSA EMTE ENERGÍAS RENOVABLES, S.L.	CERWIND GALICIA, S.L.	100.000	JOINT ADMINISTRATOR
EOLICA NAVARRA, S.L.U.	LUZ DE VIENTO, S.L.	100.000	-
EOLICA NAVARRA, S.L.U.	CYCLONE POWER GROUP, S.L.U.	100.000	-
EOLICA NAVARRA, S.L.U.	EOLICA LA FORADADA, S.L.	78.010	-
EOLICA NAVARRA, S.L.U.	PERÚ ENERGÍA RENOVABLE, S.A.	95.000	-
EOLICA NAVARRA, S.L.U.	EOLICA VALTOMÁS, S.L.	78.010	-
EOLICA NAVARRA, S.L.U.	CENTRAL EOLICA PAMPA DE MALASPINA, S.A.	51.000	-
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.	COMPAÑÍA EOLICA DE TAMAULIPAS, S.A. DE C.V.	49.990	-
EOLICA NAVARRA, S.L.U.	GRUPO ENERGÍA MÉXICO GEMEX, S.A. DE C.V.	50.000	-
EOLICA NAVARRA, S.L.U.	EOLICA PUNTA CHOME, S.A.	71.500	-
EOLICA NAVARRA, S.L.U.	EOLICA CAMARICO, S.A.	71.500	-
EOLICA NAVARRA, S.L.U.	AGUAS 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.	ENERGÍA RENOVABLE DEL BIO, S.A.	72.490	-
EOLICA NAVARRA, S.L.U.	WIND RESOURCES AMERICA CORP.	100.000	-
EOLICA NAVARRA, S.L.U.	ELECTRA DE MALVANA, S.A.	32.000	DIRECTOR
EOLICA NAVARRA, S.L.U.	SISTEMAS ENERGÉTICOS MONCAYO, S.A.	25.000	-

Name or company name of Director	Name of object company	% holding	Position or duties
EOLICA NAVARRA, S.L.U.	SISTEMAS ENERGÉTICOS 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 ENERGÉTICOS 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 EOLICA INTERNACIONAL, S.L.	87.900	-
EOLICA NAVARRA, S.L.U.	LDV CASARES, S.L.	75.000	-
EOLICA NAVARRA, S.L.U.	LDV CORTIJO DE GUERRA, S.L.	75.000	-
EOLICA NAVARRA, S.L.U.	TRANSFORMACIÓN ENERGÍA 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 ARAGÓN, S.L.	48.000	-
EOLICA NAVARRA, S.L.U.	INVERAVENTE GESTIÓN DE INVERSIONES, S.L.	50.000	-
EOLICA NAVARRA, S.L.U.	LDV SIERRA DE ARCAS, S.L.	66.000	-
Mr IGNACIO GARCIA-NIETO PORTABELLA	ROTASOL ENERGY, S.L.	5.000	-
Mr IGNACIO GARCIA-NIETO PORTABELLA	AR ZORITA 20, S.L.	5.000	-
MYTAROS B.V.	TAIGA V FCR DE RÉGIMEN COMÚN	16.600	INVESTOR

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

YES

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

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

YES

Details of the procedure
<p>According to article 5 of the Regulations of the Board of Directors,</p> <p>The Board shall meet at least once every 3 months to discuss the issues relating to the operations of the company, and, in any case, the different points of the proposed agenda.</p> <p>In accordance with the articles of association, the Board shall meet provided that it is called by its Chairman, either on his own initiative or at the behest of two or more Directors.</p> <p>The Chairman shall set the agenda for the meetings of the Board, although one third of the Directors subject to one day's notice shall be entitled to include points on the agenda that they consider pertinent.</p> <p>The Chairman shall be entitled to confer upon any Director the power to call a meeting of the Board and set the agenda of the meetings.</p> <p>The call for each meeting of the Board, which will include the agenda, will be sent to each Director by any written means at least 48 hours in advance of the date indicated for the meeting.</p> <p>In an emergency, the Chairman shall be entitled to call a meeting of the Board, even by telephone, without having to respect the minimum notice period, although the emergency must be perceived by the majority of the attendees at the beginning of the meeting.</p> <p>The Board shall meet in ordinary session at its registered office, although it shall also be entitled to hold its meetings in any other place indicated in the call.</p> <p>Furthermore, it shall be entitled to hold the meetings in different rooms simultaneously, provided that the inter-activity and inter-communication between them in real time is assured.</p>

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

YES

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

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

NO

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

NO

Decision taken	Reasoned explanation

B.2 Committees of the Board of Directors

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

AUDIT COMMITTEE

Name	Position	Type
Mr 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 JOSE MARIA ROGER EZPELETA	CHAIRMAN	EXECUTIVE
COMSA EMTE ENERGIAS RENOVABLES, S.L.	BOARD MEMBER	SIGNIFICANT SHAREHOLDER
EOLICA NAVARRA, S.L.U.	BOARD MEMBER	SIGNIFICANT SHAREHOLDER

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

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

Committee name

EXECUTIVE COMMITTEE

Brief outline

Article 20 of the Articles of Association stipulates that:

The Board of Directors shall be entitled to appoint one or more Chief Executive Officers or an Executive Committee in the form and with the powers that can be legally delegated. If these powers are not limited, it is understood that the Chief Executive Officers shall be entitled to exercise all the powers of the Board of Directors, except those that cannot be delegated by law.

Furthermore, article 7o of the Regulations of the Board of Directors, regarding the Committees of the Board of Directors, stipulates that:

7.1. Executive Committee

An Executive Committee can be constituted in order to improve compliance with the duties of the Board.

The composition of the Executive Committee shall reasonably reflect the structure of the Board and respect the balance established between the different types of Directors.

It will be made up of a minimum of 3 and a maximum of 6 Directors, and will meet at least every 3 months.

The appointment of its members will require the favourable vote of at least two thirds of the members of the Board. The Chairman and Secretary of the Board shall undertake the duties of Chairman and Secretary of the Committee.

The powers of the Executive Committee are:

- . To exercise the duties relating to the control of the management of the company.
- . To study and propose the main lines that define the business strategy and supervise their execution, with special emphasis on actions of diversification.
- . To deliberate on and inform, in order to bring the following matters to the Board:
 - o Budgets of the company, with a breakdown of the forecasts corresponding to each business line.
 - o Investments and alliances or relevant resolutions.
 - o Financial operations.

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

Committee name

AUDIT COMMITTEE

Brief outline

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

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

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

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

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

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

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

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

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

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

7.2. Audit Committee

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Committee name

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief outline

See epigraph: B.2.3.

Committee name

EXECUTIVE COMMITTEE

Brief outline

See epigraph: B.2.3.

Committee name

AUDIT COMMITTEE

Brief outline

See epigraph: B.2.3.

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

Committee name

EXECUTIVE COMMITTEE

Brief outline:

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

Committee name

AUDIT COMMITTEE

Brief outline:

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

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

YES

C - RELATED-PARTY TRANSACTIONS

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

YES

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

Name or registered name of the significant shareholder	Name or registered name of the group company or entity	Nature of the relationship	Type of operation	Amounts (Thousand Euros)
GRUPO EMPRESARIAL ENHOL, S.L.	EMPORDAVENT, S.L.	Trading	Contracts of management or collaboration	300
GRUPO EMPRESARIAL ENHOL, S.L.	FERSA ENERGÍAS RENOVABLES, S.A.	Trading	Contracts of management or collaboration	400
GENERACIÓN EÓLICA INTERNACIONAL, S.L.	FERSA ENERGÍAS RENOVABLES, S.A.	Trading	Purchase of tangible, intangible and other assets	3,960

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

EOLICA NAVARRA, S.L.U.

Description of the conflict of interest

In his capacity as individual representative of the Director Eólica Navarra, S.L.U., Mr. Vidal Amatriain Méndez has abstained from intervening in the discussion and vote on the agreement dated 25 February 2011 regarding the execution of contracts between companies of the Fersa Group and companies of the Enhol Group.

In addition, Mr. Hipólito Suárez Gutiérrez, in his capacity as individual representative of the former Director Grupo Empresarial Enhol, S.L., has also abstained from intervening in the discussion and vote on the same agreement dated 25 February 2011.

Name or company name of the director

MR. IGNACIO GARCÍA-NIETO PORTABELLA

Description of the conflict of interest

Riva y García Proyectos, S.A., of which Mr. Ignacio García-Nieto is administrator, has advised Fersa on procedures for the restructuring of its debt.

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

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

Article 13.- Business opportunity and conflict of interest

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

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

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

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

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

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

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, descendants 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, descendants and siblings.
- d) The organisations in which the professional, or persons related thereto, are in any of the situations of control stipulated by law, whether by the professional or through an intermediary person.
- 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

As consultative body of the Board of Directors.

. The Audit Committee should supervise the efficiency of the Company's internal control, internal audit, as the case may be, and risk management systems, and discuss significant weaknesses of the internal control system which have detected during the audit with the external auditors.

Functions relating to internal control and risk management systems:

- Supervise the financial information procedures and internal control systems related to the Company's relevant risks to adequately identify, manage and know its main risks.

- Ensure that internal control and risk management policy identifies at least the following:
 - (i) The different types of risk which the Company has, including, in relation to financial or economic risks, contingent liabilities and other off-balance sheet risks.
 - (ii) The level of risk considered acceptable by the Company.
 - (iii) The measures established to mitigate the impact of identified risks in the event that they materialize.
 - (iv) The information and internal control systems used to monitor and manage such risks, including contingent liabilities or off-balance sheet risks.
- Ensure that Management establishes the necessary controls by creating and applying manuals or codes to mitigate the risks related to the execution of the Company's business activity, such as a risk assessment system, internal control system for financial information, internal control policies and procedures, corporate code of ethics and conduct, procedures to report incidents and other related protocols, etc.

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 addition, it should:

-Supervise the efficiency of the Company's internal control, internal audit, as the case may be, and risk management systems, and discuss significant weaknesses of the internal control system which have detected during the audit with the external auditors.

-Supervise the procedures for the preparation and presentation of regulated financial information and the internal control systems related to the Company's relevant risks.

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's 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.

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

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

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

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

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

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

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

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

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

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

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

Article 7.- Publicising the resolutions

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

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

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

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

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

In conformity with article 3 of the Regulations of the General Meeting of Shareholders, this meeting shall be called by means of an announcement in the Official Gazette of the Mercantile Registry and in one of the major circulation daily newspapers of the province. Furthermore, the announcement of the call shall be submitted by the company to the Spanish Securities Exchange Commission (CNMV) and to any other governing bodies of markets on which the company's shares are traded, in accordance with legislation in force in the respective markets.

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

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

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

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

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

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

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

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

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

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

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

YES

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

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

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

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

Attendance data					
Date of General Meeting	% physical presence	% represented	% remote voting		Total
			Electronic ballot	Others	
30/06/2011	27.008	46.062	0.000	0.000	73.070

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

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

Held on 30 June 2011

One: Examination and adoption, as the case may be, of the individual Annual Accounts and Director's Report for the year ended 31 December 2010, 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: 100,726.308 (99.9967% of the capital present or represented)
Abstaining: 3,300 (0.0033% of the capital present or represented)

Two: Adoption, as the case may be, of the management of the Governing Body in 2010 and of the proposed distribution of net income for 2010.

Vote: Adopted by virtue of the following vote:

Votes in favour: 100,729.308 (99.9997% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

Three: Appointment or ratification of Directors in the event of removal or resignation.

This point on the agenda was not discussed.

Four: Ratification of the appointment of Directors by co-optation

1. Ratification of the appointment by co-optation of the Director Corporación Caja de Granada, S.L., Unipersonal

Vote: Adopted by virtue of the following vote:

Votes in favour: 99,025.335 (98.3081% of the capital present or represented)
Votes against: 1.703,973 (1.6916% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

2. Ratification of the appointment by co-optation of the Director Eólica Navarra, S.L.U.

Vote: Adopted by virtue of the following vote:

Votes in favour: 99,025.335 (98.3081% of the capital present or represented)
Votes against: 1.703,973 (1.6916% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

3. Ratification of the appointment by co-optation of the Director COMSA EMTE ENERGIAS RENOVABLES, S.L.U.

Vote: Adopted by virtue of the following vote:

Votes in favour: 99,025.335 (98.3081% of the capital present or represented)
Votes against: 1.703,973 (1.6916% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

Five: Appointment of Auditors

Vote: Adopted by virtue of the following vote:

Votes in favour: 100,707,081 (98.9776% of the capital present or represented)
Votes against: 22,227 (0.0221% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

Six: Consultative vote on the report on remuneration policy of the Board of Directors

Vote: Adopted by virtue of the following vote:

Votes in favour: 100,639,859 (99.9109% of the capital present or represented)
Votes against: 89,449 (0.0888% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

Seven: Delegation of power to the Board of Directors, under article 297.1.b) of the revised text of the Capital Companies Act, to agree the capital increase with the possibility of excluding preferred subscription rights, revoking the power approved by the Ordinary General Meeting of Shareholders of 23 June 2010, under resolution five.

Vote: Adopted by virtue of the following vote:

Votes in favour: 100,707,675 (99.9782% of the capital present or represented)
Votes against: 21,833 (0.0215% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

Eight: Authorisation given to the Board of Directors, subject to the requirements as per articles 146 et seq. and 509 of the revised text of the Capital Companies Act, to acquire treasury shares, voiding the authorisation conferred in resolution six of the Ordinary General Meeting of Shareholders of 23 June 2010.

Vote: Adopted by virtue of the following vote:

Votes in favour: 98,739,233 (98.0240% of the capital present or represented)
Votes against: 1,990,075 (1.9757% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

Nine: Power given to the Board of Directors, under the general regime on the issue of bonds in accordance with the provisions of article 319 of the Regulations of the Mercantile Register, to issue, in the name of the company on one or several occasions, (i) promissory notes, debentures or bonds, and other similar fixed income securities, and preferred stakes, up to a maximum limit and under the terms and conditions laid down in the report of the directors; and (ii) debentures and/or bonds convertible and/or swappable for shares of the Company or shares of other companies, as well as warrants (options to subscribe new shares or to acquire shares in circulation of the Company or other companies) up to the maximum limit and under the terms and conditions set forth in the directors' report, expressly conferring, in the event of the issue of convertible debentures and/or bonds and warrants on new shares, the power to exclude the right of preferred subscription of shareholders. Establishing the criteria for determining the basis and types of conversion. Power given to the Board of Directors to establish the basis and types of conversion and increase capital in the amount necessary in order to carry out the conversion; and authorisation so that the Company can guarantee, within the limits mentioned above, the new issues of securities of subsidiary companies; under the express power of substitution and for a maximum term of five (5) years, voiding the authorisation conferred to the Board of Directors in resolution seven of the Ordinary General Meeting of Shareholders of 23 June 2010..

Vote: Adopted by virtue of the following vote:

Votes in favour: 100,714,714 (99.9852% of the capital present or represented)
Votes against: 14,594 (0.0145% of the capital present or represented)
Abstaining: 300 (0.0003% of the capital present or represented)

Ten: Power to notarise the resolutions for inscription in the Mercantile Register.

Vote: Adopted by virtue of the following vote:

Votes in favour: 100,714,408 (99.9849% of the capital present or represented)
Abstaining: 15,200 (0.0151% of the capital present or represented)

Eleven: Miscellaneous.

There were several interventions with respect to which no request was made for them to be recorded in the Minutes.

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

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

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

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

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

NO

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

www.fersa.es

Shareholders and investors

Section: Corporate Governance.

F - DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

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

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

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

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

2. When the parent company and the subsidiary are listed, they must both publicly define the following in detail:
- a) The respective areas of activity and possible business relationships between them, as well as those of the dependent listed company with the remaining group companies;
 - b) The mechanisms in place to solve possible conflicts of interest that may occur.
- See epigraphs: C.4 and C.7*

Not applicable

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

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

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

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

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

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

‘To hire, appoint, direct and inspect, control and remove employees, General Managers [...] and assign to them the remuneration considered suitable, determining their respective powers and remits and working conditions.’

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:

1º 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.

2º 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

Explain

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

16. That the Chairman, as the person responsible for the effective performance of the Board, ensures that the Directors receive sufficient information beforehand; stimulates the debate and active participation of Directors during the Board Sessions, safeguarding their right to take their own position and express their own opinion; and organises and coordinates the periodic assessment of the Board together with the chairmen of the relevant Committees as well as, if appropriate, that of the Managing Director or chief executive.

See epigraph: B.1.42

Complies

17. When the Chairman of the Board is also the Company's chief executive, one of the Independent Directors should be empowered to request the call to meeting of the Board or the inclusion of new matters on the agenda; coordinate and echo the concerns of the external Directors; and direct the Board's assessment of its Chairman.

See epigraph: B.1.21

Not applicable

18. The Secretary of the Board should make particularly sure that the Board's actions:

a) Comply with the content and spirit of the laws and their regulations, including those approved by the regulating bodies;

b) Are in accordance with the Articles of Association of the company and with the Meeting Rules and Regulations, those of the Board and any others that the company has;

c) Take into consideration recommendations concerning good governance set forth in this Unified Code which the company has accepted.

And, in order to safeguard the Secretary's independence, impartiality and professionalism, his/her appointment and dismissal must be reported by the Appointments Committee and approved by the Board in its plenary session; and the said appointment and dismissal procedure must be laid down in the Board Regulations.

See epigraph: *B.1.34*

Complies partially

The appointment and dismissal of the Company Secretary are not determined by 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

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.

Caja General de Ahorros de Granada (Caja Granada) is currently a subsidiary of Banco Mare Nostrum, S.A. As stated in section A.2., Banco Mare Nostrum, S.A. has a direct stake and an indirect stake in the Company. However, as section A.3.states, Banco Mare Nostrum, S.A. is not a Director of the Company. Corporation Caja de Granada, S.L.U. is Director of the Company and it also owns the stakes indicated.

SECTION B.1.4

During 2011 Comsa Emte Energías Renovables, S.L. and Eólica Navarra, S.L.U. have been appointed as Significant Shareholding Directors, both for strategic and business reasons.

SECTION B.1.6

With relation to section B.1.6 please note that the Company, at 31 December 2011, has a delegated body, to wit:

an Executive Committee that will be made up of three (3) Directors, to wit, Mr. José Maria Roger Ezpeleta (Chairman), Comsa-Emte Energías Renovables, S.L. (represented by Mr. José María Font Fisa), and Eólica Navarra, S.L.U. (represented by Mr. Vidal Amatriain Méndez).

The Executive Committee has the power to carry out whatever is comprised by the corporate purposes and to undertake whatever powers are not expressly reserved under law or the Articles of Association for the Board of Directors.

The Executive Committee will adopt its resolutions by absolute majority of its members, i.e., three votes in favour.

SECTION B.1.37

The percentage resulting from the amount of work other than audit work/total amount invoiced by the audit firm is 19.27% (the figure which automatically appears in section B 1.37 is incorrect).

SECTIONS C.2. and C.3

The Corporate Governance Report template cannot input data on the intra-Group operations stated above

relating to sections C.2 and C.3

a) Operations with significant shareholders (C.2.)

Operations with Innovation Verde Inver, S.L.U. (hereinafter Inver)

Inver is a company of the Enhol Group.

In 2010, contracts were entered into with Inver for the integrated management of projects of the company that the Fersa Group is rolling out in Poland (Eólica Kisielice, Sp Z.o.o). On 28 February 2011, this service contract was terminated by the mutual agreement of the parties.

No amounts have been accrued in 2011 for this item.

On 22 July 2010 a contract was entered into with Inver for the management of the purchase-sale of energy in relation to the excesses and defects of daily energy production. This contract has accrued a cost for the Fersa Group of Euros 101 thousand.

Operations with Caja General de Ahorros de Granada:

The company Parque Eólico Hinojal, S.L. (fully owned by the Fersa Group) has a current account at Caja General de Ahorros de Granada with a balance at 31 December 2011 totalling Euros 3,275 thousand and accruing interest in its favour of Euros 29 thousand in 2011. Furthermore, Caja General de Ahorros de Granada, as the upstream bank, together with a bank syndicate, has extended a loan to Parque Eólico Hinojal, S.L.; the amount drawn down exclusively from Caja General de Ahorros de Granada at 31 December 2011 totals Euros 5,502 thousand and has accrued interest of Euros 153 thousand in 2011

Lease contract with Real Wind, S.L.:(Real Wind)

The amount accrued in 2011 for the lease of the offices where Fersa Energías Renovables, S.A. is located in Barcelona, to Real Wind, S.L. (company fully owned by José M^a Roger Ezpeleta, Chairman of the Board of Directors of Fersa Energías Renovables, S.A.) totals Euros 154 thousand). These leases have a term of five years, extendible automatically for periods of one year.

On 18 May 2010, a lease renewal was entered into, by virtue of which the rent was reduced by 10% for one year, from May 2010 until April 2011 (both inclusive). As from March 2011, a new rent reduction has been applied of approximately 15%.

Operations with Grupo Empresarial Enhol

In 2011, the payments deferred with Generación Eólica Internacional, S.L. (company of the Enhol Group) in relation to the acquisition of Eólica Postolin Sp. Z.o.o. have been renegotiated, which has resulted in a decrease of the liability with the Enhold Group for Euros 3,960 thousand.

b) Operations with administrators and directors (C.3)

In addition to the operations with Real Wind stated above, in 2011, the Fersa Group has signed a service contract with Riva y Garcia Proyectos, S.A., which the Director, Mr. Ignacio Garcia-Nieto is administrator of, for services related to the restructuring of Fersa's debt. The fees accrued in 2011 for this service total Euros 59 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 2011 Euros 59 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

27/02/2012

Indicate whether or not there have been Directors who voted against or abstained from voting on the adoption of this report.

NO