

FERSA ENERGÍAS RENOVABLES, S.A.

Annual Accounts as at 31 December 2010

Balance Sheets
Income Statements
Statement of Recognised Income and Expense
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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 ANNUAL ACCOUNTS

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

We have audited the annual accounts of Fersa Energías Renovables, S.A., consisting of the balance sheet at 31 December 2010, the income statement, the statement of changes in net equity, the cash flow statement and related notes to the annual accounts for the year then ended. The Company's Directors are responsible for the preparation of these annual accounts in accordance with the financial reporting framework applicable to the entity (as identified in Note 2 to the accompanying annual accounts), and in particular, with the accounting principles and criteria included therein. Our responsibility is to express an opinion on the 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 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 annual accounts for 2010 present fairly, in all material respects, the financial position of Fersa Energías Renovables, S.A. at 31 December 2010 and the results of its operations and the cash flows for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

The accompanying Directors' report for 2010 contains the explanations which the Directors consider appropriate regarding the Company's situation, the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the Directors' report is in agreement with that of the annual accounts for 2010. Our work as auditors is limited to checking the 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 company's accounting records.

PricewaterhouseCoopers Auditores, S.L.

Original signed in Spanish by
Iñaki Goirienu Basualdu
Audit Partner

25 february 2011

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S.A.**

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FERSA ENERGÍAS RENOVABLES, S.A.

Balance Sheets (in Thousand Euros)

ASSETS	Note	As at 31 December		LIABILITIES AND NET EQUITY	Note	As at 31 December	
		2010	2009			2010	2009
NON-CURRENT ASSETS		409,707	440,180	NET EQUITY	12	353,079	393,897
Intangible assets	5	190	60	EQUITY		353,079	389,891
Property, plant and equipment	6	159	172	Capital		140,004	140,004
Non-current shareholdings in group companies and associates	7	406,965	435,279	Share premium account		278,948	280,019
Equity instruments		349,209	377,409	Reserves		(21,502)	(19,273)
Loans to companies		57,756	57,870	Shares and holdings in own equity		(8,774)	(10,999)
Non-current financial assets	8	1,370	4,669	Profit for year		(35,597)	140
Loans to companies		13	179	Value adjustments		-	4,006
Other financial assets		1,357	759	Hedging operations		-	3,731
Financial derivatives		-	3,731	Financial assets available for sale		-	275
Deferred tax assets	17	1,023	-	NON-CURRENT LIABILITIES		53,044	42,277
CURRENT ASSETS		11,431	21,097	Non-current liabilities	15-13	15,381	1,554
Non-current assets held for sale	9	-	3,208	Bank loans		15,327	1,500
Trade and other receivables	10	5,514	8,937	Other financial liabilities		54	54
Receivables, group companies and associates		5,418	2,844	Non-current liabilities with group companies and associates	15	258	240
Sundry receivables		13	5,763	Other non-current liabilities	14	36,466	40,198
Current tax assets		83	318	Deferred tax liabilities	17	939	285
Other tax refundables		-	12	CURRENT LIABILITIES		15,015	25,103
Current shareholdings in group companies and associates	7	1,362	817	Current liabilities	13	11,975	19,953
Loans to companies		1,362	551	Bank loans		11,975	19,953
Other financial assets		-	266	Trade and other payables	15	2,051	1,040
Current financial assets	8	1,717	1,239	Other creditors		515	280
Loans to companies		-	884	Current liabilities with group companies and associates		1,152	323
Other financial assets		1,717	355	Outstanding wage and salaries		81	40
Prepayments		31	29	Other Tax payable		303	397
Cash and other cash equivalents	11	2,807	6,867	Other current liabilities	14	989	4,110
TOTAL ASSETS		421,138	461,277	TOTAL LIABILITIES AND NET EQUITY		421,138	461,277

Notes 1 to 26 are an integral part of the annual accounts

FERSA ENERGÍAS RENOVABLES, S.A.

Income Statements
(in Thousand Euros)

	Note	Year ended at 31 december	
		2010	2009
Net turnover	18	8,358	6,451
Interest income		3,920	3,482
Dividends income		576	1,085
Services rendered		3,862	1,884
Own work capitalised		167	281
Other operating income		11	2
Anciliary and other operating income		11	2
Staff costs	18	(2,514)	(2,318)
Wages and salaries		(2,149)	(2,016)
Social welfare expenses		(365)	(302)
Other operating expenses		(2,166)	(1,775)
External services		(2,160)	(1,764)
Taxes		(6)	(11)
Amortisation and depreciation	5-6	(75)	(47)
Impairment and results of sales of assets	7-8	(38,256)	(2,766)
Results of sales and others		(1,439)	1,478
Impairment and losses		(36,817)	(4,244)
		-	
OPERATING PROFIT (LOSS)		(34,475)	(172)
Financial income		87	215
Financial expenses		(1,525)	(392)
Exchange differences		(65)	431
Results of disposals of financial instruments	9	291	-
NET FINANCIAL INCOME (EXPENSE)	18	(1,212)	254
PROFIT (LOSS) BEFORE TAX		(35,687)	82
Corporate Income Tax	17	90	58
PROFIT (LOSS) FOR THE YEAR		(35,597)	140

	PROFIT PER SHARE (Euros per share)	For the year ended 31 december	
		2010	2009
Basic	12	(0.2576)	0.0010
Diluted	12	(0.2576)	0.0010

Notes 1 to 26 are an integral part of the annual accounts

FERSA ENERGÍAS RENOVABLES, S.A.

Statements of Changes in Net Equity
(in Thousand Euros)

A) STATEMENT OF RECOGNISED INCOME AND EXPENSES

	Note	Year ended at 31 december	
		2010	2009
Profit (loss) of income statement		(35,597)	140
Income and expenses charged directly to net equity		(3,802)	(1,211)
Cash flow hedges	8	(3,731)	(1,486)
Valuation of financial instruments	9	(102)	393
Tax effect	9	31	(118)
Releases to the income statement		(204)	-
Cash flow hedges	9	(291)	-
Tax effect	9	87	-
Total value adjustments		(4,006)	(1,211)
TOTAL RECOGNISED INCOME AND EXPENSES		(39,603)	(1,071)

Notes 1 to 26 are an integral part of the annual accounts

FERSA ENERGÍAS RENOVABLES, S.A.

Statements of Changes in Net Equity
(in Thousand Euros)

B) STATEMENT OF TOTAL CHANGES IN NET EQUITY

	Share capital	Share premium	Reserves	Shares and holdings in own equity	Value adjustments	Profit for year	TOTAL
BALANCE ADJUSTED, BEGINING OF YEAR 2009	140,004	284,943	7,476	(11,960)	5,217	(26,039)	399,641
Total recognised income and expenses	-	-	-	-	(1,211)	140	(1,071)
Transactions with shareholders or owners							
- Capital increase (Note 12)	-	-	-	-	-	-	-
- Distribution of dividends	-	(1,920)	-	-	-	-	(1,920)
- Operations with shares or holdings in own equity (nets)	-	-	(710)	961	-	-	251
- Other transactions (Note 7)	-	(3,004)	-	-	-	-	(3,004)
Other reclassifications	-	-	-	-	-	-	-
Other changes in net equity	-	-	(26,039)	-	-	26,039	-
BALANCE CLOSE YEAR 2009	140,004	280,019	(19,273)	(10,999)	4,006	140	393,897
Total recognised income and expenses	-	-	-	-	(4,006)	(35,597)	(39,603)
Transactions with shareholders or owners							
- Distribution of dividends	-	(1,071)	(140)	-	-	-	(1,211)
- Operations with shares or holdings in own equity (nets)	-	-	(2,499)	2,225	-	-	(274)
Other changes in net equity (Note 17)	-	-	410	-	-	(140)	270
BALANCE CLOSE YEAR 2010	140,004	278,948	(21,502)	(8,774)	-	(35,597)	353,079

Notes 1 to 26 are an integral part of the annual accounts

FERSA ENERGÍAS RENOVABLES, S.A.

Cash Flow Statements (in Thousand Euros)

	Notes	Year ended at 31 december	
		2010	2009
Profit (loss) before tax		(35,687)	82
Adjustments to results:		39,413	2,559
Amortisation and depreciation	5-6	75	47
Impairment losses	7-8	36,817	4,244
Results of disposals of fixed assets	7-8	1,439	(1,478)
Results of disposals of financial instruments	9	(291)	-
Financial income	18	(87)	(215)
Financial expenses	18	1,525	392
Exchange differences	18	(65)	(431)
Changes in working capital	19	(6,649)	(3,328)
Other cash flows from operating activities		14	72
Interest paid		(882)	(124)
Collection of dividends	18	576	-
Collection of interests		70	215
Collections (payments) of corporate income tax		250	-
Other payments (collections)		-	(19)
CASH FLOW FROM OPERATING ACTIVITIES		(2,909)	(615)
Payment of investments		(23,152)	(19,228)
Group and associated companies		(20,176)	(18,825)
Fixed assets acquisition	5-6	(192)	(80)
Other financial assets		(2,784)	(323)
Other assets		-	-
Collection on divestment		17,619	90
Group and associated companies	7	12,882	-
Other financial assets	8	884	-
Non-current assets held for sale	9	3,106	-
Other assets		747	90
CASH FLOW FROM INVESTMENT ACTIVITIES		(5,533)	(19,138)
Collections/ (payments) for equity instruments		(274)	251
Acquisition of treasury shares	12	(1,109)	(144)
Disposal of treasury shares	12	835	395
Collections/ (payments) for financial liabilities		5,867	16,189
Issues:			
Debts with credit entities	13	34,378	16,050
Debts with group companies and associates		18	-
Returns and amortisation:			
Debts with credit entities	13	(28,529)	-
Debts with group companies and associates		-	139
Payments for dividends and the remuneration of other equity instruments		(1,211)	(1,919)
Dividends	12	(1,211)	(1,919)
CASH FLOW FROM FINANCING ACTIVITIES		4,382	14,521
EFFECT OF CHANGES IN EXCHANGE RATES			
INCREASE / (REDUCTION) IN NET CASH AND EQUIVALENTS		(4,060)	(5,232)
Net cash and equivalents at the begining of the period		6,867	12,099
Net cash and equivalents at the close of the period		2,807	6,867

Notes 1 to 26 are an integral part of the annual accounts

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010
(in Thousand Euros)

1. General Information

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

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

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

Fersa Energías Renovables, S.A. is a holding company that is the parent company of a group of subsidiary companies, joint ventures and associates that are engaged in the generation of electricity from renewable sources (wind, solar and biogas, etc.), which constitute the Fersa Energías 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 2009 were approved by the General Meeting of Shareholders on 23 June 2010.

2. Basis of presentation

The annual accounts have been formulated by the Directors of the Company on the basis of the accounting records of the Company and are presented in accordance with the current company legislation in force and the standards set down under the Chart of Accounts adopted by Royal Decree 1514/2007 and the modifications thereto as per Royal Decree 1159/2010, so as to fairly present the Company's equity, its financial position and the results of its operations, as well as the accuracy of its cash flows presented in the statement of cash flows. These annual accounts will be submitted to the General Meeting of Shareholders and are expected to be approved without any modification.

Under the provisions of Temporary Provision Five of Royal Decree 1159/2010 the Company has elected 1 January 2010 as the transition date, and, accordingly, the comparative aggregates for the prior year have not been adapted to the new criteria. However, given that the changes made under the aforementioned Royal Decree do not impact the Company, their inclusion will not affect either the comparability or uniformity of these annual accounts.

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Notes to the Annual Accounts for the year 2010
(in Thousand Euros)

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

The consolidated annual accounts of the Fersa Group for 2010 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU), under Regulation (EC) n° 1606/2002 of the European Parliament and the Council. The main aggregates shown in the audited consolidated annual accounts are as follows (Thousand Euros):

Total Assets	733,282
Net equity attributed to the parent Company	319,248
Minority interest	22,821
Net turnover	30,100
Net income after tax attributed to the parent Company	(47,919)

In 2010, the Fersa Group, has recorded an impairment of its controlling shareholdings (investments in Group companies) totalling Euros 36,817 thousand (Note 7). This impairment arises mainly as a result of the following factors:

- Increase in the discount rates in certain countries, especially in Spain and India, as a result of the increase in the free risk rates. There has been an increase of 152 basis points in Spain and 115 basis points in India at the 2010 year end against the 2009 year end.
- Changes in the price of the farms for which there are no price-setting agreements, especially in Spain. In this case, the existence of an unfavourable current economic conjuncture has led to a reduction in sale prices of energy resources (for the market price component) against those at the date of acquisition of certain farms. Moreover, in relation to the premium, during the entire year there has been a great deal of uncertainty about the impact that the regulatory changes 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 (Note 3), but there has been no resolution for the farms that are currently not pre-assigned.

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(in Thousand Euros)

- Decrease in the number of operating hours of certain wind farms in order to bring them into line with lower production levels that are more in line with reality after having consolidated historic information. For some farms in operation, future production has been revised based on actual production in the last few years. For the farms that are still not operating, the estimates of hours have been revised in order to bring them in to line, as the case may be, with historical wind measurements or actual production of comparable wind farms.
- Toughening of the conditions for obtaining credit from the market and liquidity in general, which has given rise to delays in the start-up of certain projects in the development phase. In this context, and considering other factors, in mid-year a revision was made of the Group strategic plan, which is used as the basis for the preparing of certain projects more in line with the economic and financial situation at this time.

As a mitigating factor in 2010, there has been a reversal of the portfolio provision because of the appreciation of certain currencies in which the Company has investments, mainly in India (Rupee) and Poland (Zloty), as the tacit capital gains (goodwill, and intangible assets identified at the time of acquisition) are stated in the functional currency, and, accordingly, their value has increased upon translation into Euros.

Fersa Energías Renovables, S.A. states negative working capital of Euros 3,584 thousand at 31 December 2010. The Directors have prepared the annual accounts under the going concern principles, given the existence of mitigating factors of this situation, such as:

- The projects now in operation and those that will come on operation in 2011 will generate in that year cash flows (through dividends and financial interests) that will contribute to mitigate the negative working capital of the parent Company, taking into account the requirements laid down in the project finance of these companies, as mentioned in Note 20. Additionally, the Company will receive cash flows from services rendered to Group companies.
- The Group has begun the procedure for its divestment of certain assets under the new 2010-2014 Strategic Plan. However, there are no assets classified as held for sale at 31 December 2010 as the requirements under the Chart of Accounts have not been met.
- On 11 November 2010, the Board of Directors of Banco Europeo de Inversiones approved a transaction to finance wind farm projects that the Group is developing in the amount of up to Euros 160 million. This operation is subject to the involvement of commercial banks. The Fersa Group is handling matters for its execution.

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.

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010
(in Thousand Euros)

Spain

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

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

This remunerative and legal framework is obligatory for all generation plants availing themselves of the special regime that began operating on 1 January 2008, but is optional for the rest, although there is a transition period until 31 December 2012, as from which time all producers will operate under RD 661/2007. Accordingly, the plants in operation prior to 2008 can remain under the previous regulatory framework, RD 436/2004/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/May is designed to regulate the tariffs for installed capacity of 20,155 MW.

RD 436/2004/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.
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.

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On the other hand, 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.

A supplement or penalty will be imposed on the facilities under the special regime, as per Royal Decree 1565/2010/19 November, which regulates and modifies certain aspects relating to electricity production under said special regime, as the case may be, for reactive energy for maintaining certain power factor values. Moreover, all the special regime facilities or groupings of more than 10 MW must be placed under a Control Centre by 30 June 2011. Finally, the wind facilities and the solar plants or groupings of more than 2 MW must comply with the operating procedure under P.O.12.3 Requirements in response to gaps in the tension of wind farm facilities, adopted under the Ruling of 4 October 2006 of the General Secretariat of Energy.

As from 2011, under Royal Decree 1614/2010/7 December, for land wind technology facilities, the number of equivalent benchmark hours would be 2,589 hours/year when in one calendar year the average number of operating hours annually of all the definitively registered land wind technology facilities, exceeds 2,350 hours/year.

Also, the aforementioned Royal Decree stipulates that for wind technology facilities under Royal Decree 661/2207/25 May, the benchmark premium values are those relating to the date on which the royal decree came into force less 35%.

As from 1 January 2011, as per Royal Decree Law 14/2010/23 December, the transporters and distributors will charge the producers connected to their networks an access toll of EUR 0.5/ MWh in order to evacuate the electricity they upload into networks. 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.

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 2010, the tariff applied to the company in the Fersa Group in France was 8.395 Euro cents per KWh until 1 November, and from that date, 8.554 Euro cents per KWh.

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India

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

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

- Tax exemption on the Excise Duty, tax payable for the manufacturing of the electricity generator and its parts.
- Tax exemption in some states (including Karnataka) on the VAT and the tax on electricity services (*Electricity Duty*)
- Reduction of the income tax for 10 consecutive years for all electricity producers.
- Incentives for generation: all facilities starting up after 17 December 2009 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 2010 was PLN 197.21 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 267.95/MWh, which is revised annually in line with the CPI.

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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).

4. Accounting policies

4.1 Intangible assets

Licences and trademarks

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

Computer software

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

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

4.2 Property, plant and equipment

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

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

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

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

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

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

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

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

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

4.3 Impairment of non-financial assets

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

4.4 Financial assets

a) Loans and receivables:

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

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

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

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

b) Investments held to maturity:

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

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

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

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

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

d) Available-for-sale financial assets:

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

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

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

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

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

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

e) 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 Company 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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4.5 Non-current assets held for sale

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

4.6 Net equity

Share capital is represented by ordinary shares.

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

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

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

4.7 Financial liabilities

a) Financial liabilities

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

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

b) Trade and other payables

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

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

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

4.8 Financial derivatives and hedging account

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

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

Types of hedges:

a) Cash flow hedges:

For these derivatives, the effective part of changes in the fair value of the derivatives designated and qualifying as cash flow hedges is recognised in net equity. The gain or loss relating to the non-effective part is recognised immediately in the 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) 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.

In the event that the recording of the hedge is no longer valid, either because hedging instrument matures or is sold, or because it no longer meets the effectiveness rules, the accumulated loss or gain in reserves as a result of the valuation of the hedging instruments would remain under this account, and would be released to the income statement as the hedged operation materializes (unless it gave rise to a non-financial asset or liability, in which case this balance would be taken into account when initially booking the asset or liability generated by the hedging transaction). On the other hand, the accumulated valuation would be released immediately to the income statement if the hedged operation were cancelled or were no longer considered likely to occur.

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4.9 Provisions and contingent liabilities

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

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

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

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

4.10 Corporate income tax

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

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

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

The deferred tax is calculated using the liability method on the basis of the temporary differences that arise between the tax bases of the assets and liabilities and their book value.

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

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

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4.11 Business combinations

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

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

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

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

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

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

The Company records under Net turnover the income from dividends and financial income from loans granted to group companies and associates, as well as the income for services, in accordance with the ruling of the Institute of Auditing and Accounting published in BOICAC 79 in response to the query posed in relation to the accounting classification in individual accounts of the income and expenses from a holding company, and on determining its net turnover. Additionally, "Impairment and results of sales of financial instruments" is classified under Operating profit and loss.

Interest income is recognised using the effective interest rate method.

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

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4.13 Leases

Leases in which the Company 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 include, 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.

4.14 Transactions in foreign currency

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

4.15 Related party transactions

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

4.16 Cash flow statement

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

- a) Operating activities: activities that make up the Company ordinary revenues and other activities that cannot be qualified as investments or financing.
- b) Investment activities: acquisition, sale or disposal activities by other means of long-term assets and other financial assets not included in cash and cash equivalents.

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- c) Financing activities: activities that cause changes in the size and composition of net equity and liabilities that do not form part of operating activities.

4.17 Critical aspects of the measurement and estimation of uncertainty

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

a) *Valuation of shareholdings*

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

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

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

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

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

c) *Provisions*

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

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

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

5. Intangible assets

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

	Software	Licenses and trademarks	Total
Net book value as at 01-01-09	21	-	21
Additions	19	31	50
Amortisation	(10)	(1)	(11)
Net book value as at 31-12-09	30	30	60
Cost	42	31	73
Accumulated amortisation	(12)	(1)	(13)
Net book value as at 31-12-09	30	30	60
Additions	156	18	174
Amortisation	(32)	(12)	(44)
Net book value as at 31-12-10	154	36	190
Cost	198	49	247
Accumulated amortisation	(44)	(13)	(57)
Net book value as at 31-12-10	154	36	190

At 31 December 2010 and 2009 there are no fully amortised intangible assets still in use.

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6. Property, plant and equipment

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

	Plant and other property and equipment
Net book value as at 01-01-09	178
Additions	30
Depreciation	(36)
Net book value as at 31-12-09	172
Cost	220
Accumulated depreciation	(48)
Net book value as at 31-12-09	172
Additions	18
Depreciation	(31)
Net book value as at 31-12-10	159
Cost	238
Accumulated depreciation	(79)
Net book value as at 31-12-10	159

During the years 2010 and 2009 no significant impairment provisions for property, plant and equipment have been recognised or reversed.

At 31 December 2010 and 2009 there is no fully depreciated Property, plant and equipment still in use.

At 31 December 2010, the Company has not commitments to purchase Property, plant and equipment.

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

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

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

	Shareholdings in group companies	Loans to group companies	Shareholdings in associates and multi-group companies	Loans to associates and multi- group companies	Total
Balance as at 01.01.09	362,313	47,610	14,684	3,006	427,613
Increases	12,310	10,660	42	140	23,152
Divestment/ disposals	(90)	-	(4,222)	(103)	(4,415)
Transfers	2,165	(2,131)	(2,815)	(918)	(3,699)
Merger scope	(2,734)	(394)	-	-	(3,128)
Charge/reversal provisions	(4,429)	-	185	-	(4,244)
Balance as at 31.12.2009	369,535	55,745	7,874	2,125	435,279
Cost	403,655	55,745	7,874	2,125	469,399
Financial instruments provision	(34,120)	-	-	-	(34,120)
Net book value as at 31-12-09	369,535	55,745	7,874	2,125	435,279
Increases	3,149	17,381	237	168	20,935
Divestment/ disposals	(6,240)	(2,381)	-	-	(8,621)
Transfers	11,370	(15,282)	(551)	-	(4,463)
Charge/reversal provisions	(35,808)	-	(357)	-	(36,165)
Balance as at 31.12.2010	342,006	55,463	7,203	2,293	406,965
Cost	411,934	55,463	7,560	2,293	477,250
Financial instruments provision	(69,928)	-	(357)	-	(70,285)
Net book value as at 31-12-10	342,006	55,463	7,203	2,293	406,965

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

	Shareholdings in group companies	Loans to group companies	Shareholdings in associates and multi-group companies	Loans to associates and multi-group companies	Total
Balance as at 01.01.09	-	109	-	-	109
Increases	-	797	-	-	797
Divestment/ disposals	-	(89)	-	-	(89)
Balance as at 31.12.2009	-	817	-	-	817
Increases	-	1,292	-	-	1,292
Divestment/ disposals	-	(747)	-	-	(747)
Balance as at 31.12.2010	-	1,362	-	-	1,362

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a) Shareholdings in group companies

Of the total increase in Shareholdings in Group companies for 2010, of special note is the increase in Shareholdings in group companies as a result of the capital increase mainly of Eólica Kisielice Sp. Z.o.o. and Generación Eólica India Limited.

Transfers includes the capitalisation of loans of Eólica Kisielice Sp. Z.o.o. totalling Euros 13,485 thousand and Fersa Panamá, S.A. totalling Euros 1,787 thousand.

Disposals under Shareholdings in Group companies mainly includes:

- The sale of 16% of the interest in Parc Eòlic Mudèfer, S.L. in January 2010 to the specialise renewable energy fund Green Alliance, F.C.R. The transaction represents for the Company a disposal of holdings of Euros 5,262 thousand and a decrease of 16% of related subordinate debt (Euros 1,640 thousand). The impact of this sale in 2010 has represented a loss in the income statement of Euros 1,321 thousand.
- The sale of 6.92% of the holding in Castellwind 03, S.L. to Antonio Arakel Barian on 18 May of this year for Euros 29 thousand with an impact of Euros 24 thousand.
- The sale of 5% stake in Fersa Panamá, S.A. at 20 July to Administradora de Inversiones Renovables, S.A. for Euros 811 thousand with an impact on the income statement of Euros 94 thousand.

Also in relation to Fersa Panamá, S.A., on 16 November 2010 that have been additional sales of shares of 1% and 5% of capital, which execution is subject to the achievement of the conditions precedent. Consequently, at 31 December 2010 these two transactions have not been classified as sales.

b) Shareholdings in associates and multi-group companies

The increase in Shareholdings in associates and multi-group companies relate to two new companies: Ferrolterra Renovables, S.L. and Fersar Yenilenebilir Enerji Üretim Ltd. Sirketi, in which Fersa Energías Renovables, S.A. has a 40% and 50% stake, respectively.

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

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

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c) Provisions for shareholdings

During the year the Company has recorded provisions for impairment of different shareholdings, the breakdown of the movement in the provision for geographic segment is as follows:

Geographic segment	Accumulated provision 31.12.08	Charge	Reversal	Accumulated provision 31.12.09	Charge	Reversal	Accumulated provision 31.12.10
Western Europe	3,246	4,527	(185)	7,588	32,848	(504)	39,932
Eastern Europe	11,965	-	(1,633)	10,332	7,989	(2,727)	15,594
Asia	13,899	1,397	(406)	14,890	4,773	(5,985)	13,678
Latin America	766	544	-	1,310	-	(229)	1,081
Total	29,876	6,468	(2,224)	34,120	45,610	(9,445)	70,285

The net impact on the income statement for the year totals Euros 36,165 thousand.

The reversal of the provision is mainly due to the positive impact of the appreciation of certain currencies in which the Company has investments, mainly in India (Rupee) and Poland (Zloty), as the tacit capital gains (goodwill and intangible assets identified at the time of acquisition) are stated in the functional currency, and, accordingly, their value has increased upon translation into Euros.

On the other hand, the Company has recorded a portfolio provision for impairment of its recoverable value based on discounted cash flows.

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

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

Discount rate	Spain	France	Poland	India	Panama	China	Estonia
2010	8.82%	6.57%	9.26%	11.25%	7.75%	11.25%	9.26%
2009	7.30%	6.90%	9.40%	10.10%	9.14%	10.10%	9.20%

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 in 2010 (Note 3). For countries in which there are master ("power purchase agreements"), such as India or Poland, the agreed-upon price has been used.

c) Exchange rates, for foreign investments.

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

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- 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.
- 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.

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, to wit, the discount rate, the sale prices of electricity and the exchange rates. 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 before tax
Discount rate	10%	(25,659)
	(10%)	27,730
Electricity sale price	10%	30,403
	(10%)	(32,284)
Exchange rate	10%	6,753
	(10%)	(19,309)

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

Loans to group and multi-group companies and associates accrue a market interest rate, and have maturities exceeding 12 months (Note 21). The breakdown by company at 31 December 2010 and 2009 is as follows:

Geographic segment	Thousand euros	
	As at 31.12.10	As at 31.12.09
Western Europe	35,427	24,738
Eastern Europe	22,035	31,559
Latin America	294	1,573
Total	57,756	57,870

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Increase in non-current loans to Group companies includes new loans to Parc Eòlic Mudèfer, S.L. totalling Euros 8,888 thousand and to Eòlica Kisielice Sp. Z.o.o. totalling Euros 1,109 thousand. It also includes the capitalised interest added to loans totalling Euros 3,293 thousand.

Current loans to group companies at 31 December 2010 total Euros 1,362 thousand (Euros 817 thousand at 31 December 2009), relating mainly to the credit with group companies for the tax consolidation totalling Euros 1,164 thousand (Euros 551 thousand at 31 December 2009). Furthermore, at 31 December 2009 it includes the dividends payable totalling Euros 266 thousand from Invetem Mediterranea, S.L. and Eoliennes de Beausemblant, S.A.S.

8. Financial assets

The breakdown of the financial assets is as follows:

As at 31 December 2010	Available-for-sale financial assets	Loans and other receivables	Other financial assets at fair value through profit and loss	Investments held to maturity	Hedging derivatives	Total
Other financial assets	-	1,400	622	-	-	2,022
Impairment of other financial assets	-	(652)	-	-	-	(652)
Non-current financial assets	-	748	622	-	-	1,370
Other financial assets	-	-	-	1,717	-	1,717
Current financial assets	-	-	-	1,717	-	1,717

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

No debt securities have been issued, purchased or paid in 2010 or 2009.

Loans and other receivables

The breakdown of loans and other receivables at 31 December 2010 and 2009 is as follows:

	As at 31.12.10	As at 31.12.09
Other loans	13	179
Other assets	735	759
Total loans and non-current items	748	938
Other loans	-	884
Other assets	-	355
Total loans and current items	-	1,239

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In 2010, as a result of the sale of the shareholding in Parque Eólico Altos del Voltoya, S.A., the loan to this company was repaid in the amount of Euros 845 thousand as it was included in the purchase-sale agreement. This loan was posted as 'Other current financial assets' at the 2009 year end.

Other financial assets at fair value through profit and loss

As a result of the sale of 5% of Fersa Panamá, S.A., the Company is pending receipt of american dollars 799 thousand (Euros 622 thousand), which is due and payable when the Fersa 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 14).

Investments held to maturity

The amount of Investments held to maturity at 31 December 2010 relate to fixed term deposits maturing between february and march 2011. These investments accrue an average interest rate of 1.46%.

Hedging derivatives

The amount of Euros 3,731 thousand at 31 December 2009 related to an insurance agreement on future income of the subsidiaries Eólica del Pino S.L. and Eólica el Pedregoso S.L. maturing in 2026 which was being treated as a financial instrument at fair value through changes in equity.

This year, this right has been restated considering that it relates, bearing in mind its characteristics, to income insurance that can only be posted when and to the extent that the effect of the settlement of this insurance policy, during the life of the wind farms, is recognised. The impact on net equity of the disposal of this financial asset on the balance sheet in 2010 has been Euros 3,731 thousand, which is not significant for the purposes of these annual accounts. In 2010 and 2009 no amount was booked in the income statement for this right.

From 1 January 2010 the Company has been applying hedge accounting at fair value to the subsidiary in Panama, Fersa Panamá, S.A. for the exchange rate component. Consequently, the changes in value of the hedging instrument attributable to the acquisition of this shareholding totaling Euros 11,628 thousand (Note 14), which for 2010 totals Euros 1,068 thousand, is recognised in the income statement, in the same way as the item attributable to the risk hedged, i.e., the investment in Fersa Panamá, S.A.

9. Non-current assets held for sale

The assets held for sale at 31 December 2009 related to the 12% shareholding in Parque Eólico Altos del Voltoya S.A. The measurement at market value of this shareholding has had a positive effect on equity of Euros 393 thousand (Euros 275 thousand net of tax effect). In January 2010 this holding was sold for Euros 3.2 million, which was collected on 19 January 2010, having a positive impact on the income statement of Fersa of Euros 291 thousand.

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At 31 December 2010 there are no assets held for sale.

10. Trade and other receivables

The breakdown at 31 December 2010 and 2009 is as follows:

	As at 31.12.10	As at 31.12.09
Receivables, group companies and associates	5,418	2,844
Sundry receivables	13	5,763
Current tax assets	83	318
Other tax refundables	-	12
Trade and other receivables	5,514	8,937

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

Sundry receivables at 31 December 2009 included an amount of Euros 5,700 thousand relating to the sale price of the 18% stake in Parque Eólico Altos del Voltoya S.A. held on 29 December 2009.

There are no significant differences between the book values and fair values of Trade and other receivables. Except as indicated in Note 21, there are no trade and other receivables falling due in more than 12 months.

A provision is not required for bad debt at 31 December 2010 and 2009. In general, the invoices pending to receipt do not accrue interest.

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

11. Cash and other cash equivalents

	As at 31.12.10	As at 31.12.09
Cash and banks	2,807	1,854
Other cash equivalents	-	5,013
Total	2,807	6,867

The short-term investments at 31 December 2009, made entirely in Spain, matured in less than three months and accrued an effective weighted interest rate of 1.25 % in 2010. There are no short-term investments at 31 December 2010. There are no restrictions on significant amounts that can be drawn down.

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12. Net equity

a) Share capital

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

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 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 2010 of the company's shares was Euros 1.205 per share (Euros 2.215 at 31 December 2009).

The breakdown of the shareholders of the Company with a stake greater than 10% at 31 December 2010 and 31 December 2009, is as follows:

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

	As at 31.12.09
Shareholders	%
Grupo Enhol	22.39%
Other shareholders	77.61%
	100.0%

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

On 4 August 2008, Fersa Energías Renovables, S.A. and Fomento de Inversiones de Capital, S.L. (Foinca), fully owned by Fersa Energías Renovables, S.A., were merged by means of a takeover of the latter by the former, with the transfer on bloc of the equity of the latter to Fersa Energías Renovables, S.A. All the information referring to this transaction is presented in the 2009 Annual Accounts of Fersa Energías Renovables, S.A.

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

The General Meeting of Shareholders of 30 June 2009 adopted a resolution in favour of the takeover merger by Fersa Energías Renovables, S.A. (merging company) and Energía Renovables Mestral, S.L.U. (merged company) through the winding up without liquidation of the latter. All the information referring to this transaction is presented in the 2009 Annual Accounts of Fersa Energías Renovables, S.A.

b) Share premium account

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

c) Reserves

	As at 31.12.10	As at 31.12.09
Legal and statutory		
- Legal reserve	15,102	15,102
Other reserves		
- Other reserves	(36,604)	(34,375)
Total	(21,502)	(19,273)

Appropriations to the legal reserve are made in compliance with Article 274 of the Spanish Capital Companies Law, which stipulates that 10% of the profits must be transferred to this reserve until it represents at least 20% of share capital. The legal reserve is not available for distribution. Should it be used to offset losses in the event of no other reserves being available, it must be replenished out of future profits.

d) Treasury shares

In 2010 and by virtue of the authorisation granted by the General Meeting of Shareholders of the Company of 23 June 2010 and in order to facilitate the liquidity of the quotation, the Company made acquisitions of 869,445 treasury shares totalling Euros 1,109 thousand. At 31 December 2010, the Company has 1,951,581 treasury shares totalling Euros 8,774 thousand.

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Also, by virtue of the authorisation granted by the General Meeting of Shareholders of the Company of 30 June 2009, the Company had at 31 December 2009 1,716,341 treasury shares totalling Euros 10,999 thousand.

In 2010, the Company has sold 634,205 treasury shares for Euros 835 thousand; these sales have generated a decrease in reserves of Euros 2,499 thousand (in 2009, the sales were 168,870 treasury shares with a decrease of Euros 710 thousand).

Fersa Energías Renovables S.A. has pignored 1,403,707 treasury shares at 31 December 2010 to back a guarantee given by a financial entity to his subsidiary Generación Eólica India Limited.

e) Dividends:

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 140 thousand to be charged against profit and loss, and these were paid on July 2010.

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

f) Profit per share:

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

	Euros	
	As at 31.12.10	As at 31.12.09
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 (Euros)	(35,596,604)	139,601
Average number of treasury shares	1,820,063	1,767,461
Average number of shares in circulation	138,183,715	138,236,317
<u>Profit per share (Euros per share)</u>		
- Basic	(0.2576)	0.00101
- Diluted	(0.2576)	0.00101

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

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The proposed distribution of net income of Fersa Energías Renovables, S.A. for 2010 that the Board of Directors will propose to the General Meeting of Shareholders for its approval, is as follows:

Basis of distribution	Euros
Profit and loss	(35,596,604)
Total	(35,596,604)

Basis of distribution	Euros
Retained earnings	(35,596,604)
Total	(35,596,604)

13. Financial liabilities

The movement in the accounts under financial liabilities at 31 December 2010 and 2009 is as follows:

	Balance 31.12.09	Increases	Cancellations by payment	Transfers	Balance 31.12.10
Debts with credit entities	1,500	16,135	-	(2,308)	15,327
Other financial liabilities	54	-	-	-	54
Non-current financial liabilities	1,554	16,135	-	(2,308)	15,381

	Balance 31.12.09	Increases	Cancellations by payment	Transfers	Balance 31.12.10
Debts with credit entities	19,953	18,243	(28,529)	2,308	11,975
Current financial liabilities	19,953	18,243	(28,529)	2,308	11,975

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

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

At 31 December 2010, Fersa Energías Renovables, S.A. has credit facilities totalling Euros 13,410 thousand, of which Euros 326 thousand have not been drawn down. Of undrawn credit facilities, Euros 208 thousand maturing in more than one year (Euros 6,589 thousand in 2009).

At 31 December 2010, Fersa Energías Renovables, S.A. has loans totalling Euros 14,500 thousand, of which the amount of Euros 14,218 thousand is pending repayment. The maturity of these loans is from 2011 to 2013. The average interest rate of these loans in 2010 has been 4.09%.

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14. Other liabilities

The breakdown of other liabilities at 31 December 2010 and 2009 is as follows:

	As at 31.12.10	As at 31.12.09
Long-term deferred payments	36,466	40,198
Other non-current liabilities	36,466	40,198
Short-term deferred payments	967	4,110
Other current liabilities	22	-
Other current liabilities	989	4,110

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 2010, it is estimated that Euros 967 thousand (Euros 4,110 thousand as at 31 December 2009) will be payable next year and that Euros 36,466 thousand (Euros 40,198 thousand as at 31 December 2009) will be paid in the year 2012 and years thereafter.

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 31.12.10	As at 31.12.09
Western Europe	14,913	15,951
Eastern Europe	8,106	8,560
Asia	3,190	3,686
Latin America	10,257	12,001
Total long-term deferred payments	36,466	40,198
Western Europe	967	4,109
Total short-term deferred payments	967	4,109

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.

These deferred payments do not accrue interest but have been posted taking into account the temporary value of money at 31 December 2010. It is estimated that the schedule of payments (at nominal value) will be as follows:

	2011	2012	2013	2014 and years beyond	Total
Total deferred payments	967	13,819	4,167	22,300	41,253

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At 31 December 2010, long-term deferred payments include an outstanding payment to be made totalling american dollars 15,504 thousand nominal value, equivalent to Euros 11,628 thousand (american dollars 17,287 thousand at 31 December 2009, equivalent to Euros 12,001 thousand), for outstanding payments for the purchase of the company Fersa Panamá, S.A.

On 1 January 2010, the Company has designated this deferred liability as a hedging instrument for the exchange rate component. The impact of recording this liability at fair value has totaled Euros 1,068 thousand (Note 8).

15. Trade and other payables

	As at 31.12.10	As at 31.12.09
Non-current trade and other payables:		
- Non-current liabilities with group companies and associates (Note 21)	258	240
Total	258	240
Current trade and other payables:		
- Other creditors	515	280
- Current liabilities with group companies and associates (Note 21)	1,152	323
- Outstanding wage and salaries	81	40
- Tax payable	303	397
Total	2,051	1,040

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

The outstanding balance with suppliers for trading operations, which at 31 December has accumulated a deferral in payment longer than the maximum legal limit permitted under Law 15/2010/5 July, which established measures for reducing slow payment in trading operations, totals Euros 62 thousand of the total outstanding trade payable balance.

16. Risk management

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

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

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

Interest rate risk

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

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

	As at 31.12.10	As at 31.12.09
Fixed interest rate	-	-
Floating interest rate	27,302	21,453
Total	27,302	21,453

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
2010	10% (10%)	(81) 81
2009	10% (10%)	156 (156)

This effect does not include the impact of the variation in the interest rate on the impairment of assets, given that it is presented in Note 7.

Exchange rate risk

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

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

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The various non-Euro currencies with which Fersa Energias Renovables, S.A. has operated in 2010 are the Dollar, Rupee and Zloty. The sensitivity of net income and consolidated equity of Fersa Energías Renovables, S.A. to a 10% variation (increase or decrease) in the exchange rate against the Euro is as follows:

	Increase/decrease in the exchange rate of the functional currency	Effect on net income before tax	Effect on equity before tax
2010	10% (10%)	6,753 (19,309)	5,531 (18,309)
2009	10% (10%)	17,995 (15,469)	17,995 (15,469)

This effect does not include the impact of the variation in the exchange rate on the impairment of assets, given that it is presented in Note 7.

Credit risk

At 31 December 2010 and 2009 there are no provisions for bad debts as they are not considered necessary.

At 31 December 2010 and 2009, the Company had no significant concentrations of credit risk or delays in payment on financial assets.

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

Liquidity risk

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

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

At 31 December 2010, available liquidity totals Euros 3,133 thousand (Euros 13,456 thousand at 31 December 2009) taking into account cash (Euros 2,807 thousand (Note 11)), and undrawn credit facilities (Euros 326 thousand (Note 13)).

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Capital management

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

	As at 31.12.10	As at 31.12.09
Long-term financial liabilities (Note 13)	15,327	1,500
Short-term financial liabilities (Note 13)	11,975	19,953
Cash and other cash equivalents	(2,807)	(6,867)
Net financial liability:	24,495	14,586
Net equity (note 12)	353,530	393,897
Leverage (Net financial liability / (Net financial liability + Net equity))	6.48%	3.57%

17. Tax situation

The movement in deferred tax is as follows:

	Balance 31.12.09	Increases	Decreases	Balance 31.12.10
Deferred tax assets	-	1,023	-	1,023
Deferred tax liabilities	(285)	(830)	176	(939)
	(285)	-	176	84

	Balance 31.12.08	Increases	Decreases	Balance 31.12.09
Deferred tax assets	1,830	-	(1,830)	-
Deferred tax liabilities	-	(285)	-	(285)
	1,830	(285)	(1,830)	(285)

The reconciliation of taxable income for 2010 is as follows:

	Income statement		Total	
	Increases	Decreases		
Profit (loss) before tax			(35,687)	(35,687)
Permanent differences	-	(1,264)	(1,264)	(1,264)
Temporary differences				
- arising this year	38,520	-	38,520	38,520
- arising in prior years	118	(2,885)	(2,767)	(2,767)
Results provided by subsidiaries of the tax group				554
Taxable income				(644)

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The reconciliation of the applicable tax rate to the effective tax rate for 2010 and 2009 is as follows:

	2010	%	2009	%
Profit (loss) before tax	(35,687)		82	
Theoretical tax	(10,706)	30%	25	30%
Dividends	(108)	0%	(262)	(320%)
Permanent differences recognised in equity	(270)	1%	-	-
Permanent differences non-deductible expenses	-	-	529	645%
Offset of tax loss carryforwards	-	-	(350)	(426%)
Prior corporate income tax accrued	(11,084)	31%	(58)	(71%)
Non-recognition of tax credits	10,994	(31%)	-	
Corporate income tax accrued	(90)	0%	(58)	(71%)

At 31 December 2010, the Company has tax loss carryforwards (TLC's) available for offset totalling Euros 9,772 thousand (Euros 10,315 thousand at 31 December 2009), maturing in 2023, and a deferred tax asset balance not recognised of totalling Euros 13,631 thousand (Euros 6,022 thousand at 31 December 2009).

The breakdown of these unrecognised credits and the nature of their accounting counter-entry at 31 December 2010 is as follows:

	Charged to net income	Charged to equity	Total
Tax credit loss carryforwards	733	2,199	2,932
Deferred tax assets	7,373	6,258	13,631
	8,106	8,457	16,563

In both cases, the Company has decided not to recognise these amounts in its annual accounts, as it considers that they do not meet the requirements under the Chart of Accounts to be accounted for as assets.

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

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

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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.
Empordavent, S.L.U.	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.	Inversions Vinroma, S.L.U.
Eolener, S.L.U.	Parque Eólico 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.	Fersa-Aventalia, S.L.

This year, the companies Sinergia Andaluza, S.L. and Fersa-Aventalia, S.L. have been added to the tax consolidation regime.

18. Income and expenses

a) Net turnover

The breakdown of net turnover is as follows:

	Year ended at 31 December	
	2010	2009
Interest income	3,920	3,482
Dividends received	576	1,085
Services rendered	3,862	1,884
Net turnover	8,358	6,451

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

b) Staff costs

The breakdown of staff costs at 31 December 2010 and 2009 is as follows:

	As at 31.12.10	As at 31.12.09
Wages and salaries	2,149	2,016
Social welfare expenses	365	302
Total staff costs	2,514	2,318

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The breakdown of average staff at 31 December 2010 and 2009 by job category is as follows:

	2010	2009
Management	3	4
Technicians	25	22
Line workers	6	6
Total	34	32

In accordance with the provisions of the Gender Equality Act, Organic Law 3/2007/22 March, published in the Official State Gazette of 23 March 2007, the number of employees at the end of 2010 and 2009 broken down by category and gender is as follows:

As at 31.12.10	Men	Women	Total
Management	3	-	3
Technicians	18	12	30
Others	1	5	6
	22	17	39

As at 31.12.09	Men	Women	Total
Management	4	-	4
Technicians	15	9	24
Others	1	6	7
	20	15	35

c) Net financial income (expense)

	2010	2009
Financial income:		
From negotiable securities and other financial instruments		
- From third parties	87	215
	87	215
Financial expenses:		
- Payable with third parties	(1,525)	(392)
	(1,525)	(392)
Disposals of financial instruments		
- Charged to net income from financial assets held for sale.	291	-
	291	-
Exchange differences	(65)	431
Financial income (loss)	(1,212)	254

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19. Cash flows

The breakdown of cash flow from operations at 31 December 2010 and 2009 is as follows:

	Notes	2010	2009
Profit (loss) before tax		(35,687)	82
Adjustments to results:		39,413	2,559
Amortisation and depreciation	5-6	75	47
Impairment losses	7-8	36,817	4,244
Results of disposals of fixed assets	7-8	1,439	(1,478)
Results of disposals of financial instruments	9	(291)	-
Financial income	18	(87)	(215)
Financial expenses	18	1,525	392
Exchange differences	18	(65)	(431)
Changes in working capital:	19	(6,649)	(3,328)
Inventories		-	-
Trade and other receivables		(6,591)	(1,903)
Other current assets		(2)	(522)
Other current liabilities		-	324
Other non-current assets and liabilities		-	-
Other cash flows from operating activities:		14	72
Interest paid		(882)	(124)
Collection of dividends	18	576	-
Collection of interests		70	215
Collections (payments) of corporate income tax		250	-
Other payments (collections)		-	(19)
Cash flows from operating activities		(2,909)	(615)

20. Commitments and contingencies

a) Commitments

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

b) Guarantees

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

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

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

Company	Thousands euros
P.E. Tajos de Bazán	620
Texte	150
La Tossa del Vent	210
Eolener	687
P.E. L'Arram	400
P.E. Coll de Som	210
Empordavent	1,920
Orta Eólica	1,980
Electravent	442
E.R. Guadiana Menor	1,200
Sinergia Andaluza	3,564
La Pedrera	870
Ferrolterra Renovables, S.L.	1,188
Parc Eòlic Mudèfer, S.L.	6
Total	13,447

Fersa Energías Renovables has given guarantees totalling Euros 6,131 thousand to the General Directorate of Energy and Mining Policy for different wind farm tenders in Catalonia. Temporary awards have been announced this year.

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. has given 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 8,291 thousand for the financing of the infrastructure required for the evacuation of electricity from the Empordavent, S.L. wind farm and 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.

The companies included in 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 Eòlic Mudèfer S.L., Gestora Fotovoltaica de Castellón S.L. and Eólica Kisielice Sp have pignorated their shares as a result of loan agreement under Project Finance with lending institutions.

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In relation to the wind-farm financing loans with obligations to comply with covenants in financing of this type, at 31 December 2010 and 2009 there are no indications of a breach of the covenants described in these contracts that could give rise to their early redemption.

The Directors of Fersa Energías Renovables, S.A. estimate that the unforeseen liabilities at 31 December 2010, if any, that could arise from the commitments indicated in this Note, would not be significant to these consolidated annual accounts.

c) Contingencies

On 21 December 2005 the Regional Customs Unit of the Barcelona Tax Authorities raised a final assessment signed in disagreement against the subsidiary company Invetem Mediterránea, S.L., for the Special Hydrocarbons Tax for the period 2001 to 2004, with a proposed settlement totalling Euros 8,840 thousand, of which Euros 813 relate to late payment interest. In 2006 the subsidiary company filed the respective economic-administrative claim before the Regional Tax and Treasury Court of Catalonia.

On 1 July 2010 the Regional Tax and Treasury Court of Catalonia ruled in favour of Invetem Mediterránea S.L., thus voiding the assessment and settlement impugned. Nevertheless, on 9 August 2010 an appeal was filed against the ruling of this Court.

On 5 March 2010, the Court of First Instance nº2 of Guadix (Granada) handed down a judgement against the subsidiary company Sinergia Andaluza S.L. totalling Euros 104 thousand, arising from the land occupancy agreement on the "Los Cuellos" estate, for the installation of a wind farm there. The company Sinergia Andaluza S.L. has announced that it will appeal this judgement. The management of the Fersa Group believes that no provision is required, since the judgement has no foundation, and that the case will conclude without economic consequences.

Furthermore, Sinergia Andaluza has filed several contentious-administrative appeals against judgements handed down by the Ministry of Innovation, Science and Trade of the Government of Andalusia. Fersa Group management considers that a provision is not necessary since no economic consequences are expected.

21. Related party transactions

Related parties are:

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

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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. (*)	22.39%
Grupo Catalana Occidente, S.A.	7.51%
Mytaros B.V.	4.04%
BCN Godia, S.L.	4.55%
Larfon, S.A.U.	2.70%
Comsa-Emte, S.L.	7.68%
Caja General de Ahorros de Granada	4.06%
Mr. José M ^a Roger Ezpeleta	2.01%
% Total of share capital	54.94%

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

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

The operations in 2010 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.

Agreements were entered into with Inver for the integrated management of projects of the companies that the Group promotes in Poland (Eólica Kisielice, Sp Z.o.o)

The amount accrued in 2010 for this item totals Euros 369 thousand (Euros 343 thousand in 2009).

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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 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 2010 totals Euros 1,878 thousand (Euros 3,028 thousand at 31 December 2009), which has accrued interest in its favour of Euros 12 thousand in 2010 (Euros 17 thousand in 2009). 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 2010 totals Euros 5,923 thousand (Euros 6,352 thousand at 31 December 2009), and interest of Euros 266 thousand has accrued in 2010 (296 thousand in 2009).

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

The total amount accrued during 2010 with respect to the rental of the offices of the registered office of Fersa Energías Renovables S.A. in Barcelona to Real Wind, S.L. (a company fully owned by Jose Maria Roger Ezpeleta, Chairman of the Board of Directors of Fersa Energías Renovables S.A.), totals Euros 182 thousand (Euros 201 thousand during 2009). 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%.

b) Transactions with directors and senior management

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

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

	As at 31.12.10	As at 31.12.09
Services rendered to group companies and associates		
- Technical, accounting and administrative services	3,862	1,884
- Dividends	576	1,085
- Interests	3,920	3,482
Total	8,358	6,451

The transactions involving services rendered by the Company with related parties 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. Thus, the costs shared by the 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.

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	As at 31.12.10	As at 31.12.09
Trade receivables from group companies and associates (Note 10)		
Trade receivables from group companies and associates	5,418	2,844
Total	5,418	2,844

Accounts receivable with related parties arise from the advisory, technical, accounting and administrative services provided and fall due in one month after the invoice date. The balance of the accounts receivable with related parties older than a 12 months totals Euros 2,148 thousand. The accounts receivable are not insured and do not accrue any interest.

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

The loans of the Company to Group companies, associates and multi-group companies accrue a financial interest calculated on the base of a market interest rate.

Loans to group companies, associates or multi-group companies fall due between 2011 and 2013 and accrue annual interest between 4% and 7.5%. The breakdown by company and the movement in the loans can be found in Note 7.

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

Remuneration of the members of the Board of Directors

The Board of Directors, at its meeting of 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.

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Accordingly, during 2010 the total amount accrued to the members of the Board of Directors of Fersa Energías Renovables, S.A. totals Euros 712 thousand (Euros 637 thousand during 2009), 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.

Please note that the members of the Executive Committee have waived their remuneration this year as members of this committee, which could total Euros 80 thousand.

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.

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:

Board Member: José M ^a Roger Ezpeleta		
Investee company	Shareholding	Functions
Real Wind, S.L.U.	100% Direct	Sole Administrator
Eólica el Pedregoso, S.L.	On behalf of FERSA, 80%	Chairman
Eólica del Pino, S.L.	On behalf of FERSA, 80%	Chairman
Aprofitament d'energies renovables de la Terra Alta, S.L.	On behalf of FERCOM EÓLICA, 13,94% and On behalf of Parc Eòlic Mudefer, S.L. 15,73%	Director
Gestora Fotovoltaica de Castellón, S.L.	On behalf of FERSA, 76%	Joint Administrator

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Fotovoltaica Fer, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Fotovoltaica de Castellón, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Fotovoltaica de les Coves, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Fotovoltaica Ecotec, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Fotovoltaica La Mola, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Fotovoltaica Padua, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Fotovoltaica Vergós, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Joso Fotovoltaica, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Inversions Trautt, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Inversions Vinroma, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Weinsberg Ecotec, S.L.	On behalf of Gestora Fotovoltaica de Castellón, S.L. 100%	Joint Administrator
Invetem Mediterrànea, S.L.	On behalf of FERSA, 70,83%	Director
Sinergia Andaluza, S.L.	On behalf of FERSA 75%	Director
Energías Renovables del Guadiana Menor, S.L.	On behalf of FERSA 50%	Director
Castellwind-03, S.L.	On behalf of FERSA 60,48%	Director
Fersa Panamá, S.A.	On behalf of FERSA 94,45%	Chairman
Siljan Port, S.L.	On behalf of FERSA 80%	Chairman
OÚ Est Wind Power	On behalf of FERSA 93,79%	Director
Generación Eólica India Limited	On behalf of FERSA 99,9%	Director
Parc Eòlic Mudefer, S.L.	On behalf of FERSA 84%	Chairman
EN Renewable Energy Private Limited	On behalf of FERSA 99,9%	Director
EN Wind Power Private Limited	On behalf of FERSA 99,9%	Director
Eolica Postolin S.P. Z o.o.	On behalf of FERSA 100%	Director
Eolica Cieplowody S.P. Z o.o.	On behalf of FERSA 100%	Director
Eolica Kiselice S.P. Z o.o.	On behalf of FERSA 100%	Director
Eolica Warblewo S.P. Z o.o.	On behalf of FERSA 100%	Director
Mangement Kiselice, Sp. z o.o	On behalf of FERSA 100%	Director
Eoliennes de Beausemblant S.A.S.	On behalf of FERSA 80%	Chairman
Fersa Italia, s.r.l.	On behalf of FERSA 100%	Chairman
Shandong Lusa New Energy Co, Ltd.	On behalf of Siljan Port, S.L. 60%	ViceChairman
Fersa Business Consulting Co. Ltd.	On behalf of FERSA 100%	Administrator
Fersa Aventura, S.L.	On behalf of FERSA 80%	Chairman
Ferrolterra Renovables, S.L.	On behalf of FERSA 40%	Director
FERSAR Yenilenebilir Enerji Üretim, Ltd. Sti	On behalf of FERSA 50%	Administrador

Board Member: Energia Inteligente Energena, S.L.U.

Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	51% Indirect	-
Eolica Black Sea OOD	60,86% Indirect	-

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Eólica Bulgaria EAD	51,73% Indirect	-
Eólica Danubio OOD	60,86% Indirect	-
Eólica Suvorovo AD	51,73% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	76,95% Indirect	-
Energía Renovable del Bío Bío, S.A.	96,29% 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	-
Wind Resources America Corp.	100% Indirect	-
Eólica Slovensko, a.s.	70,32% Indirect	-
Navarra Invest, a.s.	70% Indirect	-
Asturiana de Eólica, S.A.	80% Indirect	-
Craquener, S.L.	50% Direct	-
Cyclone Power Group, S.L.U.	100% Indirect	-
Electra de Malvana, S.A.	32% Indirect	-
Energías Alternativas de México, S.L.U.	100% Indirect	-
Energías Renovables de América, S.L.U.	100% Direct	-
Eólica del Ebro, S.A.U.	100% Indirect	-
Eólica del Romeral, S.L.	43,95% Indirect	-
Eólica Erla, S.A.	49% Indirect	-
Eólica La Cantera S.L.	78,01% Indirect	-
Eólica La Foradada, S.L.	78,01% Indirect	-
Eólica Las Eras, S.L.	87,9% Indirect	-
Eólica Navarra, S.L.U.	100% Direct	-
Eólica ValTomás, S.L.	78,01% Indirect	-
Generación Eólica Internacional, S.L.	87,9% Indirect	-
Hidroenhol, S.L.U.	100% Indirect	-
Innovación Verde Inver, S.L.U.	100% Direct	-
Inver Bulgaria EOOD	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.	49,5% Indirect	-
Luz de Viento, S.L.	75% 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 La Jimena, S.A.	40% Indirect	-
Sistemas Energéticos Quiñonería, S.A.	40% Indirect	-
Sistemas Energéticos Sierra de Costanazo, S.A.	40% Indirect	-
Sistemas Energéticos Moncayo, S.A.	25% Indirect	-
Sistemas Energéticos Torralba, S.A.	40% Indirect	-
Tecnología Energía Recuperada de Navarra, S.L.	25% Indirect	-

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Termosolar Lebrija, S.L.U.	100% Direct	-
Transformación Energía Sostenible, S.L.	50% Indirect	-
EN Sustainable Energy Pvt. Ltd.	88,31% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	88,31% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	49,99% Indirect	-
Promotora Eólica México, S.A. de C.V.	70% Indirect	-
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	50% Indirect	-
Perú Energía Renovable, S.A.	93% 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	90% Indirect	-
SC Generacion Eolica Dacia SRL	87,9% Indirect	-

Board Member: Grupo Empresarial Enhol, S.L.		
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	51% Indirect	-
Eolica Black Sea OOD	60,86% Indirect	-
Eolica Bulgaria EAD	51,73% Indirect	-
Eolica Danubio OOD	60,86% Indirect	-
Eolica Suvorovo AD	51,73% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	76,95% Indirect	-
Energía Renovable del Bío Bío, S.A.	96,29% 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	-
Wind Resources America Corp.	100% Indirect	-
Eolica Slovensko, a.s.	70,32% Indirect	-
Navarra Invest, a.s.	70% Indirect	-
Asturiana de Eólica, S.A.	80% Indirect	-
Craquener, S.L.	50% Indirect	-
Cyclone Power Group, S.L.U.	100% Indirect	-
Electra de Malvana, S.A.	32% Indirect	-
Energías Alternativas de México, S.L.U.	100% Indirect	-
Energías Renovables de América, S.L.U.	100% Indirect	-
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.	43,95% Indirect	-
Eólica Erla, S.A.	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 Las Eras, S.L.	87,9% Indirect	-

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Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Eólica Montes de Cierzo, S.L.	50% Direct	-
Eólica Navarra, S.L.U.	100% Indirect	-
Eólica ValTomás, S.L.	78,01% Indirect	-
Generación Eólica Internacional, S.L.	87,9% Indirect	-
Hidroenhol, S.L.U.	100% Indirect	-
Innovación Verde Inver, S.L.U.	100% Indirect	-
Inver Bulgaria EOOD	100% Indirect	-
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.	49,5% Indirect	-
Luz de Viento, S.L.	75% 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 La Jimena, S.A.	40% Indirect	-
Sistemas Energéticos Quiñonería, S.A.	40% Indirect	-
Sistemas Energéticos Sierra de Costanazo, S.A.	40% Indirect	-
Sistemas Energéticos Moncayo, S.A.	25% Indirect	-
Sistemas Energéticos Torralba, S.A.	40% Indirect	-
Tecnología Energía Recuperada de Navarra, S.L.	25% Indirect	-
Termosolar Lebrija, S.L.U.	100% Indirect	-
Transformación Energía Sostenible, S.L.	50% Indirect	-
EN Sustainable Energy Pvt. Ltd.	88,31% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	88,31% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	49,99% Indirect	-
Promotora Eólica México, S.A. de C.V.	70% Indirect	-
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	50% Indirect	-
Perú Energía Renovable, S.A.	93% 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	90% Indirect	-
SC Generacion Eolica Dacia SRL	87,9% Indirect	-

Board Member: Grupo Empresarial Enhol, S.L.	Related party: Luis Oliver Gómez (Individual representative of ALGO PROYECTO, S.L. - Director)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12,75% Indirect	-
Eolica Black Sea OOD	19,06% Indirect	-
Eolica Bulgaria EAD	16,20% Indirect	-
Eolica Danubio OOD	19,06% Indirect	-
Eolica Suvorovo AD	16,20% Indirect	-
Europroject Bulgaria OOD	21,25% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	19,99% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,08% Indirect	Director
Enhol Chile SpA	25% Indirect	-

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

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	-
Wind Resources America Corp.	25% Indirect	-
Eólica Slovensko, a.s.	17,58% Indirect	-
Navarra Invest, a.s.	17,5% Indirect	Director
Asturiana de Eólica, S.A.	20% Indirect	Director
Craquener, S.L.	13,19% Indirect	Secretary of the Board of Directors
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energía Inteligente Energena, S.L.U.	25% Indirect	-
Energía Termosolar Enertol, S.L.	12,5% Indirect	-
Eólica Cabanillas, S.L.	12,5% Indirect	Director
Eólica Caparros, S.L.	12,5% Indirect	Chairman of the Board of Directors
Eólica del Ebro, S.A.U.	25% Indirect	-
Eólica del Romeral, S.L.	10,99% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,5% Indirect	Chairman of the Board of Directors
Eólica La Cantera S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Las Eras, S.L.	21,97% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	Chairman of the Board of Directors
Eólica Navarra, S.L.U.	25% Indirect	Solidarity Administrator
Eólica ValTomás, S.L.	19,5% Indirect	-
Generación Eólica Internacional, S.L.	21,98% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	25% Indirect	Individual representative of ALGO PROYECTO S.L. (Director)
Hidroenhol, S.L.U.	25% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	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	-
Luz de Viento, S.L.	18,75% Indirect	Director
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	Director
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 Quiñonería, S.A.	10% Indirect	Director
Sistemas Energéticos Sierra de Costanazo, S.A.	10% Indirect	Director

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Tecnología Energía Recuperada de Navarra, S.L.	6,94% Indirect	Director
Termosolar Lebrija, S.L.U.	25% Indirect	Joint Administrator
Transformación Energía Sostenible, S.L.	12,5% Indirect	Joint Administrator
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	22,08% Indirect	Director
Compañía Eólica de Tamaulipas S.A. de C.V.	12,49% Indirect	Chairman of the Board of Directors
Promotora Eólica México, S.A. de C.V.	17,5% Indirect	Director
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	12,5% Indirect	Director
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	-
SC Carpatia Energia Eolica SRL	22,5% Indirect	Sole Administrator
SC Generacion Eolica Dacia SRL	21,97% Indirect	-

Board Member: Grupo Empresarial Enhol, S.L.	Related party: Ernesto Oliver Gómez (Individual representative of DINAL INNOVACIONES, SL – Chief Executive Officer)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12,75% Indirect	-
Eolica Black Sea OOD	19,06% Indirect	-
Eolica Bulgaria EAD	16,20% Indirect	-
Eolica Danubio OOD	19,06% Indirect	-
Eolica Suvorovo AD	16,20% Indirect	-
Europroject Bulgaria OOD	21,25% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	19,99% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,08% Indirect	-
Enhol Chile SpA	25% 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	-
Wind Resources America Corp.	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-
Navarra Invest, a.s.	17,5% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Craquener, S.L.	13,19% Indirect	Director
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energía Inteligente Energena, S.L.U.	25% Indirect	Joint Administrator
Energía Termosolar Enertol, S.L.	12,5% Indirect	-
Eólica Cabanillas, S.L.	12,5% Indirect	Chairman of the Board of Directors

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Eólica Caparroso, S.L.	12,5% Indirect	-
Eólica del Ebro, S.A.U.	25% Indirect	-
Eólica del Romeral, S.L.	10,99% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,5% Indirect	-
Eólica La Cantera S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Las Eras, SL.	21,97% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	-
Eólica Navarra, S.L.U.	25% Indirect	-
Eólica ValTomás, S.L.	19,5% Indirect	-
Generación Eólica Internacional, S.L.	21,98% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	25% Indirect	Individual representative of DINAL INNOVACIONES S.L. (Chief Executive Officer)
Hidroenhol, S.L.U.	25% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	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.	18,75% Indirect	Chairman of the Board of Directors
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 La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Quiñonería, S.A.	10% Indirect	-
Sistemas Energéticos Sierra de Costanazo, S.A.	10% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Tecnología Energía Recuperada de Navarra, S.L.	6,94% Indirect	Director
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	12,5% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	22,08% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	12,49% Indirect	Director
Promotora Eólica México, S.A. de C.V.	17,5% Indirect	-
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	12,5% 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	-
SC Carpatia Energia Eolica SRL	22,5% Indirect	-
SC Generacion Eolica Dacia SRL	21,97% Indirect	-

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Board Member: Grupo Empresarial Enhol, S.L.	Related party: Antonio Jesús Oliver Gómez (Individual representative of INNOVACIONES FAOLSAN, SL – CEO)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12,75% Indirect	-
Eólica Black Sea OOD	19,06% Indirect	Joint Administrator
Eólica Bulgaria EAD	16,20% Indirect	Chairman of the Board of Directors
Eólica Danubio OOD	19,06% Indirect	Joint Administrator
Eólica Suvorovo AD	16,20% Indirect	Chairman of the Board of Directors
Europeproject Bulgaria OOD	21,25% Indirect	Sole Administrator
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	19,99% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,08% Indirect	-
Enhol Chile SpA	25% 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	-
Wind Resources America Corp.	25% Indirect	-
Eólica Slovensko, a.s.	17,58% Indirect	-
Navarra Invest, a.s.	17,5% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Craquener, S.L.	13,19% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	Sole Administrator
Energías Renovables de América, S.L.U.	25% Indirect	Sole Administrator
Energía Inteligente Energena, S.L.U.	25% Indirect	Joint Administrator
Energía Termosolar Enertol, S.L.	12,5% Indirect	Chairman of the Board of Directors
Eólica Cabanillas, S.L.	12,5% Indirect	-
Eólica Caparoso, S.L.	12,5% Indirect	Director
Eólica del Ebro, S.A.U.	25% Indirect	Joint Administrator
Eólica del Romeral, S.L.	10,99% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	Joint Administrator
Eólica La Bandera, S.L.	12,5% Indirect	Director
Eólica La Cantero S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Las Eras, SL.	21,97% Indirect	Joint Administrator
Eólica Montes de Cierzo, S.L.	12,5% Indirect	Director
Eólica Navarra, S.L.U.	25% Indirect	Solidarity Administrator
Eólica ValTomás, S.L.	19,5% Indirect	-
Generación Eólica Internacional, S.L.	21,98% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	25% Indirect	Individual representative of INNOVACIONES FAOLSAN S.L. (Chief Executive Officer)

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Hidroenhol, S.L.U.	25% Indirect	Sole Administrator
Innovación Verde Inver, S.L.U.	25% Indirect	Sole Administrator
Inveravante Gestión de Inversiones, S.L.	12,5% Indirect	-
LDV Casares, S.L.	18,75% Indirect	Secretary of the Board of Directors
LDV Cerro Cortijo de Guerra, S.L.U.	18,75% Indirect	Secretary of the Board of Directors
LDV Cortijo de Guerra, S.L.	18,75% Indirect	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.	18,75% Indirect	Secretary of the Board of Directors
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 La Jimena, S.A.	10% Indirect	Director
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Quiñonería, S.A.	10% Indirect	Director
Sistemas Energéticos Sierra de Costanazo, S.A.	10% Indirect	Director
Sistemas Energéticos Torralba, S.A.	10% Indirect	Chairman of the Board of Directors
Tecnología Energía Recuperada de Navarra, S.L.	6,94% Indirect	-
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	12,5% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	22,08% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,5% Indirect	-
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	12,5% 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	-
SC Carpatia Energia Eolica SRL	22,5% Indirect	-
SC Generacion Eolica Dacia SRL	21,97% Indirect	-

Board Member: Grupo Empresarial Enhol, S.L.	Related party: Mariano Oliver Gómez (Individual representative of MEGANIUM INVERSIONES, SL – Director)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12,75% Indirect	-
Eolica Black Sea OOD	19,06% Indirect	-
Eolica Bulgaria EAD	16,20% Indirect	-
Eolica Danubio OOD	19,06% Indirect	-
Eolica Suvorovo AD	16,20% Indirect	-
Europeproject Bulgaria OOD	21,25% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	19,99% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,08% Indirect	Director
Enhol Chile SpA	25% Indirect	-
Eólica Camarico, S.A.	24,14% Indirect	-
Eólica del Norte, S.A.	22,25% Indirect	-
Eólica Mar Brava, S.A.	21,75% Indirect	-

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Eólica Punta Chome, S.A.	24,14% Indirect	-
Eólica Viento del Hierro, S.A.	22,25% Indirect	-
Wind Resources America Corp.	25% Indirect	ViceChairman and Secretary of the Board of Directors
Eólica Slovensko, a.s.	17,58% Indirect	-
Navarra Invest, a.s.	17,5% Indirect	Director
Asturiana de Eólica, S.A.	20% Indirect	Chairman of the Board of Directors
Craquener, S.L.	13,19% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Director
Energías Alternativas de México, S.L.U.	25% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energía Inteligente Energena, S.L.U.	25% Indirect	Joint Administrator
Energía Termosolar Enertol, S.L.	12,5% Indirect	Director
Eólica Cabanillas, S.L.	12,5% Indirect	-
Eólica Caparroso, S.L.	12,5% Indirect	-
Eólica del Ebro, S.A.U.	25% Indirect	Joint Administrator
Eólica del Romeral, S.L.	10,99% Indirect	-
Eólica Erla, S.A.	12,25% Indirect	Joint Administrator
Eólica La Bandera, S.L.	12,5% Indirect	-
Eólica La Cantera S.L.	19,5% Indirect	-
Eólica La Foradada, S.L.	19,5% Indirect	-
Eólica Las Eras, SL.	21,97% Indirect	-
Eólica Montes de Cierzo, S.L.	12,5% Indirect	-
Eólica Navarra, S.L.U.	25% Indirect	-
Eólica ValTomás, S.L.	19,5% Indirect	-
Generación Eólica Internacional, S.L.	21,98% Indirect	-
Grupo Empresarial Enhol, S.L.	25% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Director)
Hidroenhol, S.L.U.	25% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12,5% 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.	18,75% 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	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Quiñonería, S.A.	10% Indirect	-
Sistemas Energéticos Sierra de Costanazo, S.A.	10% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	-

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Tecnología Energía Recuperada de Navarra, S.L.	6,94% Indirect	-
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	12,5% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	22,08% Indirect	Director
Compañía Eólica de Tamaulipas S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,5% Indirect	Director
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	12,5% Indirect	-
Perú Energía Renovable, S.A.	23,25% Indirect	Director
Eolica Polska Sp z o.o.	21,97% Indirect	Director
Generacja Wiatrowa Polska Sp z o.o.	21,97% Indirect	-
SC Carpatia Energia Eolica SRL	22,5% Indirect	-
SC Generacion Eolica Dacia SRL	21,97% Indirect	-

Board Member: Grupo Empresarial Enhol, S.L.	Related party : Joaquín Manuel Dean Ferrer (Secretary Non Director)	
Investee company	Shareholding	Functions
Aguas Vivas Allipen Tacura, S.A.	-	Director
Electra de Malvana, S.A.	-	Individual representative of EÓLICA NAVARRA, S.L.U. (Director)
Energías Renovables del Bío Bío, S.A.	0,3% Indirect	-
EN Sustainable Energy Pvt. Ltd.	0,27% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	0,27% Indirect	-
Eolica Black Sea OOD	0,69% Indirect	-
Eolica Camarico, S.A.	0,28% Indirect	Director
Eolica Danubio OOD	0,69% Indirect	-
Eolica del Norte, S.A.	-	Director
Eolica del Romeral, S.L.	0,5% Indirect	-
Eólica Las Eras, S.L.	1% Indirect	-
Eólica Mar Brava, S.A.	-	Director
Eolica Polska Sp. Z o.o.	1% Indirect	-
Eólica Punta Chome, S.L.	0,28% Indirect	Director
Eolica Slovensko, a.s.	0,8% Indirect	-
Eolica Suvorovo AD	0,59% Indirect	-
Eolica Viento del Hierro, S.A.	-	Director
Eolica Bulgaria EAD	0,59% Indirect	-
Generación Eólica Internacional, S.L.	1% Direct	-
Generacja Wiatrowa Polska Sp. Z o.o.	1% Indirect	-
Grupo Empresarial Enhol, S.L.	-	-
Hidroeléctrica Río Turbio, SpA	-	Director
New Energy Sources Holding, S.L.	0,27% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	0,27% Indirect	-
SC Generacion Eolica Dacia SRL	1% Indirect	-

Board Member: Grupo Empresarial Enhol, S.L.	Related party: Mariano Oliver Gómez (Individual representative of
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FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010
(in Thousand Euros)

MEGANIUM INVERSIONES, SL – Director)		
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	-	Chairman of the Board of Directors
Aguas Vivas Allipen Tacura, S.A.	-	Chairman of the Board of Directors
Asturiana de Eólica, S.A.	-	Director
Cyclone Power Group, S.L.U.	-	Joint Administrator
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
Hidroeléctrica Río Turbio, SpA	-	Chairman of the Board of Directors
New Energy Sources Holding, S.L.	-	Joint Administrator
Wind Resources America Corp.	-	ViceChairman of the Board of Directors

Board Member: Energia Inteligente Energena		
Related party: Grupo Empresarial Enhol, S.L. (Sole shareholder)		
Investee company	Shareholding	Functions
Eólica Cabanillas, S.L.	50% Direct	-
Eólica Montes de Cierzo, S.L.	50% Direct	-
Eólica La Bandera, S.L.	50% Direct	-
Eólica Caparros, S.L.	50% Direct	-

Board Member: Energia Inteligente Energena		
Related party: Luis Oliver Gómez (Joint Administrator)		
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12,75% Indirect	-
Eolica Black Sea OOD	19,06% Indirect	-
Eolica Bulgaria EAD	16,20% Indirect	-
Eolica Danubio OOD	19,06% Indirect	-
Eolica Suvorovo AD	16,20% Indirect	-
Europroject Bulgaria OOD	21,25% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	19,99% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,08% Indirect	Director
Enhol Chile SpA	25% 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	-
Wind Resources America Corp.	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-
Navarra Invest, a.s.	17,50% Indirect	Director

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Asturiana de Eólica, S.A.	20% Indirect	Director
Craquener, S.L.	13,19% Indirect	Secretary of the Board of Directors
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energía Inteligente Energena, S.L.U.	25% Indirect	-
Energía Termosolar Enertol, S.L.	12,50% Indirect	-
Eólica Cabanillas, S.L.	12,50% Indirect	Director
Eólica Caparroso, S.L.	12,50% Indirect	Chairman of the Board of Directors
Eólica del Ebro, S.A.U.	25% Indirect	-
Eólica del Romeral, S.L.	10,99% 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	-
Eólica La Foradada, S.L.	19,50% Indirect	-
Eólica Las Eras, SL.	21,97% Indirect	-
Eólica Montes de Cierzo, S.L.	12,50% Indirect	Chairman of the Board of Directors
Eólica Navarra, S.L.U.	25% Indirect	Solidarity Administrator
Eólica ValTomás, S.L.	19,50% Indirect	-
Generación Eólica Internacional, S.L.	21,98% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	25% Indirect	Individual representative of ALGO PROYECTO S.L. (Director)
Hidroenhol, S.L.U.	25% Indirect	-
Innovación Verde Inver, S.L.U.	25% 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	-
Luz de Viento, S.L.	18,75% Indirect	Director
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	Director
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 Quiñonería, S.A.	10% Indirect	Director
Sistemas Energéticos Sierra de Costanazo, S.A.	10% Indirect	Director
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Tecnología Energía Recuperada de Navarra, S.L.	6,94% Indirect	Director
Termosolar Lebrija, S.L.U.	25% Indirect	Joint Administrator

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Transformación Energía Sostenible, S.L.	12,50% Indirect	Joint Administrator
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	22,08% Indirect	Director
Compañía Eólica de Tamaulipas S.A. de C.V.	12,49% Indirect	Chairman of the Board of Directors
Promotora Eólica México, S.A. de C.V.	17,50% Indirect	Director
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	12,50% Indirect	Director
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	-
SC Carpatia Energia Eolica SRL	22,50% Indirect	Sole Administrator
SC Generacion Eolica Dacia SRL	21,97% Indirect	-

Board Member: Energía Inteligente Energena	Related party: Ernesto Oliver Gómez (Joint Administrator)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12,75% Indirect	-
Eolica Black Sea OOD	19,06% Indirect	-
Eolica Bulgaria EAD	16,20% Indirect	-
Eolica Danubio OOD	19,06% Indirect	-
Eolica Suvorovo AD	16,20% Indirect	-
Europroject Bulgaria OOD	21,25% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	19,99% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,08% Indirect	-
Enhol Chile SpA	25% 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	-
Wind Resources America Corp.	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-
Navarra Invest, a.s.	17,50% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Craquener, S.L.	13,19% Indirect	Director
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energía Inteligente Energena, S.L.U.	25% Indirect	Joint Administrator
Energía Termosolar Enertol, S.L.	12,50% Indirect	-
Eólica Cabanillas, S.L.	12,50% Indirect	Chairman of the Board of Directors
Eólica Caparroso, S.L.	12,50% Indirect	-
Eólica del Ebro, S.A.U.	25% Indirect	-
Eólica del Romeral, S.L.	10,99% Indirect	-

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Eólica Erla, S.A.	12,25% Indirect	-
Eólica La Bandera, S.L.	12,50% Indirect	-
Eólica La Cantera S.L.	19,50% Indirect	-
Eólica La Foradada, S.L.	19,50% Indirect	-
Eólica Las Eras, SL.	21,97% Indirect	-
Eólica Montes de Cierzo, S.L.	12,50% Indirect	-
Eólica Navarra, S.L.U.	25% Indirect	-
Eólica ValTomás, S.L.	19,50% Indirect	-
Generación Eólica Internacional, S.L.	21,98% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	25% Indirect	Individual representative of DINAL INNOVACIONES S.L. (Chief Executive Officer)
Hidroenhol, S.L.U.	25% Indirect	-
Innovación Verde Inver, S.L.U.	25% 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.	18,75% Indirect	Chairman of the Board of Directors
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 La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Quiñonería, S.A.	10% Indirect	-
Sistemas Energéticos Sierra de Costanazo, S.A.	10% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Tecnología Energía Recuperada de Navarra, S.L.	6,94% Indirect	Director
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	12,50% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	22,08% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	12,49% Indirect	Director
Promotora Eólica México, S.A. de C.V.	17,50% Indirect	-
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	12,50% 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	-
SC Carpatia Energia Eolica SRL	22,50% Indirect	-
SC Generacion Eolica Dacia SRL	21,97% Indirect	-
Board Member: Energía Inteligente Energena	Related party: Antonio-Jesús Oliver Gómez (Joint Administrator).	

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

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	16,20% Indirect	Chairman of the Board of Directors
Eolica Danubio OOD	19,06% Indirect	Joint Administrator
Eolica Suvorovo AD	16,20% Indirect	Chairman of the Board of Directors
Europroject Bulgaria OOD	21,25% Indirect	Sole Administrator
Inver Bulgaria EOOD	25% Indirect	-
Aguas Vivas Allipén Tacura, S.A.	19,99% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,08% Indirect	-
Enhol Chile SpA	25% 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	-
Wind Resources America Corp.	25% Indirect	-
Eolica Slovensko, a.s.	17,58% Indirect	-
Navarra Invest, a.s.	17,50% Indirect	-
Asturiana de Eólica, S.A.	20% Indirect	-
Craquener, S.L.	13,19% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	-
Energías Alternativas de México, S.L.U.	25% Indirect	Sole Administrator
Energías Renovables de América, S.L.U.	25% Indirect	Sole Administrator
Energía Inteligente Energena, S.L.U.	25% Indirect	Joint Administrator
Energía Termosolar Enertol, S.L.	12,50% Indirect	Chairman of the Board of Directors
Eólica Cabanillas, S.L.	12,50% Indirect	-
Eólica Caparroso, S.L.	12,50% Indirect	Director
Eólica del Ebro, S.A.U.	25% Indirect	Joint Administrator
Eólica del Romeral, S.L.	10,99% 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	-
Eólica La Foradada, S.L.	19,50% Indirect	-
Eólica Las Eras, SL.	21,97% Indirect	Joint Administrator
Eólica Montes de Cierzo, S.L.	12,50% Indirect	Director
Eólica Navarra, S.L.U.	25% Indirect	Solidarity Administrator

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Eólica ValTomás, S.L.	19,50% Indirect	-
Generación Eólica Internacional, S.L.	21,98% Indirect	Joint Administrator
Grupo Empresarial Enhol, S.L.	25% Indirect	Individual representative of INNOVACIONES FAOLSAN S.L. (Chief Executive Officer)
Hidroenhol, S.L.U.	25% Indirect	Sole Administrator
Innovación Verde Inver, S.L.U.	25% 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.	18,75% Indirect	Secretary of the Board of Directors
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 La Jimena, S.A.	10% Indirect	Director
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Quiñonería, S.A.	10% Indirect	Director
Sistemas Energéticos Sierra de Costanazo, S.A.	10% Indirect	Director
Sistemas Energéticos Torralba, S.A.	10% Indirect	Chairman of the Board of Directors
Tecnología Energía Recuperada de Navarra, S.L.	6,94% Indirect	-
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	12,50% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	22,08% Indirect	-
Compañía Eólica de Tamaulipas S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,50% Indirect	-
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	12,50% 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	-
SC Carpatia Energia Eolica SRL	22,50% Indirect	-
SC Generacion Eolica Dacia SRL	21,97% Indirect	-

Board Member: Energia Inteligente Energena	Related party: Mariano Oliver Gómez (Joint Administrator).	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	12,75% Indirect	-
Eolica Black Sea OOD	19,06% Indirect	-
Eolica Bulgaria EAD	16,20% Indirect	-
Eolica Danubio OOD	19,06% Indirect	-

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Eolica Suvorovo AD	16,20% Indirect	-
Europroject Bulgaria OOD	21,25% Indirect	-
Inver Bulgaria EOOD	25% Indirect	-
Agua Vivas Allipén Tacura, S.A.	19,99% Indirect	-
Energía Renovable del Bío Bío, S.A.	24,08% Indirect	Director
Enhol Chile SpA	25% 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	-
Wind Resources America Corp.	25% Indirect	ViceChairman and Secretary of the Board of Directors
Eolica Slovensko, a.s.	17,58% Indirect	-
Navarra Invest, a.s.	17,50% Indirect	Director
Asturiana de Eólica, S.A.	20% Indirect	Chairman of the Board of Directors
Craquener, S.L.	13,19% Indirect	-
Cyclone Power Group, S.L.U.	25% Indirect	-
Electra de Malvana, S.A.	8% Indirect	Director
Energías Alternativas de México, S.L.U.	25% Indirect	-
Energías Renovables de América, S.L.U.	25% Indirect	-
Energía Inteligente Energena, S.L.U.	25% Indirect	Joint Administrator
Energía Termosolar Enertol, S.L.	12,50% Indirect	Director
Eólica Cabanillas, S.L.	12,50% Indirect	-
Eólica Caparros, S.L.	12,50% Indirect	-
Eólica del Ebro, S.A.U.	25% Indirect	Joint Administrator
Eólica del Romeral, S.L.	10,99% 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	-
Eólica La Foradada, S.L.	19,50% Indirect	-
Eólica Las Eras, S.L.	21,97% Indirect	-
Eólica Montes de Cierzo, S.L.	12,50% Indirect	-
Eólica Navarra, S.L.U.	25% Indirect	-
Eólica ValTomás, S.L.	19,50% Indirect	-
Generación Eólica Internacional, S.L.	21,98% Indirect	-
Grupo Empresarial Enhol, S.L.	25% Indirect	Individual representative of MEGANIUM INVERSIONES, S.L. (Director)
Hidroenhol, S.L.U.	25% Indirect	-
Innovación Verde Inver, S.L.U.	25% Indirect	-
Inveravante Gestión de Inversiones, S.L.	12,50% Indirect	Joint Administrator
LDV Casares, S.L.	18,75% Indirect	-

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

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.	18,75% 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	-
Sistemas Energéticos La Jimena, S.A.	10% Indirect	-
Sistemas Energéticos Moncayo, S.A.	6,25% Indirect	-
Sistemas Energéticos Quiñonería, S.A.	10% Indirect	-
Sistemas Energéticos Sierra de Costanazo, S.A.	10% Indirect	-
Sistemas Energéticos Torralba, S.A.	10% Indirect	-
Tecnología Energía Recuperada de Navarra, S.L.	6,94% Indirect	-
Termosolar Lebrija, S.L.U.	25% Indirect	-
Transformación Energía Sostenible, S.L.	12,50% Indirect	-
EN Sustainable Energy Pvt. Ltd.	22,08% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	22,08% Indirect	Director
Compañía Eólica de Tamaulipas S.A. de C.V.	12,49% Indirect	-
Promotora Eólica México, S.A. de C.V.	17,50% Indirect	Director
Proyectos Mexicanos de Energía Renovable del Istmo de Tehuantepec, S.A. de C.V.	12,50% Indirect	-
Perú Energía Renovable, S.A.	23,25% Indirect	Director
Eolica Polska Sp z o.o.	21,97% Indirect	Director
Generacja Wiatrowa Polska Sp z o.o.	21,97% Indirect	-
SC Carpatia Energia Eolica SRL	22,50% Indirect	-
SC Generacion Eolica Dacia SRL	21,97% Indirect	-

Board Member: Energia Inteligente Energena	Related party: Francisco-José Iribarren Fentanes (Representative)	
Investee company	Shareholding	Functions
Energías Renovables del Bío Bío, S.A.	2,88% Indirect	-
EN Sustainable Energy Pvt. Ltd.	2,64% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	2,64% Indirect	-
Eolica Black Sea OOD	6,65% Indirect	Joint Administrator
Eolica Camarico, S.A.	2,74% Indirect	-
Eolica Danubio OOD	6,65% Indirect	Joint Administrator
Eolica del Romeral, S.L.	4,80% Indirect	-
Eólica Las Eras, S.L.	9,60% Indirect	Joint Administrator
Eolica Polska Sp. Z o.o.	9,60% Indirect	-
Eólica Punta Chome, S.L.	2,74% Indirect	-
Eolica Slovensko, a.s.	7,68% Indirect	Chairman of the Board of Directors
Eolica Suvorovo AD	5,65% Indirect	Chief Executive Officer
Eolica Bulgaria EAD	5,65% Indirect	Chief Executive Officer

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Generacion Eolica Dacia SRL	9,60% Indirect	-
Generacja Wiatrowa Polska Sp. Z o.o.	9,60% Indirect	Chairman of the Board of Directors
New Energy Sources Holding, S.L.	2,64% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	2,64% Indirect	-
Termosolar Lebrija, S.L.U.	-	Joint Administrator
SC Generacion Eolica Dacia SRL	9,60% Indirect	Chairman of the Board of Directors

Board Member: Energia Inteligente Energena	Related party: Hipólito Suárez Gutiérrez (Representative)	
Investee company	Shareholding	Functions
Central Eólica Pampa de Malaspina, S.A.	-	Chairman of the Board of Directors
Aguas Vivas Allipen Tacura, S.A.	-	Chairman of the Board of Directors
Asturiana de Eólica, S.A.	-	Director
Cyclone Power Group, S.L.U.	-	Joint Administrator
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
Hidroeléctrica Río Turbio, SpA	-	Chairman of the Board of Directors
New Energy Sources Holding, S.L.	-	Joint Administrator
Wind Resources America Corp.	-	ViceChairman of the Board of Directors

Board Member: Energia Inteligente Energena	Related party: Joaquín Manuel Dean Ferrer (Representative)	
Investee company	Shareholding	Functions
Aguas Vivas Allipen Tacura, S.A.	-	Director
Electra de Malvana, S.A.	-	Individual representative of EÓLICA NAVARRA, S.L.U. (Director)
Energías Renovables del Bío Bío, S.A.	0,30% Indirect	-
EN Sustainable Energy Pvt. Ltd.	0,27% Indirect	-
EN Wind Alternative Energy Pvt. Ltd.	0,27% Indirect	-
Eolica Black Sea OOD	0,69% Indirect	-
Eolica Camarico, S.A.	0,28% Indirect	Director
Eolica Danubio OOD	0,69% Indirect	-
Eolica del Norte, S.A.	-	Director
Eolica del Romeral, S.L.	0,50% Indirect	-
Eólica Las Eras, S.L.	1% Indirect	-
Eólica Mar Brava, S.A.	-	Director
Eolica Polska Sp. Z o.o.	1% Indirect	-
Eólica Punta Chome, S.L.	0,28% Indirect	Director

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Notes to the Annual Accounts for the year 2010 (in Thousand Euros)

Eolica Slovensko, a.s.	0,80% Indirect	-
Eolica Suvorovo AD	0,59% Indirect	-
Eolica Viento del Hierro, S.A.	-	Director
Eolica Bulgaria EAD	0,59% Indirect	-
Generación Eólica Internacional, S.L.	1% Direct	-
Generacja Wiatrowa Polska Sp. Z o.o.	1% Indirect	-
Grupo Empresarial Enhol, S.L.	-	-
Hidroeléctrica Río Turbio, SpA	-	Director
New Energy Sources Holding, S.L.	0,27% Indirect	-
EN Generacion Eolica Mediterranea Ltd.	0,27% Indirect	-
SC Generacion Eolica Dacia SRL	1% Indirect	-

Board Member: Energia Inteligente Energena	Related party: Fernando Erviti Cubillo (Representative)	
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: Energia Inteligente Energena	Related party: Alejandro Labarga Galindo (Representative)	
Investee company	Shareholding	Functions
Eolica Slovensko, a.s.	-	Director
Generacja Wiatrowa Polska Sp z o.o.	-	Director

Board Member: Energia Inteligente Energena	Related party: Vidal Amatriain Méndez (Individual Representative)	
Investee company	Shareholding	Functions
Aguas Vivas Allipen Tacura, S.A.	-	ViceChairman of the Board of Directors
Asturiana de Eólica, S.A.	-	Director
Cyclone Power Group, S.L.	-	Joint Administrator
Energías Renovables del Bío Bío, S.A.	0,45% Indirect	-
Eolica Black Sea OOD	1,04% Indirect	-
Eolica Camarico, S.A.	0,43% Indirect	ViceChairman of the Board of Directors
Eolica Danubio OOD	1,04% Indirect	-
Eolica del Romeral, S.L.	0,75% Indirect	-
Eólica del Norte, S.A.	-	ViceChairman of the Board of Directors
Eólica Las Eras, S.L.	1,50% Indirect	-
Eólica Mar Brava, S.A.	-	ViceChairman of the Board of Directors
Eolica Polska Sp. Z o.o.	1,50% Indirect	Director
Eólica Punta Chome, S.L.	0,43% Indirect	ViceChairman of the Board of Directors
Eólica Viento del Hierro, S.A.A	-	ViceChairman of the Board of Directors
Eolica Slovensko, a.s.	1,20% Indirect	-
Eolica Suvorovo AD	0,88% Indirect	-
Eolica Bulgaria EAD	0,88% Indirect	-
SC Generacion Eolica Dacia SRL	1,50% Indirect	-

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Generación Eólica Internacional, S.L.	1% Direct	-
Generacja Wiatrowa Polska Sp. Z o.o.	1,50% Indirect	-
New Energy Sources Holding, S.L.	0,41% Indirect	Joint Administrator
Hidroeléctrica Río Turbio, SpA	-	ViceChairman of the Board of Directors
Inver Bulgaria EOOD	-	Sole Administrator
Eólica del Norte, S.A.	-	ViceChairman of the Board of Directors
Eólica Mar Brava, S.A.	-	-
Eólica Viento del Hierro, S.A.	-	ViceChairman of the Board of Directors
Hidroeléctrica Río Turbio, SpA	-	ViceChairman of the Board of Directors
Proyectos Eólicos de Galicia, S.L.		Secretary of the Board of Directors
EN Generacion Eolica Eurasia Ltd.	-	Individual representative of CYCLONE POWER GROUP, S.L.U. (Chairman of the Board of Directors)
EN Generacion Eolica Mediterranea Ltd.	0,41% Indirect	Individual representative of NEW ENERGY SOURCES HOLDING, S.L. (Chairman of the Board of Directors)
EN Sustainable Energy Pvt. Ltd.	0,41% Indirect	Director
EN Wind Alternative Energy Pvt. Ltd.	0,41% Indirect	Director
Wind Resources America Corp.	-	Chairman of the Board of Directors and Treasurer

Board Member: Caja General de Ahorros de Granada, S.A.

Investee company	Shareholding	Functions
Silicio Energía, S.A.	5% Direct	--
Energia Oriental, S.L.	61,18% Indirect	Shareholder
Eólica del Zenete, S.L.	42,99% Direct	Shareholder

Board Member: Comsa Medio Ambiente, S.L.

Investee company	Shareholding	Functions
Tfm Energia Solar Fotovoltaica, S.A.	75,28%	Director
Comsa Emte Energías Renovables, S.L.	100 %	Director
Valoración Energética de Gas de Vertedero, S.L.	50 %	Sole Administrator
SPT Renovables, S.L.U	100 %	Sole Administrator

Board Member: BCN Godia, S.L.

Related party: Liliana Godia

Investee company	Shareholding	Functions
Rotasol Energy, S.L.	39,5 % Indirect	--

Board Member: Ignacio García-Nieto Portabella

Investee company	Shareholding	Functions
Rotasol Energy, S.L.	5% Indirect	Director

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010
(in Thousand Euros)

Remuneration of the Management Committee

The total remuneration accrued in 2010 to the members of the Management Committee, 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 398 thousand in fixed remuneration (Euros 480 thousand in fixed remuneration and Euros 27 thousand in variable remuneration for the same period in year 2009).

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

23. Auditors fees

The fees accrued during the year to PricewaterhouseCoopers (PwC) for auditing total Euros 92 thousand (Euros 116 thousand during the year 2009) and other assurance services total Euros 84 thousand (Euros 124 thousand during the year 2009).

The fees accrued during the year to other companies using the PwC brand for other services rendered to the Company, total Euros 87 thousand, mainly for tax advisory services (Euros 66 thousand during the year 2009).

24. Environment

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

In 2010 and 2009 and in relation to the facilities being exploited by the Company, no environmental expenses have been incurred.

25. 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 Company does not expect that any penalties or contingencies will arise from compliance with the requirements under Law 1/2005.

26. Subsequent events

In February 2011 Fersa Energías Renovables S.A. sold 6% of its holding in Fersa Panamá S.A. The transaction totals Euros 1,083 thousand and will have a negative effect on the Company's income statement of Euros 91 thousand (Euros 63 thousand net of the tax effect).

FERSA ENERGÍAS RENOVABLES, S.A.

Notes to the Annual Accounts for the year 2010
(in Thousand Euros)

APPENDIX I

a) Shareholdings in group companies

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

				Shareholding	
Company	Legal form	Address	Activity	Direct %	Indirect %
Eólica El Pedregoso	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	80	-
Invetem Mediterránea	S.L.	Av.Baix Llobregat, 10 Esplugues	Biogas	70.83	-
Empordavent	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Eólica del Pino	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	80	-
Parc Eòlic Mudèfer	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	84	-
Fercom Eólica	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Holding	100	-
La Tossa del Vent	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Texte	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Eolener	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Orta Eólica	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Electravent	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	-	100
Gestora Fotovoltaica de Castellón	S.L.	Travessera de Gracia, 66 Barcelona	Holding	76	-
Fotovoltaica Fer	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Weinsberg Ecotec	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica Ecotec	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Joso Fotovoltaica	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica Papua	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica Vergos	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica La Mola	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Inversions Trautt	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica de Castelló	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Fotovoltaica de les Coves	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Inversions Vinroma	S.L.	Travessera de Gracia, 66 Barcelona	Solar	-	76
Parque Eólico Hinojal	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Fersa Panamá	S.A.	Cinquenta, building 2000, 5th floor Ciudad de Panamá, PANAMÁ	Wind	93.67	-
Eólica Postolin	S.P. z.o.o.	Krasinskiego n° 19, Bydgoszcz, Poland	Wind	100	-
OÜ EstWindPower	-	Hiiu-Maleva 13-3 Tallinn (11619) Toila, Paite-Vaivina, ESTONIA	Wind	93.79	-
Fersa Asesoramiento y Gestión	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Biogas	100	-
Parc Eòlic Coll De Som	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Parc Eòlic L'Arram	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Explotación Eólica la Pedrera	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	100	-
Sinergia Andaluza	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Holding	75	-
Generación Eólica India	Ltd.	Esplanade, 12-13 3rd floor 3 Amrit Keshav Nayak Marg, Fort, (400 001) Mumbai, Maharashtra, INDIA	Wind	100	-

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EN Renewable Energy	Pvte. Ltd.	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	Wind	100	-
EN Wind Power	Pvte. Ltd.	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	Wind	100	-
Fersa India	Pvte. Ltd.	50E, First Floor, Hauz Khas Village, New Delhi 110 016 INDIA	Wind	100	-
Eólica Kisielice	S.P. z.o.o.	Krasinskiego n° 19, Bydgoszcz, Poland	Wind	100	-
Eólica Warblewo	S.P. z.o.o.	Krasinskiego n° 19, Bydgoszcz, Poland	Wind	100	-
Eólica Ciepłowody	S.P. z.o.o.	Krasinskiego n° 19, Bydgoszcz, Poland	Wind	100	-
Eoliennes De Beausemblant	S.A.S.	1 Chemin de Lavigne (64800) Mirepeix, Ródano-Alpes, FRANCIA	Wind	80	-
Castelwind 03	S.L.	Travessera de Gracia, 30 Barcelona (Spain)	Wind	60.48	-

b) Shareholdings in multi-group companies and associates

Company	Legal form	Address	Activity	Shareholding		Controlling relationship
				Direct %	Indirect %	
Aprofitament d'Energies Renovables de L'Ebre	S.L.	Travessera de Gràcia, 56 mezzanine (Barcelona)	Wind	-	20.34	Significant influence
Aprofitament d'Energies Renovables de la Terra Alta	S.L.	Travessera de Gràcia, 56 mezzanine (Barcelona)	Wind	-	27.15	Significant influence
Energia Renovable Mestral Conca	S.L.	Av. Maria Fortuny, 83 (Reus)	Wind	-	33	Significant influence
Berta Energies Renovables	S.L.	Travessera de Gràcia, 56 mezzanine (Barcelona)	Wind	-	29.09	Significant influence
A.I.E. Los Siglos	A.I.E.	Gregorio Mayans, 3 (Valencia)	Wind	-	30.3	Significant influence
Energía Cijara	S.L.	Travessera de Gràcia, 30 (Barcelona)	Wind	50	-	Joint control
Eólica Cijara	S.L.	Bartolome, J. Gallardo, 1 (Badajoz)	Wind	50	-	Joint control
Parque Eólico Valcaire	S.L.	C/ del Ayuntamiento, 7 Padul (Granada)	Wind	-	33.75	Significant influence
E.energías Renovables del Guadiana Menor	S.L.	Plaza Ayuntamiento, 17 Peal de Becerro (Jaén)	Wind	50	-	Joint control
Energia Renovable Mestral Eólica	S.L.	Av. Maria Fortuny, 83 (Reus)	Wind	50	-	Joint control
Siljan Port	S.L.	Travessera de Gràcia, 30 (Barcelona)	Holding	80	-	Joint control
Shandong Lusa New Energy Co	Ltd	Chengkow, Wudi, Shandong Province	Wind	-	48	Joint control
Fersar Yenilenebilir Enerji Üretim	Ltd, Sti	Haciosman Bayiri, 65 Sariyer, Istanbul, TURQUIA	Wind	50	-	Joint control
Ferrolterra Renovables	SL	Avda. Gonzalo Navarro 36-38, Pol. Rio do Pozo, Narón (A Coruña)	Wind	40	-	Significant influence

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Notes to the Annual Accounts for the year 2010
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APPENDIX II

a) Shareholdings in group companies

As at 31.12.10						
Company	Share capital	Reserves and others	Profit for the year	Total equity	Gross book value	Dividends received
Eólica El Pedregoso, S.L.	146	3,160	(484)	2,823	8,989	-
Invetem Mediterránea, S.L.	72	187	(46)	213	578	212
Empordavent, S.L.U.	460	(102)	(97)	260	6,808	-
Eólica Del Pino, S.L.	75	1,134	(1,577)	(367)	8,630	-
Parc Eòlic Mudéfer, S.L. (anteriormente Catalana d'Energies Renovables, S.L.)	2,554	5,159	1,639	9,352	27,618	-
Fercom Eólica, S.L.U.	37	2,942	(68)	2,912	29,728	-
Gestora Fotovoltaica de Castellón, S.L.	30	1,435	(42)	1,423	1,425	-
Parque Eólico Hinojal, S.L.U.	2,876	833	1,135	4,844	26,783	-
Fersa Panamá, S.A.	431	1,436	(136)	1,732	16,568	-
Eólica Postolin, S.p.zoo	112	(41)	(34)	38	18,930	-
OÚ EstWindPower	947	405	(67)	1,285	9,509	-
Fersa Asesoramiento y Gestión, S.L.U. (anteriormente Fergest Biomasa, S.L.U.)	50	(18)	(30)	3	53	-
Parc Eòlic Coll De Som, S.L.U.	643	(105)	(14)	524	6,625	-
Parc Eòlic L'Arram, S.L.U.	646	(111)	(9)	526	7,006	-
Explotación La Pedrera, S.L.U.	1,700	(193)	(19)	1,489	22,125	-
Sinergia andaluza, S.L.	6	-	(53)	(47)	26,100	-
Fersa-Aventalia, SL	3	(1)	-	2	2	-
Generación Eólica India Limited	7,702	(234)	(577)	6,890	19,875	-
EN Renewable Energy Limited	11,892	(497)	(18)	11,377	28,333	-
EN Wind Power Private Limited	11,663	(715)	(3)	10,945	35,128	-
Fersa India Private Limited (anteriormente EN Green Energy Private Limited)	11,204	(255)	(11)	10,938	22,651	-
Eólica Kiselice, S.p.zoo	10,333	5,197	434	15,964	40,952	-
Eólica Warblewo, S.p.zoo	14	37	(28)	23	18,965	-
Eólica Cieplowody, S.p.zoo	14	17	(33)	(2)	21,601	-
Eolines De Beausemblant, S.A.S.	556	(308)	662	910	3,498	363
Castellwind 03, S.L.	764	447	(9)	1,202	624	-
Fersa Cherkessk, L.L.C.	-	(3)	(3)	(6)	134	-
Entreyeltes 1, S.L.	3	(1)	(7)	(5)	17	-
Mozura Wind Park (anteriormente Fersa Montenegro D.O.O.)	154	(36)	(82)	36	929	-
Fersa Business Consulting (Shangai) co ltd	483	(52)	(60)	371	948	-
Fersa Italia, S.R.L.	10	(11)	(16)	(17)	741	-
Management Kiselice, S.P. z.o.o	1	-	3	4	1	-
Total	65,581	19,706	350	85,642	411,874	575

FERSA ENERGÍAS RENOVABLES, S.A.

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

b) Shareholdings in multi-group companies and associates

As at 31.12.10						
Company	Share capital	Reserves and others	Profit for the year	Total equity	Gross book value	Dividends received
Energía Renovable Mestral Eólica, S.L.	5	(2)	(25)	(22)	5	-
Energía Cijara, S.L.	199	(23)	(6)	170	325	-
Eólica Cijara, S.L.	59	(35)	(7)	17	32	-
Siljan Port, S.L.	23	(6)	(49)	(32)	4,112	-
Energías Renovables del Guadiana Menor, S.L.	24	(19)	(5)	-	2,851	-
Fersar Yenilenebilir Enerji Üretim	151	-	(8)	143	177	-
Ferrolterra Renovables	140	(4)	(10)	126	56	-
Total	601	89	110	402	7,558	-

FERSA ENERGÍAS RENOVABLES, S.A.Notes to the Annual Accounts for the year 2010
(in Thousand Euros)

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

FERSA ENERGÍAS RENOVABLES, S.A.

DIRECTORS' REPORT

**YEAR ENDED
31 DECEMBER 2010**

1. SIGNIFICANT EVENTS

In the first half of 2010 Parc Eòlic Mudèfer, S.L. (formerly Catalana d'Energies Renovables, S.L.), 84% owned by Fersa, completed the construction and start up of the wind farms in Caseres (Tarragona), Mudèfer and Mudèfer II, with total power of 57.6 MW. Mudèfer II, 12.6 MW, was completed in February 2010 while Mudèfer, 45 MW, received a Provisional Certificate of Approval in September 2010. Both wind farms are inscribed in the pre-assignment register under Royal Decree Law 6/2009, and, accordingly, they are subject to the economic regime as per Royal Decree 661/2007.

In the last quarter of the year, the second phase of the 22 MW wind farm of Eolica Kisielice Sp. z o.o. (Poland) came on line. This company entered into a financing agreement for the construction of this wind farm totalling Zlotys 116,000 thousand (Euros 29,182 thousand).

On 19 January 2010, Fersa sold its remaining 12% stake in Parque Eòlico Altos de Voltoya, S.A. for Euros 3.2 million.

On 5 February 2010, Fersa Energías Renovables S.A. and Green Alliance S.G.E.C.R., S.A. entered into an agreement under which Green Alliance S.G.E.C.R., S.A. is to acquire a 16% stake in Parc Eòlic Mudèfer, S.L. for Euros 6 million.

In March 2010 a financing agreement was executed ("Project Finance") by EN Renewable Energy Ltd., fully owned by the Fersa Group and the government body Indian Renewable Energy Development Agency (IREDA) for Rupees 1,860 million (Euros 31.1 million) to finance the construction and start up of the wind farm in Hanumanhatti (50.4 MW) in the State of Karnataka (India). This wind farm will become the second operating farm of the Group in India, and it is expected that it will be fully operative in the first quarter of 2011, generating a total of 81.6 MW once in operation in India.

In July 2010, the consortium led by the Fersa Group, and the company Montenegrina Celebic, d.o.o executed an agreement with the Government of Montenegro for the construction of the first wind farm in the country with installed power of 46 MW.

In November 2010, Fersa received confirmation from the Board of Directors of Banco Europeo de Inversiones (BEI) for the financing of wind farms totalling up to Euros 160 million. This operation is subject to the intervention of commercial banks. The Fersa Group is carrying out the steps necessary to execute this agreement.

2. OPERATING INFORMATION

Installed capacity at December de 2010 totals 217.3 MW, which is an increase of 53.6%, mainly due to the inclusion of Parc Eòlic Mudèfer S.L. wind farms, the start up of the 22MW second phase of Eolica Kisielice Sp. z o.o., whose farms are operating, and the installation of 8.8MW at the Hanumanhatti wind farm in India, which total capacity when fully installed will be 50.4MW.

For its part, production in 2010 has totalled 353.6 GWh, which represents an increase of 31% in production, due mainly to the start up of the Parc Eòlic Mudèfer, S.L. wind farms and the second phase of Eolica Kisielice Sp. z o.o.in Polnad.

3. STRATEGIC AGREEMENTS

In 2010 the Fersa Group reached an agreement with Aventura Energías Renovables to pool their efforts and jointly submit a tender to the Government of Catalonia, and were awarded 153 MW. The Fersa Group holds 80% of the resulting company.

4. MAIN FINANCIAL AGGREGATES

Net turnover totals Euros 8,358 thousand against Euros 6,451 thousand last year. Financial income from loans to investee companies has totalled Euros 3,920 thousand, an increase of 13% on last year. Dividend income from investee companies has reached Euros 576 thousand, a decrease of 47%, due to the fact that the stake in Parque Eòlico Voltoya, S.A. has been sold. The loss from the sale of financial instruments has totalled Euros 1,439 thousand, of which Euros 1,318 thousand were generated by the sale of 16% of Parc Eòlic Mudèfer, S.L. Turnover from services rendered to investee companies has totalled Euros 3,862 thousand compared to Euros 1,884 thousand last year.

Operating expenses, excluding amortisation and depreciation, total Euros 4,680 thousand, which represents an increase of 14% on last year, arising basically from an increase of Euros 396 thousand in External services and Euros 196 thousand in Staff costs.

The impact on the income statement for 2010 of the provision for controlling shareholdings has been Euros 36,817 thousand against Euros 4,244 thousand last year due to the provisions for impairment posted for the various holdings of the Company. This impairment arises mainly as a result of the following factors:

- Increase in the discount rates in certain countries, especially Spain and India, as a result of the increase in the risk free rates. There has been an increase of 152 basis points in Spain and 115 basis points in Indian at the 2010 year end compared to the 2009 year end.

- Changes in the price of the farms for which there are no price-setting agreements, especially in Spain. In this case, the existence of an unfavourable current economic conjuncture has led to a reduction in sale prices of energy resources (for the market price component) against those at the date of acquisition of certain farms. Moreover, in relation to the premium, during the entire year there has been a great deal of uncertainty about the impact that the regulatory changes 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 (Note 3), but there has been no resolution for the farms that are currently not pre-assigned.
- Decrease in the number of operating hours of certain farms in order to bring them into line with lower production levels that are more in line with reality after having consolidated historic price information. For some farms in operation, future production has been revised based on actual production in the last few years. For the farms that are still not operating, the estimates of hours have been revised in order to bring them in to line, as the case may be, with historical wind measurements or actual production of comparable wind farms.
- Toughening of the conditions for obtaining credit from the market and liquidity in general, which has given rise to delays in the start-up of certain projects in the development phase. In this context, and considering other factors, in mid-year a revision was made of the Group strategic plan, which is used as the basis for the preparing of certain projects more in line with the economic and financial situation at this time.

The breakdown is presented in Notes 7-8 to the notes to the annual accounts.

Net financial loss totals Euros 1,212 thousand against financial income of Euros 254 thousand last year. In 2010 positive translation differences have been the same as in 2009. Financial expenses have increased by Euros 1,133 thousand, basically for two reasons: firstly, due to greater indebtedness of the company and the worsening of credit terms after the roll over of the corporate credit facilities; and, secondly, due to the restatement at today's value of the milestones for future payables of the Company for certain wind farm facilities.

The net loss of Fersa totals Euros 35,597 thousand against a net profit for 2009 of Euros 140 thousand.

5. 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.

The Group is exposed to the risk of fluctuation in the sale price of electricity, given that in many cases (such as Spain) the price is subject to the market price.

In 2010 and in order to hedge the risk of energy sale prices, the Fersa Group has contracted hedges for energy sale prices. (The Group does not have these derivative financial instruments at 31 December 2009).

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

b – Financial risk and financial instruments:

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

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

See additional information on other financial instruments in Note 8 to the notes to the annual accounts.

6. 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 2010 and in relation to the facilities that are in operation, the Group has incurred expenses totalling Euros 216 thousand, basically, for wildlife conservation.

7. STAFF

At December 2010, the average number of employees of the Group reaches 40 workers, which is an increase of one worker compared to the average number of employees at 31 December 2009.

8. TREASURY SHARES

At December 2010 the Company has 1,951,581 treasury shares (Note 12 to the notes to the annual accounts).

9. REPORT OF THE BOARD OF DIRECTORS OF FERSA ENERGIAS RENOVABLES, S.A. ON ADDITIONAL INFORMATION TO BE ADDED TO THE DIRECTORS' REPORT, AS PER ARTICLE 116 B OF THE SECURITIES EXCHANGE ACT, LAW 24/1988

The Board of Directors of Fersa Energías Renovables, S.A., (the “Company”) in accordance with article 116 b of the Securities Exchange Act, Law 24/1988, issues this report on the additional information that must be disclosed in the Directors' Report accompanying the individual and consolidated annual accounts of the company for 2010, in other to be submitted to the General Meeting of Shareholders:

- a) The capital structure, including securities that are not traded on a regulated EU market, indicating, as the case may be the different classes of shares and for each class of shares, the rights and obligations they confer and the percentage of the share capital they represent**

The share capital of the Company at 31 December 2010 totals Euros one hundred and forty thousand three thousand seven hundred and seventy-eight (Euros 140,003,778), divided into one hundred and forty thousand three thousand seven hundred and seventy-eight ordinary accounting entry shares (140,003,778), numbered corelatively form one (1) to one hundred and forty thousand three thousand seven hundred and seventy-eight (140,003,778), both inclusive, all of the same class and series, with a par value of Euro 1 each, which are fully subscribed and paid, with one vote each.

- b) Restrictions on the transfer of shares**

The articles of association do not establish any restrictions on the transfer of shares.

Thus, Article 6 of the Articles of Association stipulates that the shares are represented by accounting entries. The shares can be transferred by any means recognized by law, depending on their nature and in accordance with

legislation governing the transfer of securities represented by accounting entries.

Notwithstanding the above, and given the fact that Fersa Energías Renovables, S.A. is a listed company, any shareholder that acquires or transfers shares of the Company with voting rights must notify the Company and the Spanish Securities Exchange Commission (*Comisión Nacional del Mercado de Valores*) of the proportion of voting rights that remain in their possession when, as a result of these operations, this proportion reaches, exceeds or falls below the following thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 60%, 70%, 75%, 80% and 90%, as per article 53 of the Securities Exchange Act, Law 24/1988, Royal Decree 1362/2007/19 October and Circular 2/2007/19 December of the Spanish Securities Exchange Commission. Finally, and also given the fact that the company is listed on a stock exchange, the legislation in force covering Public Takeover Bids of Securities must be respected, in particular, the provisions of the Securities Exchange Act, Law 24/1988, and the Securities Exchange Reform Act, Law 6/2007/12 April, which modified the regime governing public takeover bids and the transparency of issuers, and Royal Decree 1066/2007/27 July on the regime governing public takeover bids.

c) Significant direct or indirect shareholdings

At 31 December 2010, the Company discloses that its significant shareholders are as follows, excluding board members:

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
Comsa Emte, S.L.	0	10,755,080	7.682
Co Sociedad de Gestión y Participación, S.A.	0	10,513,302	7.509
Caja de Ahorros y Monte de Piedad de Baleares	6,368,640	0	4.549
Ms Liliana Godia Guardiola	0	6,365,075	4.546
Ms María 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
Caja General de Ahorros de Granada	0	5,689,893	4.064

At 31 December 2010, the Company discloses that the members of the Board of Directors who hold voting rights on the shares are as follows:

Name or company name of shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
Mr José María Roger Ezpeleta	1,000	2,810,727	2.008
Grupo Empresarial Enhol, S.L.	451,318	30,899,073	22.393
Bcn Godia, S.L.	6,365,075	0	4.546
Corporación Caja de Granada, S.L.U.	5,689,893	0	4.064
Comsa Emte Medio Ambiente, S.L.	7,000,189	0	5.000
Energía Inteligente Energena, S.L.U.	0	0	0.000

Mr Enrique Lacalle Coll	500	0	0.000
Mr Esteban Sarroca Punsola	1,200	0	0.001
Grupo Catalana Occidente, S.A.	0	10,513,302	7.509
Mr Ignacio García-Nieto Portabella	200	0	0.000
Larfon, S.A.U.	3,775,620	0	2.697
Mytaros B.V.	5,660,378	0	4.043

d) Restrictions on voting rights

There are no legal or statutory restrictions on voting rights.

e) Side agreements

The Company is not aware of any side agreements of its shareholders that have been reported to it and the Securities Exchange Commission.

f) Regulations on the appointment and replacement of members of the governing bodies and modifications to the articles of association

A. The appointment and replacement of the members of the Board of Directors is governed by the provisions of the Spanish Public Limited Companies Act, as from 1 September 2010 by Royal Legislative Decree 1/2010/2 July, which adopted the Spanish Corporate Enterprises Act, the Articles of Association and the Regulations of the Board of Directors.

In accordance with the statutory and regulatory provisions, the Board will be made up of at least three and a maximum of four Directors.

Thus, article 17 of the Articles of Association states:

“Exercising the office of Director will be subject to the following rules:

- a) The office has duration of six years.*
- b) The Directors whose offices expire can always be re-elected without limitation to the possible number of re-elections.*
- c) A Director need not be a shareholder in order to be re-elected and retain his mandate. Persons who have a conflict of interest, or subject to a ban or exclusion established by law, to the extent and under the conditions laid down thereunder cannot hold the office of Director.”*

For its part, the Regulations of the Board of Directors state:

“Article 10.- Appointment and conflicts of interest:

The General Meeting of Shareholders or, as the case may be, the meeting of the Board of Directors, will have the power to appoint the members of the latter, in accordance with legal provisions and the articles of association.

The Directors shall observe the legally established conflicts of interest.

Article 11.- Removal and re-election of Directors:

The Directors, once their mandate for which they were appointed has expired, as well as under any other legal or statutory provisions, shall be removed from office. They must tender their resignation from the Board and execute it when they are subject to any of the cases of conflict of interest or ban legally established and when the Board resolves that the Director has seriously breached his obligations.”

Thus, article 14 of the Articles of Association, in relation to the valid constitution of the General Meeting of Shareholders establishes the following exception:

“(…) Exceptionally the constitution of the General Meeting of Shareholders shall be valid on second call whatever the amount of share capital is represented thereat when the meeting is to adopt resolutions on the removal of Directors or the exercising of corporate responsibility”.

- B. In relation to the modification of the Articles of Association, the rules applicable are governed, without prejudice to the provisions of article 103 and concurring articles of the Spanish Public Limited Companies Act and article 194 and concurring articles of Royal Legislative Decree 1/2010/2 July, which adopted the Spanish Corporate Enterprises Act, to article 14 of the Articles of Association, which states:

“...Notwithstanding the above, in order for the General Meeting of Shareholders to legally adopt the issue of bonds, the increase or decrease in share capital, the conversion, merger or de-merger of the company, and in general, make any modification to these Articles of Association, shareholders present or represented by proxy holding at least 50% of the subscribed share capital with voting rights must be present thereat on first call, while on second call the attendance of 25% of said share capital is required. When shareholders representing less than 50% of subscribed share capital with voting rights are present, the aforementioned resolutions can be adopted by a vote in favour of 2/3 of the capital present or represented by proxy at the General Meeting”.

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

- A. As set out in the Regulations of the Board of Directors of the Company (article 4), the main mission of the Board is to manage, administer and represent the company during the course of its activity that makes up its corporate purposes, define general strategy and set out the management directives for said purposes, while ensuring the transparency and veracity of the information on the company in its relations with the shareholders and markets in general.

In particular, under article 21 of the Articles of Association, the Board has the following powers:

- a) To organise, regulate, direct and inspect all the services, office and other areas of the company.
- b) To hire, appoint, direct and inspect, control and separate the employees, General Managers, technical personnel, labour and other hires, allocating their remuneration which it deems necessary, determining their respective competencies and powers and working conditions.
- c) To deliberate and resolve the necessity of the business to be undertaken and how.
- d) To administer using the broadest powers; to purchase and sale (in cash or instalments); swap, lease, transfer and, in general, undertaken any action of sale or disposal, receive goods, real estate and moveable property, rights debt claims and public or private securities; mortgage assets or rights, make proposals and cancel mortgages, conditions subsequent or other real guarantees, arrange leases; obtain credits and loans and cancel them, giving real or personnel guarantees, with any lending entity; obtain or renew all types of contracts in the name of the company, and execute in public deed or privately any transaction or business (ordinary or extraordinary), conservation, disposal or rigorous dominion over assets or rights of any type.
- e) To open current accounts and credit facilities, withdraw and transfer funds, set up bank deposits, arrange guarantees, undertake and follow up bank correspondence, confirming or impugning balances and statements and filing claims when necessary, and, in general, undertaking all types of transactions with Government or private banks and in relation to movements in securities, bank funds and other credits.
- f) To acquire, negotiate, transfer or pignorate securities, shares or shareholding stakes, whether they are listed on a stock exchange or not, and execute any stock market operations that are legally authorised.
- g) To issue, accept, guarantee, endorse, intervene, negotiate, discount and oppose due to the lack of acceptance or default of payment, commercial or financial bills of exchange, bank cheques, promissory notes or any other commercial bill.
- h) To reclaim, pay and receive any amounts that are owed to the company by private individuals or public or private bodies, having full powers to receive payment, accept partial payment, sign receipts, grant deferrals and renew obligations, with or without novation, and to sign receipts, final settlements and cancellations.
- i) To promote, sustain, withdraw and waive all types of civil, criminal, administrative, contentious-administrative actions before the Courts

and Authorities of any type and jurisdiction, and confer the necessary powers to said purpose.

- j) To execute the statutory provisions and resolutions of the General Meetings of Shareholders.
- k) To grant and revoke powers of all types in the name of the company.
- l) To demand the intervention of a Notary Public and other civil servants: to respond to injunctions; and to file appeals against administrative decisions or registry notifications.

These powers are understood simple for information purposes and not limited thereto, and the Board of Directors, in general, can undertake all actions of administration and dominion.

On the other hand, article 20 of the Articles of Association states:

“The Board of Directors can 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 to be understood that the Chief Executive Officer or Officers can exercise all the powers of the Board of Directors, except those that cannot be delegate under law.”

Furthermore, section one of article 7 of the Regulations of the Board states:

“An Executive Committee can be constituted in order to best carry out the duties of the Board.

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

It will comprise at least 3 and no more than 6 Directors, and will meet at least every 3 months. The appointment of the members will require the vote of at least two thirds of the members of the Board. The Chairman and Secretary of the Executive Committee will be the Chairman and Secretary of the Board.

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 directives that must define the business strategy and supervise its operation, especially emphasising diversification.*

- *To deliberate and inform, to bring to the attention of the Board, the following matters:*
 - ✓ *Company budgets, with a breakdown of the forecasts for each business line.*
 - ✓ *Investments and alliances or relevant resolutions.*
 - ✓ *Financial operations.*

If it is the opinion of the Chairman or the majority of the members of the Executive Committee, the relevant resolutions can later be submitted to ratification by the Board.”

- B. With respect to the possibility of issuing shares, by virtue of resolution five of the General Meeting of Shareholders of 23 June 2010, it was agreed to void the resolution three of the resolutions adopted by the General Meeting of Shareholders of 30 June 2009.

Furthermore, the Board of Directors was granted powers as broad as permitted by law so that, under the provisions of article 153.1.b) of the Spanish Public Limited Companies Act, it can increase share capital once or several times and at any time, within a period of five years as from the date of the General Meeting, by an amount which in no event can exceed half of the company's share capital at the date of authorization.

The increases in capital under this authorisation shall be carried out through the issue and circulation of new shares – with or without a share premium – in consideration for cash contributions. In relation to each increase, the Board of Directors will decide whether the new shares to be issued are ordinary or deprived of vote. Furthermore, the Board of Directors can set, with respect to what is not provided, the terms and conditions of the capital increases and the characteristics of the shares, as well as freely offer the new unsubscribed shares in the period or periods for exercising the rights of preferred subscription. The Board of Directors can also establish that, in the event of an incomplete subscription, the capital will be increased only in the amount actually subscribed and rewrite the articles of association on share capital and the number of shares. Furthermore, with respect to the capital increases carried out under this authorization, the Board of Directors is empowered to fully or partially exclude the preferred subscription right under the terms of article 159.2 of the Spanish Public Limited Companies Act.

The Company will apply, when necessary, to list its shares on the Stock Exchanges of Madrid and Barcelona, under the joint system, and empower the Board of Directors to undertake in this case the process and measures required for said listing with the competent bodies of the various domestic securities exchange markets. The Board of Directors is also authorised to confer upon the Delegated Committee and/or one or several members of the Board or the company's powers of attorney the powers granted by virtue of this resolution.

- C. Furthermore, by virtue of the same General Meeting of Shareholders of 23 June 2010 (point six on the agenda), the General Meeting of Shareholders agreed to void the authorization of the Board of Directors for the derivative acquisition of treasury shares that was adopted under Resolution Five of the General Meeting of Shareholders of 30 June 2009.

The Board of Directors was authorised, so that, in accordance with articles 75 and beyond of the Spanish Public Limited Companies Act and other applicable legislation, it would be able to directly or indirectly, and to the extent deemed necessary under the circumstances, undertake the derivative acquisition of treasury shares.

The price or value of the consideration cannot be lower than the par value of the shares or higher than their quotation value on the Stock Exchange.

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.

- h) The significant resolutions that have been adopted by the company and which come into force or are modified or will terminate in the event of the change in control of the company as a result of an initial public offering, and its effects, except when its disclosure seriously damages the company. This exception shall not apply if the company is legally obligated to publicize this information**

The Company has not entered into agreements that have come into force, are modified or will terminate in the event of an initial public offering.

- i) The agreements between the company and its administrative and administrative officers or employees that establish indemnities when the latter resign or are unlawfully dismissed or if the labour relationship terminates as the result of a public offering**

At the 2010 year end the Company has entered into one top management contract containing indemnity clauses.

Accordingly, the contract contemplates that in the event of termination by means of a unilateral decision of the company, the senior manager will have the right to an indemnity equivalent to six months fixed remuneration. Furthermore, in the event that his dismissal is declared unlawful, the company will pay him an indemnity of one year's fixed remuneration.

10.- SUBSEQUENT EVENTS

In February 2011 Fersa Energías Renovables S.A. has sold its 6% stake in Fersa Panamá, S.A., (Note 26 of the consolidated annual accounts).

11.- CORPORATE GOVERNANCE REPORT