



**CONSOLIDATED PROFIT AND LOSS  
REPORT  
SECOND HALF-YEAR 2016  
January – December**



Red Pacto Mundial España  
WE SUPPORT



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## Executive Summary

- On 19 May 2016 Audax Energía, S.A. submitted the content of the preliminary communication of the bid for voluntary takeover of 100% of Fersa's shares at the price of EUR 0.50 per share; the bid was definitively authorised on 15 July 2016.  
On 8 August 2016 the Spanish National Securities Market Commission (CNMV) announced that the offer to purchase the shares of Fersa Energías Renovables, S.A. made by Audax Energía, S.A. had been accepted by the shareholders representing 70,86% of the company's share capital.  
On 16 August 2016 new inside directors were appointed by co-option and Ms Nairara Bueno Aybar was appointed as Secretary of the Board of Directors, and Mr José Elías Navarro was appointed as the new Chairman of the Board of Fersa.  
On 25 October 2016 were accepted letters of resignation as members of the Board of Directors of Fersa (and, consequently, as members of its delegated committees), from Mr Guillermo Mora Griso, external director, and Mr Esteban Sarroca Punsola and Mr Ignacio Garcia-Nieto Portabella, independent directors.  
On 14 November 2016 Mr Josep Maria Echarri Torres was appointed as an independent director, and the composition of the Executive Committee, Audit Committee and the Appointments and Remunerations Committee was announced.
- Fersa ended the year 2016 with the loss of EUR 31.6 million, mainly as a result of registering an impairment provision related to the Postolin wind farm in Poland and due to amendments to the laws regulating the sector in this country. The plummeting prices of Green Certificates and the new tax laws prompted the Company to register impairment of its assets in Poland in the total gross amount of EUR 30.4 million.

*Audax Energía, S.A. owns 70,86% of the shares of Fersa Energías Renovables, S.A. after the acquisition completed in August 2016 at the price of EUR 0.50 per share.*

## Fersa in figures

<b>Consolidated profit and loss account</b>	<b>2016</b>	<b>2015</b>	<b>Var. (%)</b>
Operating income	31,085	28,825	8
Operating expenses	-14,703	-11,106	32
<b>EBITDA</b>	<b>16,382</b>	<b>17,719</b>	<b>-8</b>
<b>EBIT</b>	<b>-26,542</b>	<b>-6,189</b>	<b>n.a.</b>
<b>Financial profit/loss</b>	<b>-9,385</b>	<b>-7,770</b>	<b>21</b>
<b>Profit/loss attributable to the Parent Company</b>	<b>-31,608</b>	<b>-11,410</b>	<b>n.a.</b>
Net profit/loss for the year from discontinued operations	0	-42,057	-100
<b>Net profit/loss attributable to the Parent Company</b>	<b>-31,608</b>	<b>-53,467</b>	<b>-41</b>

Thousand EUR

*Fersa increases its operating income by 8%, ending the year 2016 with a loss of EUR -31.6 million, as a result of regulatory changes in Poland, and reduces its loss by 41% in comparison to the previous year due to extraordinary items.*

## Operating Figures

- As at December 2016, the installed capacity breakdown into countries is as follows:

<b>MW</b>				
<b>Installed capacity</b>	<b>2016</b>	<b>%</b>	<b>2015</b>	<b>%</b>
<b>Spain</b>	<b>139</b>	75%	<b>139</b>	75%
<b>France</b>	<b>12</b>	6%	<b>12</b>	6%
<b>Poland</b>	<b>34</b>	18%	<b>34</b>	18%
<b>Total</b>	<b>185</b>	100%	<b>185</b>	100%

- As at December 2016, the production breakdown into countries is as follows:

<b>GWh</b>					
<b>Production</b>	<b>2016</b>	<b>%</b>	<b>2015</b>	<b>%</b>	<b>% Var.</b>
<b>Spain</b>	<b>288.6</b>	74%	<b>274.6</b>	88%	5%
<b>France</b>	<b>25.6</b>	7%	<b>29.5</b>	9%	-13%
<b>Poland *</b>	<b>75.2</b>	19%	<b>7.6</b>	2%	887%
<b>Total</b>	<b>389.4</b>	100%	<b>311.7</b>	100%	25%

\* The production in Poland began on 15 December 2015

*The 25% increase in production in 2016 compared to the previous year is mainly due to the incorporation of the production of Postolin, functioning as expected, and also to higher wind resources in wind farms in the South of Spain.*

## Operating figures

- The Fersa's portfolio breakdown into countries as at December 2016 is as follows:

MW	Operating	In Construction	In Development	Total Portfolio	%
Spain	139	0	50	189	51%
France	12	0	0	12	3%
Poland	34	0	34	68	19%
Panama *	0	0	99	99	27%
<b>TOTAL</b>	<b>185</b>	<b>0</b>	<b>183</b>	<b>368</b>	<b>100%</b>

\* Attributable capacity (30% of 330 MW)

*Fersa intends to put its portfolio projects in development in Spain out to the next tender of renewables held by the Ministry of Energy, Tourism and Digital Agenda. These projects have received the necessary authorisations and are even provided with the energy transmission systems already functioning.*



The Hinojal Wind Farm



The Postolin Wind Farm

## Business Evolution

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### SPAIN

- Fersa currently has 139 MW in operating plants in Spain, of which 138 MW are wind farms and 1 MW is a solar power plant.
- Fersa owns a pipeline of 50 MW which it intends to submit to the next public tender of renewables held by the Ministry of Energy, Tourism and Digital Agenda if the market conditions are in line with its business model.



*The Mudéfer Wind Farm*



*The Hinojal Wind Farm*



*Solar Power Plant*

## Business Evolution

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### FRANCE

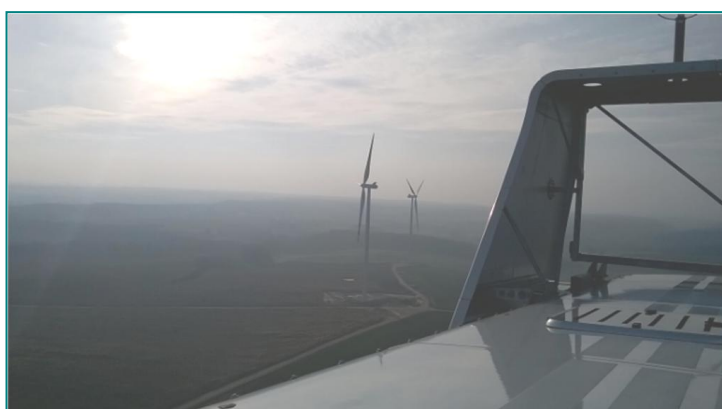
- Fersa currently owns one 12 MW wind farm in operation in France.

### POLAND

- In Poland, Fersa owns the Postolin wind farm of 34 MW, whose construction began in October 2014 and which started operating on 15 December 2015; and also the Warblewo wind farm of 34 MW which is still in the development stage.



*The Postolin Wind Farm*



*The Postolin Wind Farm*

### PANAMA

- Fersa holds 30% of shares of the Parque Eólico Toabré, S.A. company (formerly Fersa Panamá, S.A.), which owns two wind farms in development (Toabré and Antón) with a total capacity of 330 MW and with Definitive Licence in Panama (attributable 99 MW).
- In a tender held by Empresa Estatal de Transmisión Eléctrica, S.A. in January 2014, Parque Eólico Toabré, S.A. (formerly Fersa Panamá, S.A.) was awarded a 15-year energy sale contract for this wind farm, which in the first stage will have 66 MW.

## Consolidated Income Statement

Consolidated Profit and Loss	2016	2015	Var. (%)
Net turnover	30,168	28,477	6
Other income	917	348	n.a.
<b>Operating Income</b>	<b>31,085</b>	<b>28,825</b>	<b>8</b>
Operating expenses	-14,703	-11,106	32
<b>EBITDA</b>	<b>16,382</b>	<b>17,719</b>	<b>-8</b>
Amortisation, depreciation and impairment	-12,835	-10,187	26
Surplus provisions	658	0	n.a.
Impairment and profit/loss on disposal of fixed assets	-30,747	-13,721	n.a.
<b>EBIT</b>	<b>-26,542</b>	<b>-6,189</b>	<b>n.a.</b>
Financial income	25	52	-52
Financial expenses	-9,309	-7,678	21
Exchange differences	-101	-144	-30
<b>Financial profit/loss</b>	<b>-9,385</b>	<b>-7,770</b>	<b>21</b>
Share in the profit/loss of associated companies	-191	-101	89
<b>Profit/loss before tax</b>	<b>-36,118</b>	<b>-14,060</b>	<b>n.a.</b>
Corporate Income Tax	4,425	1,087	n.a.
<b>Consolidated profit/loss for the year</b>	<b>-31,693</b>	<b>-12,973</b>	<b>n.a.</b>
Profit/loss attributed to minority interests	85	1,563	-95
<b>Profit/Loss Attributed to the Parent Company</b>	<b>-31,608</b>	<b>-11,410</b>	<b>n.a.</b>
Net profit/loss for the year on discontinued operations	0	-42,057	-100
<b>Net Profit/Loss Attributed to the Parent Company</b>	<b>-31,608</b>	<b>-53,467</b>	<b>-41</b>

Thousand EUR

### Analysis of the Results

- Net turnover has amounted to EUR 30,168 thousand which implies an increase of 6% in comparison to the year 2015 (EUR 28,477 thousand), due mainly to:
  - A higher contribution made this year by the Postolin wind farm (in Poland) in the amount of EUR 2,797 thousand.
  - The adjustment registered according to article 22 of the Royal Decree 413/2014, of 6 June, which states that because of a difference between estimated market price and final actual price in the first regulatory half-term, a mechanism adjusting special remuneration is implemented, consequently originating a right to receive the amount of EUR 1,575 thousand to be recovered during the regulatory useful life of the wind farms.
  - A 5% increase in production measured in GWh, mostly owing to higher wind resources in comparison to the same period in the previous year in wind farms in the South of Spain.
  - By contrast, lower commodity price for energy on the Spanish market (POOL) in this year, an average of 21% below the price from the previous year, resulted in a drop of EUR 3,243 thousand for the estimated turnover in Spain alone.

#### Daily market prices (€/MWh)

Average 2016	39.61	Average until Sept. 2016	33.98	Average 4Q 2016	56.48
Average 2015	50.27	Average until Sept. 2015	49.94	Average 4Q 2015	51.24
Variation 16/15	-21%	Variation 16/15	-32%	Variation 16/15	10%



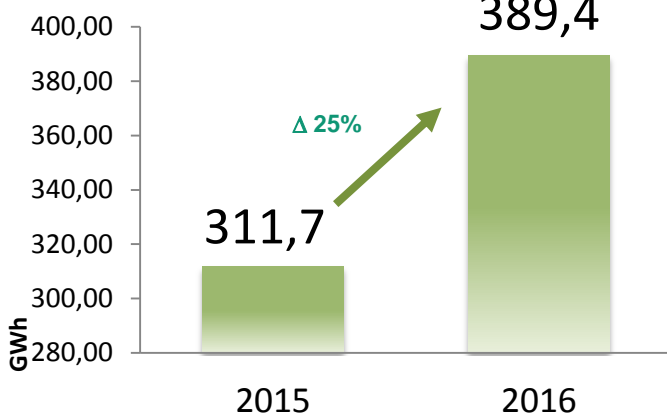
## Consolidated Income Statement

### Analysis of the Results (continued)

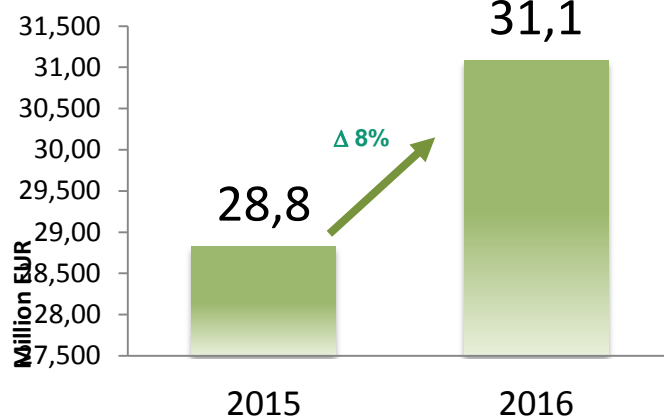
- Operating expenses and Amortisation, depreciation and impairment have increased in comparison to the previous year, as a consequence of the launching of the wind farm in Poland and registering the expenses related to the takeover bid made by Audax.
- Due to the amendments made to the regulatory framework of renewable energy sector in Poland during the year, the Company has registered an impairment provision related mainly to the Postolin wind farm in Poland. The plummeting prices of Certificates of Origin and, among others, the new local real property tax laws prompted the Company to register a gross impairment of the Postolin assets of EUR 30,389 thousand.
- Fersa ends the year 2016 with a loss attributable to the Parent Company amounting to EUR 31,608 thousand, mainly as a consequence of the aforementioned impairment provision related to Poland.
- The results of sale of the companies in India and of the Montenegro project in 2015, are reflected in the lower part of the Income Statement, in the 'Net profit/loss on discontinued operations' account.

*Fersa increases its operating income by 8%, ending the year 2016 with a loss of EUR -31.6 million, as a result of regulatory changes in Poland, and reduces its loss by 41% in comparison to the previous year due to extraordinary items.*

### Production



### Operating Income



## Consolidated Balance Sheet

ASSETS	Dec-16	Dec-15	var.'16-'15	var. (%)
Property, plant and equipment	172,478	195,399	-22,921	-11.7
Goodwill	1,494	7,062	-5,568	-78.8
Other intangible assets	32,673	51,321	-18,648	-36.3
Non-current financial assets	5,704	8,952	-3,248	-36.3
Investments as per equity accounting	7,442	4,090	3,352	82.0
Deferred tax assets	5,847	5,850	-3	-0.1
<b>Non-current assets</b>	<b>225,638</b>	<b>272,674</b>	<b>-47,036</b>	<b>-17.2</b>
Trade and other receivables	5,892	6,888	-996	-14.5
Other current financial assets	3,636	4,519	-883	-19.5
Other current assets	115	168	-53	-31.5
Cash and other cash equivalents	15,668	15,988	-320	-2.0
<b>Current assets</b>	<b>25,311</b>	<b>27,563</b>	<b>-2,252</b>	<b>-8.2</b>
<b>Total Assets</b>	<b>250,949</b>	<b>300,237</b>	<b>-49,288</b>	<b>-16.4</b>
<b>LIABILITIES AND NET EQUITY</b>	<b>Dec-16</b>	<b>Dec-15</b>	<b>var.'16-'15</b>	<b>var. (%)</b>
Capital	98,003	98,003	0	n.a.
Other reserves	20,476	73,906	-53,430	-72.3
Profit/Loss for the year	-31,608	-53,467	21,859	-40.9
Exchange differences	-6,099	-4,906	-1,193	24.3
Hedging operations	-10,115	-11,486	1,371	-11.9
Minority interests	502	665	-163	-24.5
<b>Net Equity</b>	<b>71,159</b>	<b>102,715</b>	<b>-31,556</b>	<b>-30.7</b>
Bank loans	117,870	133,423	-15,553	-11.7
Other non-current liabilities	34,213	42,022	-7,809	-18.6
<b>Non-current Liabilities</b>	<b>152,083</b>	<b>175,445</b>	<b>-23,362</b>	<b>-13.3</b>
Bank loans	18,554	15,232	3,322	21.8
Trade and other payables	8,001	6,329	1,672	26.4
Other current financial liabilities	488	149	339	n.a.
Other current liabilities	664	367	297	80.9
<b>Current Liabilities</b>	<b>27,707</b>	<b>22,077</b>	<b>5,630</b>	<b>25.5</b>
<b>Total Liabilities</b>	<b>250,949</b>	<b>300,237</b>	<b>-49,288</b>	<b>-16.4</b>

Thousand EUR

### Analysis of the Balance Sheet

- As a consequence of the changes to the regulatory framework of the renewable energy sector and new tax laws enacted in Poland, Fersa deemed it appropriate to update the impairment tests of the Postolin wind farm. As a result of this update, the decision was made to register a provision of EUR 30,389 thousand in the 'Property, Plant and Equipment', 'Goodwill' and 'Other Intangible Assets' accounts.
- On 30 January 2017, Fersa signed a novation of the corporate financing agreement for the amount of EUR 4.6 million, as a result of which the date of settling the debt arising from the agreement was extended to 31 January 2018.

## Consolidated Balance Sheet

### Net Financial Debt

- As at 31 December 2016 the net financial debt amounts to EUR 132 million, and corresponds almost entirely to financing of investments in property, plant and equipment of the wind farm companies ("Project Finance" modality), with a maturity period between 12 and 15 years. The principal of the bank loans of Fersa (corporate debt), as at 31 December 2016, amounts to EUR 4.6 million.
- This debt implies a financial leverage of 64.9%, as shown in the table below.

Net Financial Debt	Dec-16	Dec-15	Var.	%
Bank loans	136,424	148,655	-12,231	-8.2%
Other non-current liabilities (derivatives)	14,604	16,083	-1,478	-9.2%
Cash and other current financial assets	-19,304	-20,507	1,203	-5.9%
<b>Net Financial Debt*</b>	<b>131,724</b>	<b>144,231</b>	<b>-12,507</b>	<b>-8.7%</b>
<b>Leverage**</b>	<b>64.9%</b>	<b>58.4%</b>		

Thousand EUR

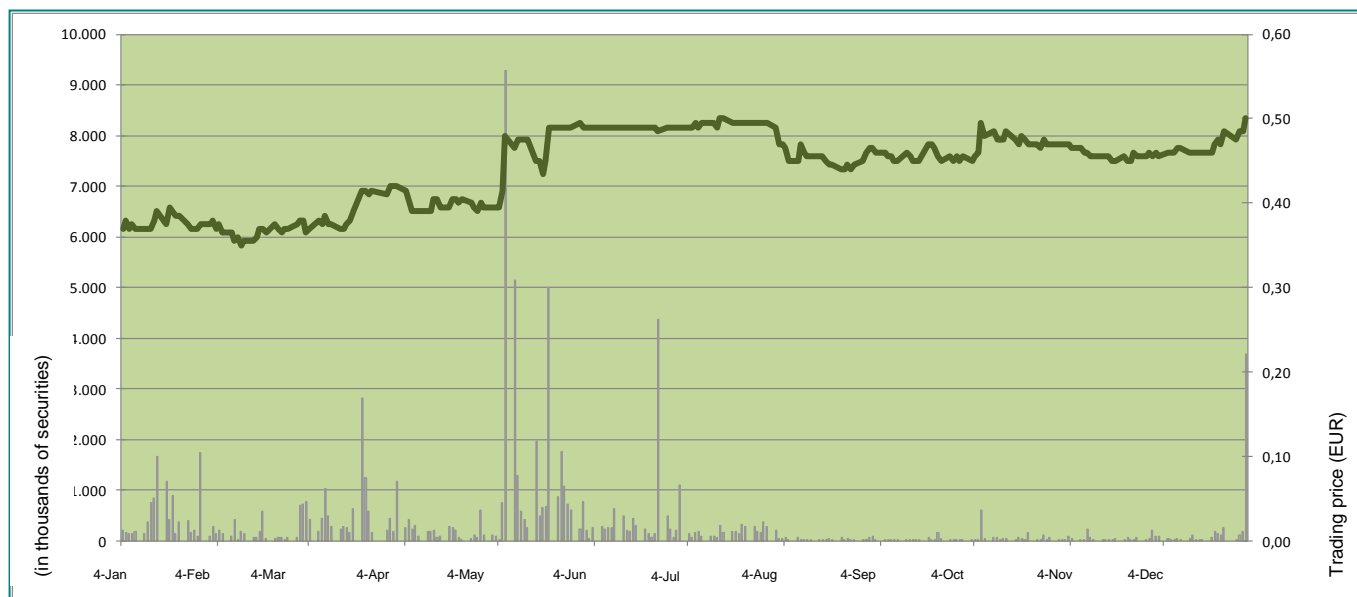
\* Net Financial Debt= Bank loans- Cash and cash equivalents

\*\* Net Financial Debt/(Net Financial Debt + Net Equity)



## Stock Exchange Data

Stock Exchange Data	2016	Units
Number of shares admitted to trading	140,003,778	shares
Share price at the beginning of the period (2 January 2016)	€0.370	per share
Share price at the end of the period (30 December 2016)	€0.500	per share
Maximum trading price	€0.500	per share
Minimum trading price	€0.350	per share
Trading price fluctuation during the period	35.14	%
Capitalisation at the end of the period	70,001,889	€
Number of shares traded (from 2 January to 30 December)	87,908,289	shares
Effective volume (from 2 January to 30 December)	39,355,294	€
Daily volume of traded shares (average)	342,056	shares
Effective daily volume (average)	153,133	€



*Audax Energía, S.A. owns 70,86% of the shares of Fersa Energías Renovables, S.A. after the acquisition completed in August 2016 at the price of EUR 0.50 per share.*

## Companies of the Fersa Group

Company	Direct + indirect holding
Eólica El Pedregoso, S.L	80%
Eólica Del Pino, S.L	80%
Parc Eòlic Mudefer, S.L.	100%
Parque Eólico Hinojal , S.L	100%
Gestora Fotovoltaica de Castellón, S.L.	76%
(Fotovoltaica Fer, S.L., Weinsberg Ecotec, S.L., Fotovoltaica Ecotec, S.L., Joso Fotovoltaica, S.L., Fotovoltaica Padua, S.L., Fotovoltaica Vergos, S.L., Fotovoltaica La Mola, S.L., Inversions Trautt, S.L., Fotovoltaica de Castelló, S.L., Fotovoltaica de les Coves, S.L., Inversions Vinroma, S.L.)	
Fercom Eólica, S.L.	100%
Fersa Asesoramiento y Gestión, S.L.	100%
Parc Eòlic Coll De Som, S.L.	100%
Parc Eòlic L'Arram, S.L.	100%
Explotación Eólica La Pedrera S.L.	100%
Castellwind 03 S.L	60%
Entreyeltes 1, S.L.	51%
Berta Energies Renovables, S.L.	26%
Ferrolterra Renovables, S.L.	37%
Fersa-Aventalia, S.L.	80%
Eoliennes de Beausemlant, SAS	80%
Eólica Postolin Sp	100%
Eólica Warblewo Sp	65%
Eólica Cieplowody Sp	100%
Parque Eólico Toabré, S.A. (formerly Fersa Panamá, S.A.)	30%
A.I.E. Subestación y Linea 2004	30%
Aprofitament d'Energies Renovables de la Terra Alta, S.A.	16%
Aprofitament d'Energies Renovables de L'Ebre S.L.	15%



## Significant Events within the Period

### Significant Events within the Period

Date	Registration Number	Item
09/05/2016	238387	The Company issues an announcement related to the press news.
19/05/2016	238854	Audax Energía, S.A. submits, in accordance with article 16 of Royal Decree 1066/2007 of 27 July, on the rules applicable to takeover bids for securities, the content of the preliminary communication of the bid for voluntary takeover of the shares representing the entirety of the share capital of Fersa Energías Renovables, S.A.
19/05/2016	238853	Corporate transaction. The shareholders holding together 45,171% of the share capital have signed irrevocable agreements with Audax Energía, S.A. in relation to the takeover bid.
08/06/2016	239560	Today Audax Energía, S.A. has filed with the National Securities Market Commission (CNMV) the request for authorisation of the takeover bid for the entirety of the issued shares of Fersa Energías Renovables, S.A.
16/06/2016	239829	The CNMV informs that on 16 June 2016 the request for authorisation of the takeover bid submitted by Audax Energía, S.A. regarding Fersa Energías Renovables, S.A. was admitted for processing.
15/07/2016	240864	The CNMV informs that the takeover bid for Fersa Energías Renovables, S.A., made by Audax Energía, S.A., was authorised on 15 July 2016.
18/07/2016	240895	The CNMV sets out the time frame for the acceptance of the offer of purchase of Fersa Energías Renovables, S.A. made by Audax Energía, S.A., from 18 July 2016 to 1 August 2016, both dates inclusive.
25/07/2016	241191	Fersa Board of Directors' Report on the public takeover bid made by Audax Energía, S.A.
08/08/2016	241938	The CNMV informs that the result of the takeover bid for Fersa Energías Renovables, S.A. made by Audax Energía, S.A. has been accepted by 70.86% of the entity's share capital.
11/08/2016	242045	Audax Energía, S.A. announces that the shareholders of Fersa Energías Renovables, S.A. will not be able to request Audax a mandatory bid for their shares.

### Significant Events within the Period: the Company

Date	Registration Number	Item
25/05/2016	239054	The Company announces the Board of Directors' resolution approving the call for General Meeting of Shareholders.
26/05/2016	239101	Press release of the notice of General Meeting and disclosure of the pertinent documents to the shareholders.
20/06/2016	239969	The Company announces changes in the Audit Committee and in the Appointments and Remunerations Committee.
28/06/2016	240245	The Company reports the resolutions passed during the General Meeting of Shareholders of Fersa Energías Renovables, S.A. held on 28 June 2016.
28/06/2016	240246	The Company reports the speech of the Chairman of the Board of Directors and the presentation of the General Manager at the General Meeting of Shareholders of Fersa Energías Renovables, S.A. held on 28 June 2016.
16/08/2016	242092	Appointment by co-option of the new proprietary directors of the Company.
16/08/2016	242093	Appointment of the Chairman (Mr Francisco José Elías Navarro) and of the Secretary of the Board of Directors (Ms Naiara Bueno Aybar).
06/09/2016	242447	Rectification of the Significant Event registered under the number 242092, regarding the appointment of new directors. Mr Guillem Mora Griso is appointed external director (not proprietary).
26/10/2016	244078	Notification on the resolution adopted by the Board of Directors of Fersa Energías Renovables, S.A. on 25 October 2016, namely: acceptance of the letters of resignation as members of the Board of Directors of Fersa (and, consequently, as members of its delegated committees), from Mr Guillermo Mora Griso, external director, and Mr Esteban Sarroca Punsola and Mr Ignacio Garcia-Nieto Portabella, independent directors.
15/11/2016	244790	Notification on the following resolutions adopted by the Board of Directors of Fersa Energías Renovables, S.A. on 14 November 2016 by written procedure and without holding a meeting: (i) the appointment of Mr Josep Maria Echarri Torres as independent director; and (ii) the composition of the Executive Committee, the Audit Committee and the Appointments and Remunerations Committee.

## Significant Events within the Period

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### Significant Events within the Period: Economic Reports

Date	Registration Number	Item
29/02/2016	235734	The Company submits the information on the profit and loss for the second half-year 2015.
29/02/2016	235735	The Company issues Press Release on profit and loss for the year 2015.
29/02/2016	235737	The Company submits the Consolidated Profit and Loss Statement for the second half-year 2015.
29/02/2016	235738	The Company submits the Annual Corporate Governance Report for the year 2015.
29/02/2016	235739	The Company submits the Annual Report on directors' remuneration for the year 2015.
13/05/2016	238660	The Company submits information on profit and loss for the first quarter of 2016.
08/08/2016	241939	The Company submits information on profit and loss for the first half-year 2016.
08/08/2016	241940	The Company submits the Consolidated Profit and Loss Statement for the first half-year 2016.
15/11/2016	244789	Consolidated profit and loss statement for the third quarter of 2016.
17/11/2016	244865	The Company submits information on profit and loss for the third quarter of 2016.

## Significant Subsequent Events

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### Significant Subsequent Events

Date	Registration Number	Item
30/01/2017	247635	The Company announces the conclusion of a modificatory and non-extinctive novation of the Financing Agreement signed on 31 January 2012. The Novation establishes the extension of the maturity date of said agreement till 31 January 2018 for the overdue amount of EUR 4.6 million.

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