



**QUARTERLY REPORT
FIRST HALF OF 2010
January – June**

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Executive Summary

- Income for the period January to June 2010 stood at 12.2 million euros. EBITDA stood at 6.3 million euros 13% lower than the figure for the same period last year. **The main reason for this was:**
 - Net revenue amounted to 11.421 million euros, 4% up on the previous year due to the commissioning of the Mudéfer farm which offset the effects of lower wind resource and a lower selling price of energy in the whole of Spain during the first half of the year. The selling price was particularly low in the first three months of the year, but has gradually recovered during the second quarter.
 - Operating expenses, excluding depreciation, amounted to 5.971 million euros (including personnel expenses), an increase of 57% over the same period last year as a result, among other things, of the coming on stream of a new farm (Mudéfer II) and the first supplier invoices resulting from the operation and maintenance of the farm owned by the Parque Eólico Hinojal company.
- In January 2010, Fersa sold the remaining 12% of its holding in Parque Eólico Altos de Voltoya, S.A.
- Also in January, Fersa granted Green Alliance I, FCR, a 16% holding in its subsidiary Catalana d'Energies Renovables, SL (CATER), reducing Fersa's own stake to 84%.
- In late May 2010 Fersa received final start-up authorisation for the Mudéfer wind farm, (for a total of 45 MW), located in the town of Caseres (Tarragona). The Mudéfer farms have been registered for pre-assignment as per Royal Decree 6/2009 and therefore for access to the special regime financing established by Royal Decree 661/2007.
- In addition, Fersa obtained financing for its second farm in India, Hanumanhatti (50.4 MW) for which construction is already under way.
- These two milestones are among the goals set by the company for the year 2010.
- Fersa has **1.007 MW approved or under construction and 1.620 MW** under development in the various markets in which it operates. In particular in Spain, Fersa successfully registered 217.27 attributable MW for pre-assignment. This large, diversified portfolio of farms (including 68.3% of authorised MW outside Spain) provides Fersa with huge growth potential for the next few years.

Fersa in figures

Profit and Loss	1H10	1H09	% Var.
Operating income	12,246	11,025	11.1%
EBITDA	6,275	7,228	-13.2%
EBIT	743	2,161	-65.6%
Financial profit/loss	-3,099	-3,245	-4.5%
Net distributable profit	-1,978	-139	1323.0%

Thousands of euros

Installed Capacity MW	1H10	1H09	%
Spain	141.3	83.7	68.8%
Rest of Europe	14.0	14.0	0.0%
Rest of the world	31.2	31.2	0.0%
Total	186.5	128.9	44.7%

Pipeline MW	1H10	1H09	%
Authorised and under construction	1,007	1,051	-4.2%
Development	1,620	1,620	0.0%
Total	2,627	2,671	-1.7%

Production GWh	1H10	1H09	%
Spain	103.6	91.8	12.8%
Rest of Europe	17.4	18.0	-3.2%
Rest of the world	20.6	21.5	-4.1%
Total	141.6	131.3	7.9%

Fersa continued to increase its market presence with the launch of new farms throughout the year 2010 as well as agreeing financing of new high profile projects.

Operating Figures

- The detail of operational farms at the end of H1 2010 by geographical area is as follows:

MW Installed power	1H10	%	1H09	%	% Var.
Spain	141.3	75.8%	83.7	64.9%	68.8%
France	12.0		12.0		
Poland	2.0		2		
Rest of Europe	14.0	7.5%	14.0	10.9%	0.0%
India	31.2		31.2		
Rest of the world	31.2	16.7%	31.2	24.2%	0.0%
Total	186.5	100.0%	128.9	100.0%	44.7%

Following the disposal of the Altos de Voltoya and Monte de las Navas wind farms, the only ones whose results were not consolidated, we have proceeded to use the criterion of gross MW installed capacity and production

As of June 2010 the installed capacity stood at 186.5 MW compared to 126.9 MW in the first half of 2009

- The distribution of FERSA output at the end of H1 2010 by geographical area is as follows:

GWh Production	1H10	%	1H09	%	% Var.
Spain	103.6	73.1%	91.8	69.9%	14.3%
France	15.3		15.7		-3%
Poland	2.1		2.3		-7%
Rest of Europe	17.4	12.3%	18.0	13.7%	-3.2%
India	20.6		21.5		-4%
Rest of the world	20.6	14.6%	21.5	16.4%	-4.1%
Total	141.6	100.0%	131.3	100.0%	7.9%

Production for the first half of 2010 stood at 141.6 GWh compared to 131.3 GWh in the first half of 2009, an increase of 8%

Operating Figures

- The distribution of FERSA's portfolio at the end of H1 2010 by geographical area is as follows:

MW	Operational	%	Authorised/ Under construction	Development	Total Pipeline	%
Spain	141	75.8%	299	780	1,079	41.1%
France	12		0	0	0	
Poland	2		160	0	160	
Italy	0		0	270	270	
Montenegro	0		0	100	100	
Estonia	0		70	0	70	
Rest of Europe	14	7.5%	230	370	600	22.8%
India	31		151	0	151	
Panama	0		304	64	368	
China	0		23	406	429	
Rest of the world	31	16.7%	478	470	948	36.1%
TOTAL	187	100.0%	1,007	1,620	2,627	100.0%

Fersa holds an attractive, internationally diversified pipeline which provides it with considerable growth potential

Business Evolution

SPAIN

Mudéfer wind farms (Tarragona)

- During FY 2010, Catalana d'Energies Renovables (CATER), in which Fersa has an 84% holding, completed the construction and commissioning of two wind farms in the town of Caseres (Tarragona), Mudéfer and Mudéfer II, with a total capacity of 57.6 MW. Construction of the 12.6 MW Mudéfer II farm was completed in December 2009. The 45 MW Mudéfer wind farm was granted final start-up authorisation in May 2010. Both farms have been registered for pre-assignment as per Royal Decree 6/2009 and therefore for access to the special regime financing established by Royal Decree 661/2007.
- The farms distribute the power produced via the electrical infrastructure of AERTA, a company in which the FERSA Group and other wind power producers in the area have holdings. This infrastructure is now fully operational.



Mudéfer II farm

Business Evolution

- Production from these two farms is forecast at 156 GWh per year, equivalent to about 2,700 hours (with a 31% load factor), allowing the emission of 150,000 tonnes of CO2 per year to be prevented, as well as providing enough power to satisfy the needs of over 39,000 homes.
- Total investment in the farms came to over 100 million euros and over 82 million euros was financed under the heading of "Project finance" with a pool of Spanish banks.

Els Escambrons wind farm (Lleida)

- During FY 2009 the formalities were finalised to begin construction of the 48 MW Els Escambrons wind farm at the town of Almatret (Lleida). The farm, which has been included in the special regime pre-assignment register, will begin construction in 2010 and become operational in early 2011. The farm will distribute the power produced via the electrical infrastructure of AERE, a company in which Empordavent and other developers in the area have holdings. This infrastructure is at an advanced stage of construction.

POLAND

Kisielice wind farm

- The farm has authorisation and licences to build 42 MW. The first 2 MW phase has been fully operational since July, 2008. Construction began in late 2009 on the second 22 MW phase, and civil and electrical work is practically complete, including the Transformer Substation. This second phase comprises 11 Enercon E82-2MW turbines. Work on the foundations for the aerogenerators is complete and the turbines are now being erected. The farm is expected to be operational during the last quarter of 2010. The third phase, with 18 MW generated by nine Enercon E82-2MW wind turbines, for a total of 42 MW, is planned for 2011.



Phase I Kisielice

Business Evolution

Postolin, Warblewo and Cieplowody wind farms

- Fersa has three projects in Poland with an additional total of 120 MW: the wind farms at Postolin (40 MW), Warblewo (40 MW) and Cieplowody (40 MW). They each have the necessary authorisations and are in the final stages of design, selection of suppliers and financing.

INDIA

Hanumanhatti, Chavenesvar and Ramdurga wind farms

- In addition to the Gadag wind farm, which has been fully operational since 2008, Fersa is developing a further three projects in India with Enercon turbines, for a total of 151.2 MW additional power. The Hanumanhatti farm (50.4 MW) now has financing and construction began in the second quarter of 2010. Hanumanhatti will be fully operational during 2011.
- The construction of an additional 50.4 MW farm is planned during 2011.



Gadag farm

ESTONIA

Paite-Vaivina wind farm

- The Estonian Oü Est Wind Power company owns the authorisations for the construction of a wind farm of up to 75 MW in the towns of Päite and Vaivina, on the north-east coast of Estonia, and is one of the country's largest wind power projects. Construction is planned to begin on the 14 MW first phase in the second half of 2010.

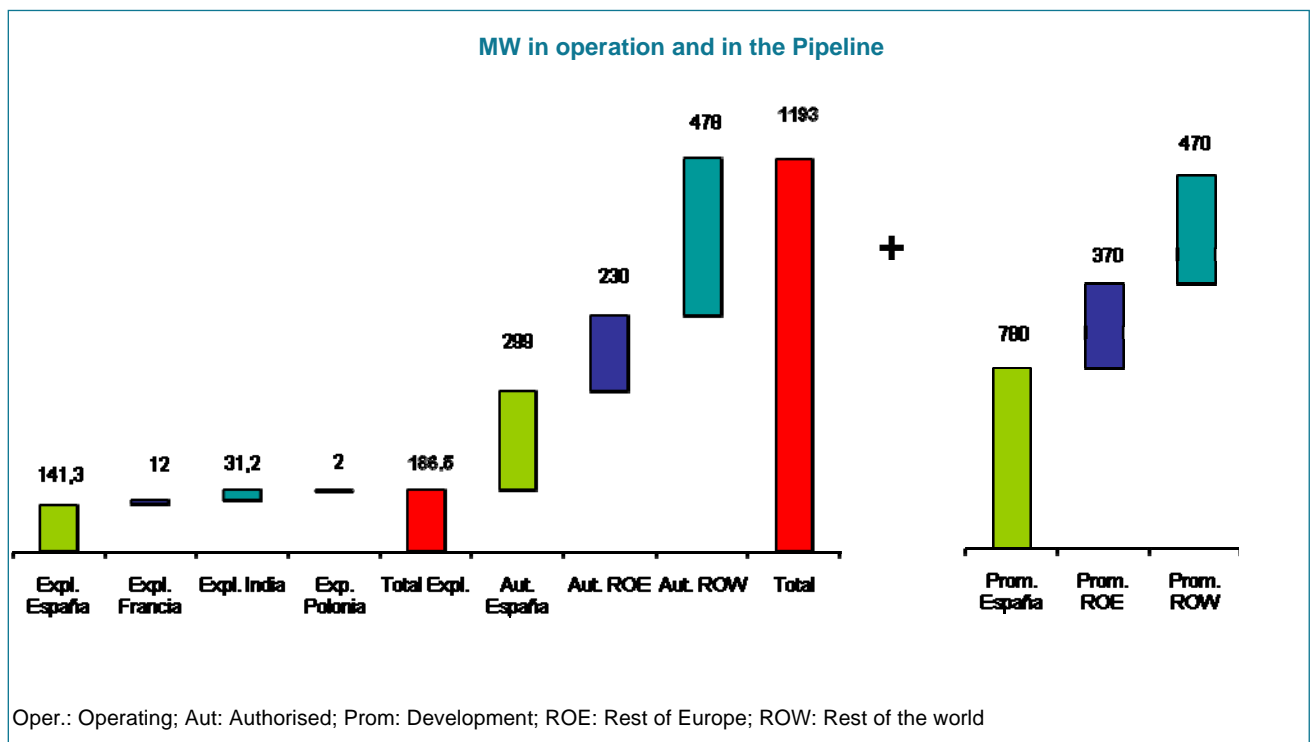
CHINA

- During the first half of 2010, the Shandong Lusa Wind Power Joint Venture, in which Fersa has a 48% holding, continued with the preparatory work for the construction of the 48 MW wind farm in the province of Shandong.
- These 48 MW represent the first phase currently being developed and designed, which will take place on land belonging to our local partner, Shandong Lubei Enterprise. The project will be developed in several stages and has a potential for over 800 MW.

Business Evolution

PANAMA

- In 2009 the final government permits were granted for the construction and operation of the Antón wind farm, for 105 MW power (97 MW attributable). In addition, the National Environmental Authority (ANAM) granted the Panamanian government's environmental licence, the Authority of Public Services (ASEP) gave final authorization for construction and operation and connection to Panama's electrical power grid. The farm is located in the middle of the Panamanian isthmus, in the province of Coclé. Antón is FERSA's second wind farm in Panama to obtain final authorisation.
- The Toabré wind farm was the first in the country ever to be granted final authorisation - in October 2008 - for 225 MW. Work on the 105 MW first phase of this farm is expected to be ready to start in the first quarter of 2011, with commissioning to follow at the end of that same year.
- Taken together, with these two farms, Toabré and Antón, FERSA now has 330 MW authorised in Panama, of which 304 MW are attributable.



Consolidated Profit & Loss

Profit and Loss Statement	1H10	1H09	Var	%
Net revenue	11,421	10,956	465	4.2%
Other income	825	69	756	1095.7%
Operating income	12,246	11,025	1,221	11.1%
Operating expenses	-5,971	-3,797	-2,174	57.3%
EBITDA	6,275	7,228	-953	-13.2%
Depreciation and provisions	-5,532	-5,067	-465	9.2%
EBIT	743	2,161	-1,418	-65.6%
Financial income	110	282	-172	-61.0%
Financial expenses	-3,444	-3,582	138	-3.9%
Exchange rate adjustments	-56	55	-111	-201.8%
Profit from disposal of financial instruments	291	0	291	na
Financial profit/loss	-3,099	-3,245	146	-4.5%
Share of profit in associated companies	-63	79	-142	-179.7%
Profit before tax	-2,419	-1,005	-1,414	140.7%
Corporation income tax	368	802	-434	-54.1%
Consolidated annual profit	-2,051	-203	-1,848	910.3%
Profit/loss attributable to minority interests	-73	-64	-9	14.1%
Net distributable profit	-1,978	-139	-1,839	1323.0%

Thousands of euros

Analysis of results

- Net revenue at 11.421 million euros is 4% up on the previous financial year.
- This increase in revenue, primarily in the wind energy sector in Spain, was due to the commissioning of the Mudéfer farm, which offset the impact of lower wind resource in Spain as well as a decrease in the selling price in the whole of Spain during the first half of the year. The selling price has been particularly low during the first quarter and has been recovering gradually during the second quarter.
- Operating expenses, excluding depreciation, came to 5.971 million euros (including personnel) as a result, among other things, of the coming on stream of a new plant (Mudéfer II) and the standardisation of O&M operations at certain farms.
- The commissioning of the Mudéfer farm and the associated depreciation led to an increase of 9% in the depreciation provision.
- Fersa's negative financial results improved by 8% to 3.099 million euros compared to 3.245 million in the same period of the previous year.
- The net result attributable to the parent company is a loss of 1.978 million euros, compared with a loss of 139 thousand euros in the same period of the previous year.

Consolidated Balance Sheet

ASSETS	1H10	Dec-09	Var	%
Tangible fixed assets	316,219	242,525	73,694	30.4%
Goodwill	111,712	106,256	5,456	5.1%
Other intangible assets	294,075	286,394	7,681	2.7%
Long-term financial assets	8,208	6,270	1,938	30.9%
Holdings in companies subject to equity accounting	2,308	2,383	75	-3.1%
Deferred tax assets	6,705	3,477	3,228	92.8%
Total long-term assets	739,227	647,305	91,922	14.2%
Assets held for sale	-	3,208		
Trade debtors and other accounts receivable	10,171	11,123	952	-8.6%
Other current financial assets	1,513	1,761	248	-14.1%
Other current assets	358	133	225	169.2%
Cash and cash equivalents	16,598	19,801	3,203	-16.2%
Total current assets	28,640	32,818	4,178	-12.7%
Total assets	767,867	683,331	84,536	12.4%
LIABILITIES AND NET EQUITY	1H10	Dec-09	Var	%
Share capital	140,004	140,004	0	0.0%
Other reserves	254,965	258,265	3,300	-1.3%
Profit & Loss for the FY	-1,978	1,210	3,188	-263.5%
Own securities	-9,723	-10,999	1,276	-11.6%
Translation adjustments	-10,575	-27,187	16,612	-61.1%
Hedging contracts	-5,520	620	6,140	-990.3%
Minority holdings	23,126	18,617	4,509	24.2%
Net Equity	390,299	380,530	9,769	2.6%
Debt with lending institutions	187,956	99,424	88,532	89.0%
Other long-term liabilities	145,499	132,855	12,644	9.5%
Long-term liabilities	333,455	232,279	101,176	43.6%
Debt with lending institutions	27,809	57,479	29,670	-51.6%
Trade creditors and other operating debts	12,655	8,046	4,609	57.3%
Other current financial liabilities	2,660	875	1,785	204.0%
Other current liabilities	989	4,122	3,133	-76.0%
Current liabilities	44,113	70,522	26,409	-37.4%
Total Liabilities	767,867	683,331	84,536	12.4%

Thousands of euros

Balance Sheet analysis

- The increase in both tangible fixed assets and debt with credit institutions is the result of investments in Catalonia, India and Poland.
- The evolution of the exchange rate of the US dollar and the Indian rupee means that the value of assets in these countries increases due to the appreciation of the currency with respect to the euro. This impact can be seen in other intangible assets and tangible fixed assets and goodwill, and also in Fersa's **translation differences**, which reflect a recovery of the value of Fersa's investments in India, due mainly to the appreciation of the Indian rupee.

Net Financial Debt

- **Net Financial Debt:** At 30 June it stood at 199.167 million euros, which represents a leverage of 34% (Net Financial Debt / (Net Equity + Net Financial Debt)).
- The group's financial debt corresponds almost entirely to the "Project Finance" financing mode, without recourse to shareholders.
- During this period Fersa was successful in renewing short-term with long-term debt, more suitable to the company's investment profile.

Net Financial Debt	1H10	Dec-09	Var	%
Net Financial Debt*	199,167	137,102	62,065	45.3%
Leverage**	34%	26%		

Thousands of euros

* Net Financial Debt= Total Financial Debt - Cash and cash equivalents

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

Analysis of income

SPAIN

- Revenues of the consolidated group in Spain rose by 5% over the same period last year, due to the commissioning of the Mudéfer farm which offset the effects of lower wind resource in Spain of the order of 8%, as well as a decrease in the selling price of energy.
- Energy prices have gradually recovered since Q1 09.
- The Pedregoso, Pino and Hinojal wind farms in Spain are governed by the funding scheme established by Royal Decree 436/2004. The option chosen by Fersa in 2009 was to sell electricity produced directly at the official market price, complemented by a market premium or incentive. The Mudéfer II farm, on the other hand, comes under Royal Decree 661/2007



Pedregoso and Pino



Hinojal

Analysis of income

REST OF EUROPE

FRANCE

- Beausemlant farm: Revenues are 10% up on last year.



Beausemlant

POLAND

- Phase I Kisielice farm: The first phase (2 MW) of Kisielice, recorded an increase in sales of 30% mainly reflecting an increase in the selling price of 25% over the same period in the previous year.



Kisielice

REST OF THE WORLD

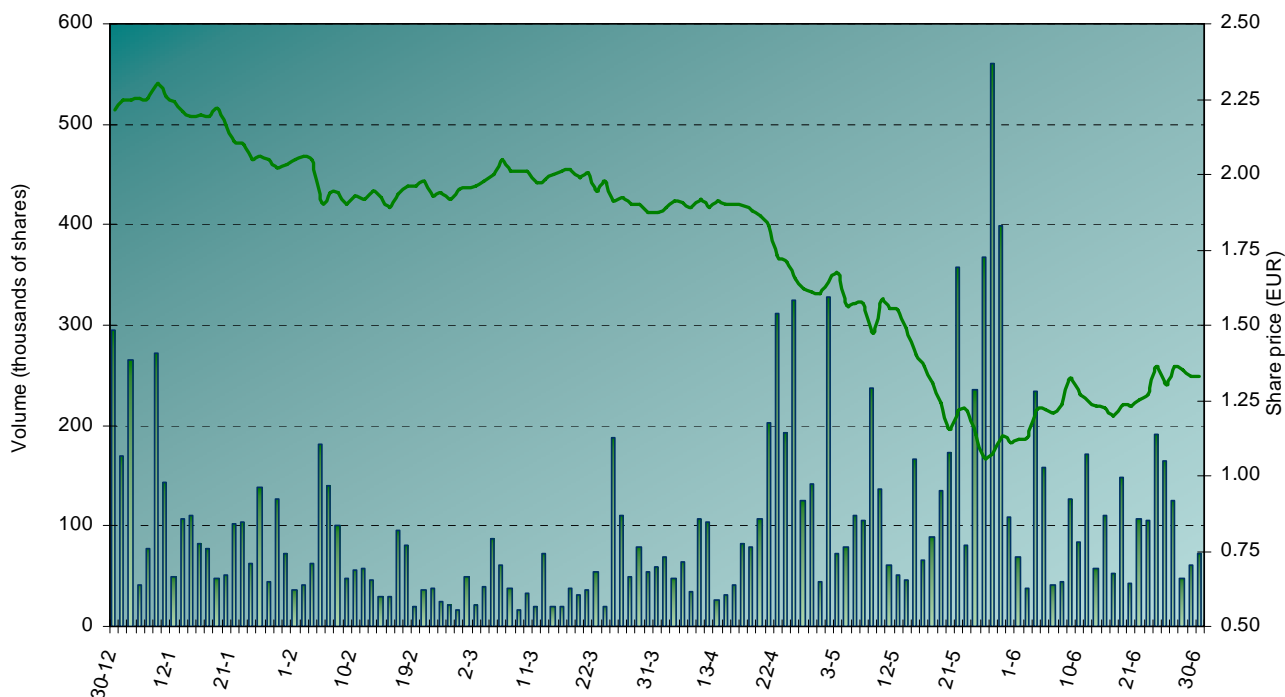
INDIA

- Gadag farm: The farm recorded 4% higher revenue than in the same period of 2009. The wind resource at this farm is characterised by high seasonality, since the period of greatest concentration of wind coincides with the monsoon season, which takes place during the months of June to September. The appreciation of the Indian rupee has had a positive impact on the farm's invoicing.



Gadag

Stock Exchange data



Stock Exchange data

	1H10	Units
Number of shares admitted to listing	140,003,778	No.
Share price at start of period (1 Jan 10)	2.215	€/ share
Share price at end of period (30 Jun 10)	1.330	€/ share
Maximum share price	2.33	€/ share
Minimum share price	1.005	€/ share
Share price variation over the period	-39.95%	
Capitalisation at the end of the period	186,205,025	€
Number of shares traded (1 Jan - 30 Jun 2010)	12,610,692	No.
Effective volume (1 Jan - 30 Jun 2010)	20,567,958	€
Daily volume of shares traded (average)	100,085	No.
Effective daily volume	163,238	€

Appendix - Fersa group companies

Company	Holding direct + indirect
1 Eólica El Pedregoso, S.L	80%
2 Invetem Mediterránea, S.L	71%
3 Empordavent, S.L	100%
4 Eólica Del Pino, S.L	80%
5 Parc Eòlic Mudefer, S.L.	84%
6 Fercom Eólica, S.L.	100%
7 La Tossa del Vent, S.L.	100%
8 Texte, S.L.	100%
9 Eolener, S.L.	100%
10 Orta Eólica, S.L.	100%
11 Electravent, S.L.	100%
12 Gestora Fotovoltaica de Castellón, S.L.	76%
13 Fotovoltaica Fer, S.L.	76%
14 Weinsberg Ecotec, S.L.	76%
15 Fotovoltaica Ecotec, S.L.	76%
16 Joso Fotovoltaica, S.L.	76%
17 Fotovoltaica Padua, S.L.	76%
18 Fotovoltaica Vergos, S.L.	76%
19 Fotovoltaica La Mola, S.L.	76%
20 Inversions Trautt, S.L.	76%
21 Fotovoltaica de Castelló, S.L.	76%
22 Fotovoltaica de les Coves, S.L.	76%
23 Inversions Vinroma, S.L.	76%
24 Parque Eólico Hinojal , S.L	100%
25 Fersa Panamá, S.A.	92%
26 Eólica Postolin Sp	100%
27 OÚ EstWindPower	93%
28 Fersa Asesoramiento y Gestión, S.L.	100%
29 Parc Eòlic Coll De Som, S.L.	100%
30 Parc Eòlic L'Arram, S.L.	100%
31 Explotación Eólica La Pedrera S.L.	100%
32 Sinergia andaluza ,S.L.	75%
33 Generación Eólica India Limited	100%
34 EN Renewable Energy Private Limited	100%
35 EN Wind Power Private Limited	100%
36 Fersa India, Pvt. Ltd.	100%
37 Eólica Kisielice SP	100%
38 Eólica Warblewo Sp	100%
39 Eólica Cieplowody Sp	100%
40 Eoliennes De Beausembant, SAS	80%
41 Castellwind 03 S.L	67%
42 Fersa Cherkessk Llc	100%
43 Entreyeltes 1, S.L.	51%
44 FERSA Montenegro Llc	100%
45 Fersa Italia, S.R.L.	100%
46 Management Kisielice, S.P.z.o.o.	100%
47 Shandong Lusa New Energy Co ltd	48%
48 Fersa Business Consulting (Shangai) Co Ltd	100%
49 Berta Energies Renovables, S.L.	29%
50 Aprofitament d'Energies Renovables de la Terra Alta, S.L.	28%
51 Aprofitament d'Energies Renovables de L'Ebre S.L.	20%
52 Parque Eólico Valcaire S.L.	34%
53 Los Siglos AIE	30%
54 Energía Cijara, S.L.	50%
55 Eólica Cijara, S.L.	50%
56 E.R. Guadiana Menor, S.L.	50%
57 Energía Renovable Mestral Eólica, S.L.	50%
58 Siljan Port, S.L.	80%
59 Fersar Yenilenebilir Enerji Uretim, Ltd.Sti	50%
60 Ferroltera Renovables, S.L.	40%

Material events since 01 January 2010

Date	Record No.	Heading
04/01/2010	118532	Fersa sells 18% of its holding in Parque Eólico Altos del Voltoya, S.A. for 5.7 million euros
25/01/2010	119386	Fersa sells the remaining 12% of its holding in Parque Eólico Altos del Voltoya, S.A. for 3.4 million euros
10/02/2010	120516	Fersa grants Green Alliance a holding in the Mudéfer farms with 16%
08/04/2010	123309	Fersa completes financing of its 2nd Indian wind farm in India (50.4 MW) for 1,860 million rupees (30 million)
05/05/2010	124846	Ignacio Moreno Hernández leaves his position as the Managing Director of the company
07/05/2010	124908	Fersa increases its installed power by 18 MW for a total of 160 MW
31/05/2010	125972	Fersa receives start-up authorisation for the Mudéfer wind farm, increasing its installed capacity to a total of 186.5 MW, 20% up so far this year.
06/07/2010	127645	Fersa has been awarded the contract to build a wind farm in Montenegro
15/07/2010	127934	Fersa and Aventura make a joint bid for the Wind Power Tender for the Generalitat de Catalunya

Warning

The information published in this report may include statements that assume forecasts or estimates of the Company's future evolution. Analysts and investors should bear in mind that such statements regarding the future do not entail any guarantee of how the Company will perform, and involve risks and uncertainties, whereby actual performance may differ substantially from what is suggested in such forecasts.

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Pedregoso wind farm