

FERSA ENERGÍAS RENOVABLES, S.A.

Annual Accounts
December 31, 2008

Balance sheets
Income statements
Statement of income and expenses recognised
Statements of changes in net equity
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Free translation of the report on the annual accounts originally issued in Spanish and prepared in accordance with generally accepted accounting principles in Spain. In the event of a discrepancy, the Spanish language version prevails

AUDIT'S REPORT ON THE ANNUAL ACCOUNTS

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

1. We have audited the annual accounts of Fersa Energías Renovables, S.A. consisting of the balance sheet as at December 31, 2008, the income statement, the statement of changes in net equity, the cash flow statement and the related notes to the annual accounts for the year then ended, the preparation of which is the responsibility of the Directors of the Company. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on the work carried out in accordance with auditing standards generally accepted in Spain which require the examination, on a test basis, of evidence supporting the annual accounts and an evaluation of their overall presentation, the accounting principles applied and the estimates made.
2. The accompanying annual accounts for 2008 are the first that Fersa Energías Renovables, S.A. prepares under the New General Chart of Accounts adopted by virtue of Royal Decree 1514/2007. Therefore, in accordance with section 1 of Temporary Provision Four of the aforementioned Royal Decree, the transition date is January 1, 2007 and, consequently, the Company presents, for comparative purposes, for each of the items on the balance sheet, the income statement, the statement of changes in net equity, the cash flow statement and the notes to the annual accounts, as well as the amounts for 2008, the corresponding amounts for the previous year, which have been obtained by applying the General Chart of Accounts adopted by Royal Decree 1514/2007. Consequently, the aggregates presented in these accounts for the previous year differ from those set out in the 2007 annual accounts approved, which were formulated in accordance with the accounting principles and standards in force in that year. Note 3 to the accompanying annual accounts, "Aspects arising from the transition to the new accounting standards" contains an explanation of the main differences between the accounting criteria applied in the previous year and in this year, and the quantification of the impact of this variation in the accounting criteria on net equity at January 1 and December 31, 2007 and on net income for 2007. Our opinion refers exclusively to the annual accounts for 2008. On April 4, 2008, another firm of auditors issued their audit report on the 2007 annual accounts in which they expressed an unqualified opinion.

3. In our opinion, the accompanying annual accounts for the year 2008 present fairly, in all material respects, the equity and financial position of Fersa Energías Renovables, S.A. at December 31, 2008 and the results of its operations, changes in net equity and its cash flows for the year then ended, and contain all the information necessary for their interpretation and comprehension in accordance with generally accepted accounting principles in Spain, applied on a basis consistent with the aggregates and information of the preceding year that have been included for comparative purposes in these annual accounts.
4. The accompanying Directors' Report for 2008 contains the information that the Company's Directors consider relevant to Fersa Energías Renovables, S.A.'s position, the evolution of its business and of other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the aforementioned Directors' Report coincides with that of the annual accounts for 2008. Our work as auditors is limited to checking the Directors' Report within the scope already mentioned in this paragraph and it does not include a review of information other than that obtained from the company's accounting records.

PricewaterhouseCoopers Auditores, S.L.

Originally signed by
Iñaki Goiriena Basualdu
Audit Partner

February 26, 2009

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ENERGÍAS RENOVABLES, S.A.**

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PricewaterhouseCoopers Auditores, S.L.

Originally signed by
Iñaki Goiriena Basualdu
Audit Partner

February 26, 2009

FERSA ENERGÍAS RENOVABLES, S.A.

Balance sheets
(Expressed in thousand Euros)

ASSETS	Note	As at 31 December		LIABILITIES AND NET EQUITY	Note	As at 31 December	
		2008	2007			2008	2007
NON-CURRENT ASSETS		434,366	60,985	NET EQUITY	11	399,641	186,449
Intangible fixed assets	5	21	-	Shareholders equity		394,424	186,449
Tangible fixed assets	6	178	-	Capital		140,004	75,512
Long-term investments in group companies and associates	7	427,613	58,030	Share premium		284,943	114,680
Equity instruments		376,997	46,192	Reserves		7,476	(4,219)
Loans to companies		50,616	11,838	Shares and shareholdings in treasury shares		(11,960)	(794)
Long term financial investments	8	6,554	1,125	Profit for the year		(26,039)	1,270
Loans to companies		87	-	Value change adjustments		5,217	-
Other financial assets		1,250	1,125	Hedging operations		5,217	-
Financial derivatives		5,217	-				
Deferred tax assets	16	-	1,830				
				NON-CURRENT LIABILITIES		41,155	3,285
				Long term debts	14	245	-
				Other financial liabilities		54	-
				Long term debts with group companies and associates		191	-
CURRENT ASSETS		17,084	129,463	Other non-current liabilities	13	40,910	3,285
Trade and other receivables	9	4,741	727				
Trade receivables		-	24				
Group companies and associates		572	12	CURRENT LIABILITIES		10,654	714
Sundry debtors		267	1	Short term debt	12	5,156	-
Current tax assets		243	-	Borrowings from financial institutions		5,134	-
Other taxes receivable		3,659	690	Other financial liabilities		22	-
Short-term investments in group companies and associates	7	109	4,184	Trade and other payables	14	779	302
Loans to companies		109	4,184	Trade payables		69	302
Short-term financial investments	8	71	51,012	Sundry payables		309	-
Loans to companies		36	-	Personnel (outstanding remuneration)		104	-
Other financial assets		35	51,012	Other taxes payable		297	-
Short term prepayments and accrued income		64	300				
Cash and cash equivalent	10	12,099	73,240	Other current liabilities	13	4,719	412
TOTAL ASSETS		451,450	190,448	TOTAL LIABILITIES AND NET EQUITY		451,450	190,448

Notes 1 to 25 form an integral part of the annual accounts.

FERSA ENERGÍAS RENOVABLES, S.A.

Income statements (Expressed in thousand Euros)

	Note	Fiscal year ending December 31	
		2008	2007
Net turnover	17	855	197
Sales		-	-
Services		855	197
Other operating income		23	15
Supplementary income and other operating income		23	15
Personnel expenses	17	(1,597)	-
Wages, salaries and related expenses		(1,419)	-
Social security		(178)	-
Other operating expenses		(2,691)	(2,026)
External services		(2,689)	(2,025)
Local taxes		(2)	(1)
Depreciation and amortisation expenses	5-6	(14)	-
OPERATING RESULT		(3,424)	(1,814)
Financial income	18	4,724	4,616
Financial expenses	18	(31)	(47)
Exchange Differences	18	590	-
Variation in fair value of financial instruments	18	264	-
Impairment and gains on disposals of financial instruments	7	(28,162)	(1,166)
FINANCIAL RESULT	18	(22,615)	3,403
PROFIT BEFORE TAX		(26,039)	1,589
Income tax	16	-	(319)
PROFIT FOR THE YEAR		(26,039)	1,270

Notes 1 to 25 form an integral part of the annual accounts.

FERSA ENERGÍAS RENOVABLES, S.A.

Statements of changes in net equity
(Expressed in thousand Euros)

A) STATEMENT OF INCOME AND EXPENSES RECOGNISED

	Note	Fiscal Year ending December 31	
		2008	2007
Profit for the year		(26,039)	1,270
Income and expense recognised directly in net equity		5,481	-
Cash flow hedges		5,481	-
Releases to income statement		(264)	-
Cash flow hedges		(264)	-
Total value change adjustments	8	5,217	-
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR		(20,822)	1,270

Notes 1 to 25 form an integral part of the annual accounts

FERSA ENERGÍAS RENOVABLES, S.A.

Statements of changes in net equity
(Expressed in thousand Euros)

B) STATEMENT OF CHANGES IN NET EQUITY

	Subscribed capital	Share premium	Reserves	(Shares and shareholdings in treasury shares)	Value change Adjustments	Profit for the year	TOTAL
FINAL BALANCE 2006	37,755	1,414	(383)	-	-	762	39,548
Adjustments due to changes in criteria 2006 and prior years	-	-	-	-	-	-	-
Adjustments for errors 2006 and prior years	-	-	-	-	-	-	-
ADJUSTED BALANCE, BEGINNING OF 2007	37,755	1,414	(383)	-	-	762	39,548
Total income and expense recognised	-	-	-	-	-	1,270	1,270
Operations with partners or owners							
- Increase in share capital	37,757	113,266	-	-	-	-	151,023
- Distribution of dividends.	-	-	-	-	-	(686)	(686)
- Operations with treasury shares (net)	-	-	-	(794)	-	-	(794)
Other net equity variations	-	-	(3,836)	-	-	(76)	(3,912)
FINAL BALANCE 2007	75,512	114,680	(4,219)	(794)	-	1,270	186,449
Adjustments due to changes in criteria 2007	-	-	-	-	-	-	-
Adjustments due to errors 2007	-	-	-	-	-	-	-
ADJUSTED BALANCE, BEGINNING OF 2008	75,512	114,680	(4,219)	(794)		1,270	186,449
Total income and expense recognised	-	-	-	-	5,217	(26,039)	(20,822)
Operations with partners or owners							
- Increase in share capital (Note 11)	64,492	210,382	(1,529)	-	-	-	273,345
- Distribution of dividends.	-	-	-	-	-	(986)	(986)
- Operations with treasury shares (net)	-	-	-	(11,166)	-	-	(11,166)
- Other transactions (Note 7)	-	(25,201)	(148)	-	-	-	(25,349)
Other reclassifications	-	(14,918)	15,202	-	-	(284)	-
Other net equity variations	-	-	(1,830)	-	-	-	(1,830)
FINAL BALANCE 2008	140,004	284,943	7,476	(11,960)	5,217	(26,039)	399,641

Notes 1 to 25 form an integral part of the annual accounts

FERSA ENERGÍAS RENOVABLES, S.A.

Cash flow statements
(Expressed in thousand Euros)

	Notes	Fiscal year ending December 31	
		2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	19	(26,039)	1,589
Adjustments to net income		22,629	(3,403)
Changes in working capital		(2,871)	(82)
Other cash flows from operating activities		2,112	2,919
Cash flows from operating activities		(4,169)	1,023
CASH FLOWS FROM INVESTING ACTIVITIES			
	19		
Payments for investments		(102,645)	(91,394)
Proceeds from divestitures		54,029	19,529
Cash flows from investing activities		(48,616)	(71,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
	19		
Receipts and payments for equity instruments		(12,694)	144,642
Receipts and payments from financial liability instruments		5,324	-
Dividends paid and remunerations for other equity instruments		(986)	(686)
Cash flows from financing activities		(8,356)	143,956
EXCHANGE RATE FLUCTUATIONS EFFECT			
			-
NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS		(61,141)	73,114
Cash and cash equivalents at the beginning of the year		73,240	126
Cash and cash equivalents at the year end		12,099	73,240

Notes 1 to 25 form an integral part of the annual accounts.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

1. General information

Fersa Energías Renovables, S.A. (hereinafter the “Company”) was established in Barcelona on July 10, 2000 for an indefinite period of time. Its registered office is located at calle Travessera de Gracia, nº 30, in Barcelona, Spain.

It is mainly engaged in the development of all types of activities related to the production of electricity based on renewable energy sources, for which it can incorporate, acquire and hold shares, bonds, stakes and rights in Trading Companies whose corporate purposes include the development, construction and exploitation of electricity production facilities using renewable energy sources.

Additionally, it can also acquire, hold, administrate and sell all types of securities, financial assets, rights or stakes in individual or public limited companies on its own, excluding the intermediaries, and under the legislation governing the Stock Exchange and Collective Investment Institutions.

Fersa Energías Renovables, S.A., is a holding company which is the parent company of a group of subsidiary entities, joint ventures and associated companies whose purpose is the production of electricity based on renewable energy sources (wind, solar and bio-mass, etc.) and which constitute the Fersa Energías Renovables Group (hereinafter “Fersa Group” or the “Group”).

The shares of Fersa Energías Renovables, S.A. are traded on the Spanish stock market. The annual accounts of Fersa Energías Renovables S.A. and the consolidated annual accounts of the Fersa Group as at December 31, 2007 were approved at the General Shareholders’ Meeting on June 25, 2008.

2. Basis of presentation

The annual accounts, which have been drawn up the Company's Directors, have been prepared based on the Company's accounting records and are presented in accordance with current mercantile legislation and with the standards established in the General Accounting Plan, approved by way of Royal Decree 1514/2007, in order to present a fair view of the Company's equity, its financial position and results, and the veracity of the cash flows incorporated into the cash flow statement. These annual accounts shall be submitted for the approval of the Ordinary General Shareholders’ Meeting, and it is anticipated that they will be approved without any amendments.

The aforementioned General Accounting Plan took effect on January 1, 2008, being applicable to fiscal years from that date onwards. In accordance with the Royal Decree's Fourth Temporary Provision mentioned previously, the Company has decided to apply January 1, 2007 as the transition date. For this reason, and in order to facilitate its comparison with the current year, the information corresponding to the

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Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

fiscal year 2007 has been adapted to the provisions set forth in the General Accounting Plan.

The annual accounts of the Company corresponding to the fiscal year 2007 were drawn up in accordance with the provisions of the Consolidated Text of the Public Limited Companies Act and with the General Accounting Plan approved by Royal Decree 1643/1990, of December 20 and, therefore, do not coincide with the amounts for the fiscal year 2007 included in these annual accounts, which have been drawn up in accordance with the new current regulations. In Note 3, "Aspects arising from the transition to the new accounting standards" an explanation of the principle differences between the accounting standards applied during the previous fiscal year and the current year are included, along with the quantification of the impact produced by this accounting policies changes on the net equity as at January 1 and as at December 31, 2007, as well as on the income statement for the fiscal year 2007.

The figures included in the balance sheet, in the income statement, in the statement of income and expenses recognised, in the statement of changes in net equity, in the cash flow statement and in these notes to the annual accounts are shown in thousand Euros, with the exception of those which are expressly indicated in another unit.

Fersa Group's consolidated annual accounts for the fiscal year 2008 have been prepared in accordance with the provisions of the International Financial Reporting Standards adopted by the European Union (IFRS-EU), in accordance with Regulation (CE) number 1606/2002 of the European Parliament and the Council.

Fersa Group's consolidated annual accounts for the fiscal year 2008 have been prepared in accordance with the provisions of the International Financial Reporting Standards adopted by the European Union (IFRS-EU), in accordance with Regulation (CE) number 1606/2002 of the European Parliament and the Council. The principal magnitudes obtained from the consolidated annual accounts which have been audited are as follows (thousand Euros):

Total Assets	669,917
Net equity attributed to the Parent Company	361,965
Minority interests	19,302
Net turnover	20,242
Profit after tax attributable to the parent Company	2,294

3. Aspects arising from the transition to the new accounting standards

Fersa Energías Renovables, S.A. is Fersa Group's parent company, which in compliance with current regulations, presents its Consolidated Annual Accounts from the fiscal year 2005 in accordance to the provisions of the International Financial Reporting Standards incorporated into the European Commission Regulations (IFRS-EU). As a consequence thereof, the Company has had recourse to the sixth temporary provision of Royal Decree 1514/2007, of November 16 through which the

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Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

companies whose equity elements have been integrated, prior to the application of the new General Accounting Plan, into consolidated annual accounts in which IFRS-EU has been applied, will be able to value the equity elements of their individual annual accounts in accordance with the amounts for which they are included in the consolidated annual accounts, excluding the adjustments and write-offs inherent in the consolidation and the effects of business combinations deriving from the acquisition, provided that the valuation criteria applied are equivalent to the provisions set down in said Royal Decree and in the General Accounting Plan..

Reconciliation of accounting criteria applied last year to this year's criteria

The reconciliations presented below show the quantification of the impact of the transition to the General Accounting Plan in Fersa Energías Renovables, S.A.

The balance sheet and the income statement structure has been adapted to to the provisions of the General Accounting Plan of November 16, 2007 and, accordingly, it differs from that presented in the annual accounts for the fiscal year 2007.

The reconciliation provides the impact of the transition with the following details:

- Net equity as at January 1, 2007
- Net equity as at December 31, 2007
- Profit for the year ending on December 31, 2007

a) Reconciliation of the net equity at January 1, 2007 and at December 31, 2007

	01.01.2007	Note	31.12.2007	Note
Total net equity according to 1990 General Accounting Plan	40,039		190,969	
Write-off of capital increase expenses	(514)	1	(5,446)	1
Operations with treasury shares	-	-	(400)	2
Charge/reversal of the provision for investments in group companies and associates	(131)	3	(504)	3
Tax effect (Note 16)	154	4	1,830	4
Total net equity according to 2007 General Accounting Plan	39,548		186,449	

The explanations and quantifications of the different items enumerated in the previous reconciliation are broken down below:

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Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

(1) Start-up expenses: Write-off of non-capitalisable capital increase expenses. The write-off of this balance has been accounted for as less reserves on the transition date (January 1, 2007) for the amount of 514 thousand Euros and for 5,446 thousand Euros as at December 31, 2007.

(2) Operations with treasury shares: Corresponds to the reduction of equity upon reclassification of the company's treasury shares within net equity. This adjustment is only applicable as at December 31, 2007.

(3) Investment provision: They correspond to equity adjustments resulting from the valuation of the investments in group companies and associates being adapted to the General Accounting Plan 2007. According to the General Accounting Plan 2007, the investments must be valued at recoverable value, with this understood to be the greater of the two when comparing the fair value less sales costs and the current value of the expected cash flows. In order to determine this recoverable value, cash flow projections covering the period of the useful life of the project (for example, for the case of the wind farm, twenty years is the estimate) based on past results and on market development expectations have been used (Note 7). Based on said analysis, the following amounts have been adjusted:

- As at January 1, 2007, the provision corresponding to Altos de Voltoya, S.A. and Eólica El Pedregoso, S.L. for the amount of 310 thousand Euros and 28 thousand Euros, respectively was reversed. In addition, the provision corresponding to Eólica del Pino, S.L and Invetem Mediterránea, S.L. for the amount of 65 thousand Euros and 404 thousand Euros respectively was increased.

- As at December 31, 2007, the provision corresponding to Altos de Voltoya, S.A. Eólica El Pedregoso, S.L. and Eólica del Pino, S.L. for the amount of 227 thousand Euros, 226 thousand Euros and 51 thousand Euros respectively was increased.

4) Corresponds to the fiscal effect of previous transition adjustments.

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Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

b) Reconciliation of the profit and loss statement for the fiscal year 2007

	Note	General Accounting Plan 1990	Effect of the transition	General Accounting Plan 2007
Net turnover		197	-	197
Other operating expenses		(2,026)	-	(2,026)
Other operating income	3	-	15	15
Depreciation and amortisation expenses	1	(657)	657	-
OPERATING RESULT		(2,486)	672	(1,814)
Financial income		4,616	-	4,616
Financial expenses		(47)	-	(47)
Variation in fair value of financial instruments	2	(793)	(373)	(1,166)
FINANCIAL RESULT		3,776	(373)	3,403
Extraordinary Result	3	15	(15)	-
PROFIT BEFORE TAX		1,305	284	1,589
Income tax		(319)	-	(319)
PROFIT OF THE YEAR		986	284	1,270

1) Corresponds to the reversal of the amortisation charge of start-up expenses, which under General Accounting Plan 2007, were eliminated on the transition date.

2) Corresponds to the impact due to valuation of the investments by way of the difference between the book value and the recoverable value.

3) Corresponds to the reclassification of the extraordinary result to other operating income.

4. Accounting policies

4.1 Intangible fixed assets

Computer applications

Licenses for computer programmes acquired from third parties are accounted for on the basis of the costs incurred in order to acquire and prepare them for use in the specific program. These costs are amortised during their estimated useful life (4 years).

Expenses related to the maintenance of computer programmes are recognized as expense when the purchases are made. Expenses which are directly related to the production of exclusive, identifiable computer programs controlled by the Company, when they are likely to generate financial earnings above their costs for more than

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one year are recognized as intangible assets. Direct costs include expenditures on personnel who develop the computer programs and an adequate percentage of general expenses.

4.2 Tangible fixed assets.

Tangible fixed assets are recognized by their acquisition price or production cost less accumulated depreciation and the accumulated amount of recognized losses.

Net financing expenses, as well as other expenses directly attributable to tangible fixed assets, are incorporated to the acquisition cost until their use begins.

Costs associated with the enlargement, modernization or improvement of tangible fixed assets are incorporated to assets as a higher value of the tangible fixed asset exclusively when they involve an increase in the capacity, productivity or duration of useful life, and provided that it is possible to know and calculate the book value of the elements which are withdrawn from inventory as a result of having been replaced.

Major repair costs are activated and depreciated during the tangible fixed assets' useful life, while recurring maintenance costs are charged to the income statement during the year in which said costs are incurred.

The depreciation of tangible fixed assets is systematically calculated using the straight-line method in relation to estimated useful life, while taking into account the depreciation which has actually occurred as a result of its operation, and possession. Estimated useful lives in respect thereof are as follows:

	<u>Estimated useful life in years</u>
Other installations	10
Furniture	5 - 10
Information processing equipment	4

The asset's residual value and useful life is reviewed, adjusting when necessary, on each balance sheet date.

When an asset's book value is above the estimated recoverable amount, its value is immediately reduced until reaching its recoverable value.

Profits and losses due to the sale of tangible fixed assets are calculated comparing the income obtained from the sale with the book value, and they are reported in the income statement.

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Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

4.3 Losses due to impairment of non-financial assets

Assets subject to amortization or depreciation are tested for impairment losses, provided that some event or change in circumstances indicates that their book value may not be recoverable. An impairment is recognized by way of the excess of the book value of the asset over its recoverable amount, with this understood to be the asset's fair value less the sales cost or the asset's value in use, whichever of them is higher. For purposes of evaluating losses due to value impairment, assets are grouped at the lowest level at which there are separately identifiable cash flows (cash generating units "CGU"). In the event of impairment, reviews are performed on each balance sheet date in order to check for impairment reversals.

4.4 Financial assets:

a) Loans and accounts receivables:

Loans and accounts receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets, except for maturities of more than 12 months from the balance sheet date which are classified as non-current assets.

These financial assets are initially valued at their fair value, including the transaction costs which are directly attributable to them, and subsequently at amortised cost, recognizing the interest accrued in relation to their effective interest rate, understood as being the updated rate which makes the instrument's book value equal to the total amount of its estimated cash flows until maturity. Notwithstanding the above, credits from trade operations which mature in one year or less are valued, both at the time of initial recognition as well as subsequently, at their nominal value, provided that the effect of not updating flows is not significant.

At least at the end of the fiscal year, the necessary valuation corrections for value impairment will be performed if there is objective evidence that not all debt-amounts will be paid.

The amount of loss for value impairment is the difference between the asset's book value and the current value of the estimated future cash flows, discounted to the effective interest rate at the moment of initial recognition. The value corrections, as well as their reversion if warranted, are recognized in profits and losses.

b) Held-to-maturity financial assets:

Held-to-maturity financial assets are securities representative of debt characterized by fixed and determinable payment and fixed maturity, which are negotiated in an active market, and which the Group's directorate has the effective intention and the capacity to maintain until maturity. If the Company sells a not insignificant amount of the financial assets maintained until maturity, the complete category will be reclassified as available for sale. These financial assets are included in non - current

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

assets, except for those with maturities at less than 12 months after the balance sheet date, which are classified as current assets.

The valuation criteria for these investments are the same as for credits and receivables.

c) Investments in group companies and associates:

They will be valued at their cost less, if warranted, the amount accumulated as a result of corrections for impairment. Nevertheless, when there is an investment prior to rating as a group or multigroup company or associate, the book value before rating will be considered an investment cost. Prior valuation adjustments accounted for directly in net equity shall be maintained in net equity until they are withdrawn.

If there is objective evidence that the book value is not recoverable, the opportune valuation corrections for the difference between book value and recoverable value, with this being understood as the greater amount between fair value less sales cost and the net present value of cash flows derived from the investment, shall be performed. Unless there is better evidence of the recoverable amount, in the estimate of these investments' impairment, the net equity of the company in which an ownership interest is held, with a correction for implicit surplus existing on the date of the valuation, is taken into account. The value correction, and, as the case may be, its reversal are recognized in the income statement for the year in which it occurs.

d) Available-for-sale financial assets:

Securities representing debt and equity instruments not classified in any of the above categories are included in this category. They are included in non-current assets at least the Directors intends to dispose of the investment in the 12 months following the balance sheet date.

Unrealised profits and losses which arise from changes in fair value are recognized in net equity. When they are sold or suffer losses due to value impairment, the accumulated adjustments in the valuation adjustment provision are included in the income statement.

In the case of available-for-sale financial assets, valuation corrections are performed if there is objective evidence that their value has been impaired as a result of a reduction or a delay in future estimated cash flows in the case of acquired debt instruments or due to inability to recover the asset's book value in the case of investments in equity instruments. The valuation adjustment is the difference between their cost or amortised cost less, if warranted, any valuation adjustment previously recognized in the income statement and the fair value at the moment at which the valuation is performed. In the case of equity instruments valued at cost as a result of being unable to determine their fair value, the value correction is determined in the same way as for investments in group companies and associates.

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If there is objective evidence of impairment, the Company recognizes the previously accumulated losses previously recognized in equity due to decrease of fair value in the income statement.

If the market for a financial asset is not active, the Company establishes fair value, using valuation techniques which include the use of recent transactions between interested and duly informed parties, references to other reasonable similar instruments, discount methods pertaining to estimated future cash flows and options price fixing models, making maximum use of observable market data and relying as little as possible on subjective considerations of the Company.

Financial assets are written-off from the balance sheet when all of the risks and rewards inherent in asset ownership is substantially transferred. In the concrete case of accounts receivable, it is understood that this fact occurs in general if the risks of bad debt and default have been transferred.

4.5 Net equity

Share capital is represented by ordinary shares.

The costs of issue of new shares or options is presented directly against net equity, as a deduction from Reserves.

In the event of the acquisition of the parent Company's treasury shares, the consideration paid, including any directly attributable incremental cost, is deducted from net equity until its cancellation, reissue or disposal. When these shares are sold or subsequently reissued, any amount received, net of any directly attributable transaction costs, are included in net equity.

Dividends on ordinary shares are recognized as a deduction from net equity when approved.

4.6 Financial liabilities

a) Financial debts:

Financial debts are initially recognized at fair value, net of the transactions costs incurred. Any difference between the amount received and the amortisation value is recognized in the income statement during the financial debt's amortization period using the effective interest rate method.

Financial debts are classified as current liabilities unless their maturity takes place more than twelve months after the balance sheet date or include tacit debt extension clauses to be exercised by Fersa Energías Renovables, S.A.

b) Trade and other payables:

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This category includes debits for trade operations and non-trade operations. These outside resources are classified as current liabilities, unless the Company has the unconditional right to defer their discharge during at least 12 months after the balance sheet date.

These debts are initially recognized at fair value adjusted for directly attributable transaction costs, with their subsequent recognition at amortised cost in accordance with the effective interest rate method. Said effective rate is the updated rate which equalizes the carrying amount of the instrument and future expected cash flows anticipated until the liability's maturity.

Notwithstanding the above, debits from trade operations which mature in one year and which do not bear a contractual interest rate are valued, both at the time of initial recognition as well as subsequently, at their nominal value, when the effect of not updating cash flows is not significant.

4.7 Provisions and contingent liabilities

Provisions are recognized when the Company has an obligation, whether legal or implicit, as a result of past events, and there is a higher probability that payment to settle the obligation will be necessary than not, and the amount has been reliably estimated. No provisions for future operating losses are recognized.

Provisions are reported when the inevitable costs associated with fulfilling obligations which involve a contract for valuable consideration exceed the expected income there from.

Provisions are valued at the present value of the amount necessary to settle the obligation at the balance sheet date, in accordance with the best available estimate.

When it is anticipated that part of the payment necessary to liquidate the provision will be repaid to a third party, the repayment is recognized as an independent asset provided that its reception is virtually guaranteed.

4.8 Profit tax

The expense (income) resulting from the profit Tax includes deferred tax expenses as well as current tax expenses, this being understood to be the amount to be paid (or recover) with respect to the fiscal year's tax result.

Both the expense (income) for current income tax as well as deferred tax are recognized in the income statement. Nevertheless, the tax effect with regard to items which are directly recognized in net equity are recognized in net equity.

Assets and liabilities for current income tax are valued as the amounts which are expected to be recovered from or paid to the tax authorities, in accordance with current regulations or regulations which have been approved and are pending publication on the fiscal year-end closing date.

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Deferred taxes are calculated in accordance with the liability method, over temporary differences which arise between tax bases of the assets and liabilities and their book values. Nevertheless, if the deferred taxes arise from the initial recognition of an asset or liability in a transaction different from a business combination which at the moment of the transaction does not affect either the accounting result or the tax base, then they are not recognized. The deferred tax is determined applying the regulations and tax rates which have been approved or are about to be approved at the balance sheet date, and which it is expected will be applied when the corresponding deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that future taxable profits with which to offset temporary differences will probably be available in the future.

4.9 Business combinations

In the case of business combinations resulting from the acquisition of shares or ownership interests in a company's equity, the Company recognizes the investment in accordance with precepts with regard to investments in group companies and associates.

The operations of merger, split-off and non-monetary contribution to a business amongst group companies is recognized in accordance with rules governing related party transactions (Note 4.13).

Merger and split-off operations different from the above and business combinations arising out of the acquisition of all of a company's equity elements or from a part which constitutes one or more businesses, are recognized in accordance with the acquisition method.

4.10 Recognition of revenue and expenses

Revenue is recognized at the fair value of the consideration to be received and represent the amounts to be received for goods delivered and services rendered during the Company's ordinary course of activities, less refunds, discounts and the value added tax.

The Company recognizes revenue when the amount thereof can be reliably valued, future economic benefits will probably flow to the Company, and the specific conditions for each activity are fulfilled as broken down below. Revenue amounts cannot be valued until the all contingencies related to sales have been resolved. The Company bases its estimates on historical results, taking into account the type of customer, the type of transaction and the specific terms of each agreement.

The Company renders technical assistance services and accounting advice to group companies. These services are provided in the form of a service contract. The revenue stemming from these aforementioned service contracts are generally recognized in the period during which the services are rendered on a line basis during the term of the contract.

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Interest income is recognized using the effective interest rate method.

Income on dividends is recognized as income in the income statement when the right to receive payment is established.

4.11 Leases

Those leases with regard to which the lessor maintains a considerable portion of the risks and benefits of ownership are classified as operative leases. Operative lease payments are debited to the income statement of the fiscal year in which they are made on a straight line basis during the leasing period.

4.12 Transactions in foreign currency

The Company's annual accounts are presented in Euros, which is the Company's presentation and functional currency. Accounts receivable and payable in foreign currency are reflected at the end-of-the-fiscal year exchange rate. Profits and losses in foreign currency which result from the settlement of these transactions and from the conversion to the closing exchange rates of the monetary assets and liabilities in foreign currency are recognized in the income statement.

4.13 Related party transactions

In general, operations between group companies are accounted for at first at fair value. If, as the case may be, if the agreed upon price differs from fair value, the difference is recognized in a manner consistent with the economic reality of the operation. The subsequent valuation is performed in accordance with the provisions of the corresponding rules.

Notwithstanding the above, the Company adheres to the following criterion with regard to mergers, split-offs and non-monetary contributions.

- a) In operations between group companies in which the parent company of said group or the parent company of a subgroup and its subsidiary take part, whether directly or indirectly, the elements constituting the acquired business shall be valued at the amount corresponding to said elements, once the operation has been performed, in the group or subgroup's consolidated annual accounts.
- b) In the case of operations between other companies of the group, the equity elements of the business are valued at their carrying amounts in their individual annual accounts before the operation.

Any difference which appears is recognized in reserves.

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4.14 Cash flow statement

The cash flow statements have been drawn up using the indirect method, and the following expressions with the following meanings are used therein:

- a) **Operating activities:** Activities which constitute current revenue for the Company, as well as other activities which cannot be classified as investments or financing.
- b) **Investing activities:** Activities of acquisition, transfer, or disposal by other means of long term assets and other investments not included in cash and its equivalents.
- c) **Financing activities:** Activities which produce changes in the size and composition of the net equity or liabilities which do not form part of the operating activities.

4.15 Important aspects of the valuation and estimate of uncertainty

The preparation of the annual accounts requires the undertaking of estimates and hypotheses. The valuation standards which require a larger number of estimates are listed below:

a) Provisions

As a general rule, liabilities are reported when an obligation is likely to arise as a payment. The Company performs an estimate of the amounts to be discharged, including those corresponding to income tax, contractual obligations, pending litigation and other liabilities. Said estimates are subject to interpretations of current facts and circumstances, future events forecasts and estimates regarding the financial effects of said events.

b) Calculation of current income tax and deferred tax assets

The calculation of the current income tax requires the interpretation of tax regulations in Spain. The determination of the expected outcomes with regard to pending controversies and litigation requires making important judgements and estimates.

The Company evaluates the recoverability of deferred tax assets based on estimates of future fiscal results and the capacity to generate sufficient results during the periods during which said deferred taxes are deductible.

c) Investment valuation

The investments should be valued at recoverable value, with this understood to be the larger when comparing fair value less sales cost and the net present value of the expected cash flows. In order to determine the recoverable value, cash flow projections covering the period of the useful life of the project (for example, for the case of the wind farm, twenty years is the estimate) based on past results and on market development expectations are used.

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As part of recoverable value, goodwill and other intangible assets identified at the moment of acquisition of the group companies and associated companies are included. Both the goodwill and intangible assets which are not yet in operation are tested for impairment on an annual basis. Other assets are also tested for impairment if there is evidence of impairment.

5. Intangible fixed assets

The breakdown and movement of items included in “Intangible fixed assets” is as follows:

	Computer Systems	Total
Balance at 01.01.07	-	-
Balance at 31.12.07	-	-
Additions	23	23
Amortisation charge	(2)	(2)
Balance at 31.12.08	21	21
Cost	23	23
Accumulated amortisation	(2)	(2)
Book value	21	21

As at December 31, 2008, there are no intangible fixed assets, still in use, which are totally amortised.

6. Tangible fixed assets

The breakdown and movement of items included in “Tangible fixed assets” is as follows:

	Technical installations and other tangible fixed assets	Total
Balance at 01.01.07	-	-
Balance at 31.12.07	-	-
Additions due to merger (Note 7)	87	87
Additions	103	103
Depreciation charge	(12)	(12)
Balance at 31.12.08	178	178
Cost	190	190
Accumulated depreciation	(12)	(12)
Book Value	178	178

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During the fiscal years 2008 and 2007, valuation corrections due to significant impairment have not been recognized or reversed with regard to any individual tangible fixed assets.

As at December 31, 2008, there are no tangible fixed assets, still in use, which are totally depreciated.

As at December 31, 2008, the Company has not entered into agreements to purchase fixed assets.

The Company has various insurance policies to cover the risks to which its tangible assets are subject. The cover offered by these policies is considered sufficient.

7. Investments in group companies and associates

The variations experienced over the year of the items which make up the non-current investments in group companies and associated companies are:

	Investments in Group Companies	Loans to group companies	Investments in associates and multigroup companies	Loans to associates and multigroup companies	Total
Balance at 01.01.07	16,792	3,992	10,339	2,585	33,708
Additions	18,980	479	1,147	231	20,837
Divestitures	-	(110)	-	-	(110)
Transfers	1,689	4,451	(1,590)	210	4,760
Charge / reversal provisions	(483)	-	(682)	-	(1,165)
Balance at 31.12.07	36,978	8,812	9,214	3,026	58,030
Additions	379,512	38,789	7,471	2,361	428,133
Divestitures	(28,504)	(982)	(411)	(491)	(30,388)
Transfers	2,986	991	(2,087)	(1,890)	-
Charge / reversal provisions	(28,659)	-	497	-	(28,162)
Balance at 31.12.08	362,313	47,610	14,684	3,006	427,613

The variations experienced over the fiscal year of the items which make up the current investments in group companies and associates are:

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	Investments in Group Companies	Loans to Group companies	Investments in associates and multigroup companies	Loans to associated and multigroup companies	Total
Balance at 01.01.2007	-	2,725	-	1,584	4,309
Additions	-	4,857	-	1,682	6,539
Divestitures	-		-	(1,744)	(1,744)
Transfers	-	(3,797)	-	(1,123)	(4,920)
Charge / reversal provisions	-		-	-	-
Balance at 31.12.07	-	3,785	-	399	4,184
Additions	-	4,733	-	-	4,733
Divestitures	-	(5,724)	-	-	(5,724)
Changes in consolidation scope.	-	399	-	(399)	-
Transfers	-	(3,084)	-	-	(3,084)
Charge / reversal provisions	-	-	-	-	-
Balance at 31.12.08	-	109	-	-	109

a) Investments in Group companies

Of the total amount of additions in Investments in Group companies during the fiscal year 2008, the following are worth highlighting:

- Companies acquired by way of a capital increase with a non-monetary contribution of 274,874 thousand Euros (Note 11) which took place on February 20, 2008:

	Millions of Euros
Generación Eólica India Limited	18.1
EN Renewable Energy Private Limited	14.7
EN Wind Power Private Limited	21.7
EN Green Energy Private Limited	10.5
Eólica Kieselice Sp	23.6
Eólica Warblewo Sp	17.9
Eólica Cieplowody Sp	20.4
Eoliennes De Beausemblant SAS	4.8
Parc Eòlic l'Arram, S.L.	6.6
Parc Eòlic Coll De Som, S.L.	6.3
Explotación Eólica la Pedrera, S.L.	20.0
Sinergia Andaluza, S.L.	20.0
Energías Renovables del Guadiana Menor, S.L.	2.6
Fercom Eólica, S.L.	17.5
Catalana d'Energies Renovables, S.L.	18.3
Empordavent, S.L.	5.4

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Parque Eólico Hinojal, S.L.	14.4
Eólica del Pino, S.L.	6.9
Fomento de inversiones y capital S.L.	25.2
TOTAL	274.9

- Acquisition of a larger percentage of the investment in Parque Eólico Hinojal, S.L. for the amount of 10.7 million Euros.

- Increase in investments as a consequence of capital increases corresponding principally to EN Wind Private Limited, EN Green Energy Private Limited, EN renewable Energy Private Limited, for the total amount of 34.2 million Euros.

- Additionally, the greater value of the investment in the form of several ownership stakes for the amount of 45.6 million Euros for the accounting record, during the fiscal year 2008, of deferred payments for the purchase of wind farm projects whose disbursement are deemed probable is included (Note 13).

The following items are principally included as a withdrawal of investments in Group companies:

- Elimination of goodwill for the amount of 25,201 thousand Euros corresponding to the investment in Fomento de Inversiones y Capital, S.L. as a consequence of the merger by takeover between Fersa Energías Renovables, S.A. and Fomento de Inversiones y Capital, S.L. (Foinca), 100% property of Fersa Energías Renovables, S.A., which took place on August 4, 2008 by way of the takeover of the latter by Fersa Energías Renovables, S.A., with a transfer in block of its equity to Fersa Energías Renovables, S.A., which has acquired universal title to all of the assets and liabilities of the absorbed company, Foinca, all of this under the terms of the Merger Project drawn up and subscribed on May 14, 2008 by the directors of Fersa Energías Renovables, S.A. and Foinca which was registered in the Companies Registry of Barcelona on September 19, 2008. Since the acquisition of a related company with subsequent merger is involved, the surplus paid with respect to the fair value of the net assets was recognized directly in the Company's net equity, less the investment value.

- Decrease of the investment in Eólica del Pino, S.L. and Eólica el Pedregoso, S.L. due to reversal of a deferred payment in accordance with the contract of sale said wind farms, as a result of the non-fulfilment of certain conditions stipulated in the contract.

The transfers correspond principally to reclassifications of investments in associated companies and investments in group companies subsequent to acquisition of control as a consequence of a greater percentage of the ownership interest. Basically they correspond to investments in Parque Eólico Hinojal, S.L. and Catalana d'Energies Renovables, S.L.

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The amounts of capital, reserves, year's results and other information of interest, as they appear in the companies' individual annual accounts, are included in Appendix I and II of these notes to the annual accounts. None of the Group's companies in which the Company has an investment is listed on the stock market.

b) Investments in associated companies

The additions in investments in associated companies corresponds principally to the acquisitions of the companies Energías Renovables Guadiana Menor S.L. for the amount of 2,849 thousand Euros and to the increase of the investment in Siljan Port S.L. for 4,619 thousand Euros.

There are no companies over which significant influence is deemed to be exerted when the ownership interest in said companies is below 20%, nor are there companies in which the ownership interest is greater than 20% over which it is deemed that significant influence is not exerted.

The amounts of capital, reserves, financial year's results and other information of interest, as they appear in the companies' individual annual accounts, are included in Appendix I and II of this report. None of the Group's companies in which the Company has an investment is listed on the stock market.

c) Investment provision

During the present fiscal year, valuation corrections for impairment recognized in the different ownership interests held by the Company have been performed.

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Name	Legal form	Activity	Provision	Application	Accumulated Provision
Eólica del Pino	S.L.	Wind	269	-	370
Eólica el Pedregoso	S.L.	Wind	-	(241)	227
Parque Eólico Altos del Voltoya	S.A.	Wind	-	(497)	185
Invetem Mediterránea	S.L.	Biomass	-	-	463
Parque Eólico Hinojal	S.L.	Wind	1,819	-	1,819
Gestora Fotovoltaica de Castellón	S.L.	Photovoltaic	24	-	24
Eoliennes De Beausemblant	S.A.S.	Wind	158	-	158
Generación Eólica Índia	Ltd.	Wind	2,242	-	2,242
En Renewable Energy	Pvte. Ltd.	Wind	3,838	-	3,838
En Green Energy	Pvte. Ltd.	Wind	2,909	-	2,909
En Wind Power	Pvte. Ltd.	Wind	4,910	-	4,910
Eólica Kisielice	Sp	Wind	4,197	-	4,197
Eólica Warblewo	Sp	Wind	2,594	-	2,594
Eólica Cieplowody	Sp	Wind	2,981	-	2,981
Eólica Postolin	Sp	Wind	2,193	-	2,193
Enrilews	S.A.	Wind	766	-	766
Total			28,900	(738)	29,876

The net impact in the income statement of the year stands at 28,162 thousand Euros.

The provision recognized by the Company comes principally from the negative impact of the devaluations during the year of certain currencies in which the Company has investments, principally in India (rupee) and Poland (zloty), upon valuing the implicit surpluses (goodwill and intangible assets identified at the moment of acquisition) at functional currency, with a consequent loss of value upon conversion to Euros.

It is worth noting that there have not been any valuation corrections of said implicit surpluses in their functional currency. The analysis of the impairment performed by the Company was based on cash flow projections covering the period of useful life of a wind farm estimated at twenty years based on the past results and expectations for market development.

The key hypotheses used to calculate use value are as follows:

	Spain	France	Poland	China	Estonia	India	Panama
Discount rate (1)	7.45%	7.10%	9.40%	6.10%	11.50%	10.00%	12.30%

(1) Discount rate before taxes applied to projections of cash flow.

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Growth rates do not exceed the average long term growth rate for the business in which the CGU operates. These hypotheses have been used for the analysis of each CGU within the business segment.

Loans to group, multigroup companies and associated companies yield a fixed interest rate of between 4% and 7.5% and mature between 2010 and 2013; the breakdown by company as at December 31, 2008 is as follows:

Company	Thousand Euros
Eólica Kisielice S.p.zoo	15,059
Eólica Postolin S.p.zoo	7,025
Parque Eólico Hinojal, S.L.	4,583
Eólica El Pedregoso, S.L.,	3,855
Fercom Eólica, S.L.	3,183
Eólica Cieplowody S.p. zoo	2,831
Eólica Warblewo S.p. zoo	2,772
Eólica del Pino, S.L.	1,977
Siljan Port, S.L.	1,836
Eoliennes De Beausemblant SAS	1,677
Sinergia Andaluza, S.L.	1,061
Parque Eólico Altos de Voltoya, S.A.	951
Catalana d'Energies Renovables, S.L.	938
Enrilews, S.L.	867
OÜ EstWindPower	637
Energía Renovable Mestral, S.L.	514
Empordavent, S.L.	353
Eólica Cijara, S.L.	165
Entreyeltes 1, S.L.	87
Energia Renovable Mestral Eólica, S.L.	70
Castellwind 03 S.L	67
Explotación La Pedrera, S.L.	32
Energias Renovables del Guadiana Menor, S.L.	25
Fergest Biomasa, S.L.	23
Generación Eólica India Limited	15
Fersa Cherkessk LLC	13
Balance at 31.12.08	50,616

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8. Financial investments

The breakdown of the financial assets is as follows:

As at December 2008	Available for sale financial assets	Loans and accounts receivable	Held to maturity financial assets	Hedge derivatives	Total
Equity instruments	-	-	-	-	-
Derivatives	-	-	-	5,217	5,217
Other financial assets	-	1,337	-	-	1,337
Non-current financial assets	-	1,337	-	5,217	6,554
Other financial assets	-	71	-	-	71
Other financial assets	-	71	-	-	71

As at December 2007	Available for sale financial assets	Loans and accounts receivable	Held to maturity financial assets	Hedge derivatives	Total
Equity instruments	-	-	-	-	-
Derivatives	-	-	-	-	-
Other financial assets	-	1,125	-	-	1,125
Non-current financial assets	-	1,125	-	-	1,125
Other financial assets	-	89	50,923	-	51,012
Other financial assets	-	89	50,923	-	51,012

Securities representing debt have not been issued, purchased or redeemed during the fiscal year 2008 or the fiscal year 2007.

Loans and accounts receivables

The composition of the loans and accounts receivable as at December 31, 2008 and 2007 is as follows:

	As at 31.12.08	As at 31/12/07
Other credits	87	-
Other assets	1,250	1,125
Other non-current items and loans	1,337	1,125
Bonds and deposits		
Other receivables	36	-
Other assets	35	89
Total loans and current items	71	89

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Held to maturity financial assets:

The movement of current held to maturity financial assets for the fiscal year 2008 and 2007 is as follows:

	2008	2007
Initial Balance	50,923	4,318
Additions	-	64,019
Disposals	(50,923)	(17,414)
Final Balance	-	50,923

The amount of held to maturity financial assets as at December 31, 2007 corresponded to a fixed term deposit reaching maturity on March 28, 2008, which yielded an average interest rate of 5 %.

Hedge derivatives

The amount of 5,217 thousand Euros corresponds to a future earnings insurance contract originating in the subsidiaries Eólica el Pedregoso S.L. and Eólica del Pino S.L. which matures in 2026.

9. Trade and other receivables

The composition as at December 31, 2008 and 2007 is as follows:

	31.12.08	31.12.07
Trade receivables	-	24
Group companies and associates	572	12
Sundry debtors	267	1
Current tax assets	243	-
Other taxes receivable	3,659	690
Trade and other receivables	4,741	727

The amount of Other taxes receivable mainly includes the Value Added Tax to be recovered for services related to the acquisition of companies.

There are no significant differences between book values and fair values in Trade and other receivables. There are no items for customers or other debtors with maturities greater than 12 months.

The existence of a depreciation provision for accounts receivable is not considered necessary as at 31 December 2008 and 2007. In general, invoices pending collection do not accrue interest, with their maturity being established at an average length of less than 60 days.

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10. Cash and cash equivalents

	As at 31.12.08	As at 31.12.07
Treasury	4,784	48,240
Other cash equivalents	7,315	25,000
Total	12,099	73,240

The short term investments undertaken wholly in Spain mature in a period of less than three months and bear a weighted effective interest rate of 5.4% during 2008 (4.9% in 2007). There are no significant restrictions with regard to cash availability.

11. Net equity

a) Share capital

The share capital of the Company on December 31, 2008 is represented by 140,003,778 shares, with a part value of 1 Euro, which have been wholly subscribed and paid in. At the date of drawing up of the consolidated annual accounts, February 24, 2009, all of the shares have equal economic and political rights.

The Extraordinary General Meeting of the Company, on May 2, 2007, agreed to an increase in share capital by 37,755,975 Euros, by means of the issue of 37,755,975 ordinary shares with a par value of 1 Euro each, with a share premium of 3 Euros per share. On July 9, 2007, the aforementioned increase in share capital was posted, after entry in the record of the Spanish Securities Exchange (*Comisión Nacional del Mercado de Valores*), with placement on the public record and entry into the Companies Registry.

On February 20, 2008, The Extraordinary General Meeting of the Company agreed to an operation by means of which different corporate groups provided the Company with several companies with wind farms in operation and in different stages of processing. As consideration, the Company has increased share capital with non-monetary contributions. This operation included wind farms in Spain, as well as outside of Spain, specifically in India, France and Poland.

This non-monetary capital increase was performed by means of the issue of 64,491,828 new shares, at an issue rate of 4.26216336 Euros per share, at a par value of 1 Euro per share and a share premium of 3.26216336 Euros per share, which were awarded pro rata based on the non-monetary contributions paid in by the new shareholders. The operations which have given rise to this increase are as follows:

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- The Enhol Group (Eólica de Navarra), a new strategic partner, and Banc de Sabadell have contributed companies with a range of wind energy projects, in operation, under construction or development, which represent a total of 314 MW and 73.2MW respectively.
- Corporacion Caja de Granada S.A. and Inversiones Progranada S.A., S.C.R. have contributed wind energy projects and ownership interests which constitute 93.8 additional MW for the Group.
- Fomento de Inversiones y Capital S.L. (Foinca), the company responsible for management and administration of the Company.
- Shareholding stakes have been acquired in companies in which an ownership interest is already held, which has led in most cases to the obtaining of 100% ownership of these subsidiaries. These new operations have represented 81.8 additional MW for the Group.

All together, the non-monetary capital increase operation has meant the incorporation of 562.7 MW and the entry of contributions at a value of 274,874 thousand Euros. As a result, and for the purposes of this capital increase, 4.26 Euros was deemed a fair value per share. Although the accounting standards in Spain establish that a listed security's stock market price is the best evidence of its fair value and, therefore, that this should be the value used to value the shares issued in said capital increase, it also establishes that there may be other circumstances in which this is not the case, and that therefore other evidence and valuation methods should be used. The Company's Board of Directors understood that the value of 4.26 Euros per share was a better reference for the fair value of the Company's shares on the date on which the shares were exchanged in the capital increase than the share price on that day (5.18 Euros per share on February 20, 2008), due to the following, among other reasons:

- The existence of a valuation drawn up by an independent entity of recognized prestige and with generally accepted criteria, submitted to subsequent verification by an independent expert designated by the Companies Registry.
- Involvement in the increase of a very high number of shares and a certain narrowness of the Fersa Energías Renovables S.A. share market (existence of a "free float" before and after the non-monetary capital increase of February 20, 2008 lower than 50% of the Company's shares)
- The value of 4.26 Euros per share was in line with the parent Company's share price during a longer period, and in line with the general tendency towards lower share prices subsequent to February 20, 2008 until the drawing up of these consolidated annual accounts.

The entire amount of Fersa Energías Renovables, S.A. shares are accepted for official quotation on the continuous market of the Spanish stock exchange. The share price as at December 31, 2008, of the Company's shares stood at 2.21 Euros per share (5.00 Euros as at December 31, 2007).

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The list of the Company's shareholders who hold an ownership interest of greater than 10% on December 31, 2008 and on December 31, 2007 is shown below:

As at 31.12.08	
Shareholders	%
Enhol Group	22.40%
Remaining shareholders	77.60%
Total	100%

As at 31.12.07	
Shareholders	%
Seguros Catalana Occidente, S.A. de Seguros y Reaseguros	13.53%
Caja de Ahorros y Monte de Piedad de las Baleares	10.00%
Remaining shareholders	76.47%
Total	100%

b) Share premium

There are no restrictions with regard to the share premium. This account can only be affected as a result of the resolutions approved by the Company's General Shareholders' Meeting.

c) Reserves

	As at 31.12.08	As at 31.12.07
Legal and statutory		
- Legal Reserve	15,102	184
	15,102	184
Other reserves		
-Voluntary Reserves		
-Other reserves	(7,626)	(4,403)
Total	7,476	(4,219)

The legal reserve has been constituted in accordance with Section 214 of the Public Limited Companies Act. It establishes that, in all cases, an amount equal to 10% of the fiscal year's profits shall be placed in this legal reserve until it reaches, at least, 20% of the share capital. It cannot be distributed, and if it is used to offset losses, in the event that there are insufficient other available reserves for said objective, it must be replenished with future profits.

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d) Shares and shareholdings in treasury shares

Under the authorization granted by the Company's General Shareholders' Meeting held on May 2, 2007 and in order to facilitate the liquidity of the quotation, the Company held 159,000 treasury shares as at December 31, 2007 for an amount of 794 thousand Euros, at an average price of 4.995 Euros per share.

During the fiscal year 2008, and under the authorization granted by the General Shareholders' Meeting of the Company on May 2, 2007 and June 25, 2008, the Company has acquired treasury shares. As at December 31, 2008, the Company has 1,818,581 treasury shares for the amount of 11,960 thousand Euros.

e) Dividends:

The Company's General Shareholders' Meeting held on May 2, 2007 agreed to distribute dividends for the amount of 686 thousand Euros, corresponding to the results for the fiscal year 2006, which were paid out during May and June of 2007.

The parent Company's General Shareholders' Meeting of June 25, 2008 agreed to the distribution of the result for the fiscal year 2007, as a result of which 986 thousand Euros were paid out in dividends, which were settled in July 2008.

f) Earnings per share:

Earnings per share are calculated dividing the profit attributable to the Parent Company's shareholders by the weighted average number of ordinary shares in circulation during the period.

	Euros	
	31.12.08	31.12.07
Number of shares	140,003,778	75,511,950
Average number of shares	130,992,591	55,858,155
Profit attributable to the parent Company (Euros)	(26,038,660)	1,270,985
Average number of treasury shares	1,072,526	39,750
Average number of shares in circulation	129,920,065	55,818,405
Earnings per share (Euros per share)		
- Basic	(0.20042)	0.0228
- Diluted	(0.20042)	0.0228

There are no financial instrument which could dilute the earnings per share.

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The proposed distribution of net earnings of Fersa Energías Renovables, S.A. corresponding to the fiscal year 2008, which the Board of Directors will propose to the General Shareholders' Meeting for its approval, is as follows:

Basis for distribution	Euros
Profits and losses	(26,038,660.00)
Share premium	1,919,591.80
Total	(24,119,068.20)

Distribution	Euros
To negative results from previous years	(26,038,660.00)
To dividends	1,919,591.80
Total	(24,119,068.20)

12. Financial liabilities

The movement of financial liabilities as at December 31, 2008 is as follows:

	Balance at 31.12.07	Additions	Payments	Transfers	Balance at 31.12.08
Borrowings from financial institutions	-	-	-	-	-
Other financial liabilities	-	54	-	-	54
Non-current financial liabilities	-	54	-	-	54

	Balance at 31.12.07	Additions	Payments	Transfers	Balance at 31.12.08
Borrowings from financial institutions	-	(5,134)	-	-	(5,134)
Other financial liabilities	-	(22)	-	-	(22)
Current financial liabilities	-	(5,156)	-	-	(5,156)

Within borrowings from financial institutions, there is a credit line which bears an average interest rate of 6.75%, with maturity on July 29, 2009. The entire financial debt is denominated in Euros.

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The Company has the following lines of un-drawn credit:

	2008	2007
Variable rate:		
- with current maturity	4,866	-
- With non-current maturity	15,000	15,000
Total	19,866	15,000

13. Other liabilities

The composition of other liabilities as at December 31, 2008 and 2007 is as follows:

	At 31.12.08	At 31.12.07
Long term deferred payments	40,910	3,231
Other liabilities	-	54
Other non-current liabilities	40,910	3,285
Short term deferred payments	4,719	412
Other current liabilities	4,719	412

Other liabilities includes deferred payments for the purchase of different wind farms, due depending on whether certain milestones have been reached in the wind farms being developed, which payments have been considered probable. At December 31, 2008, it is estimated that 4,719 thousand Euros (412 thousand Euros as at December 31, 2007) will be due the following fiscal year and that 40,910 thousand Euros (3,231 thousand Euros at December 31, 2007) will be paid during the fiscal year 2010 and subsequent years.

Said deferred payments do not accrue interest, and there are no significant differences between the book value and fair value.

14. Trade and other payables:

	As at 31.12.08	As at 31.12.07
Long term trade and other payables:		
- Long term deposits received	54	-
- Long term debts with group companies and associates (Note 26)	191	-
Total	245	-

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Short term trade and other payables:		
- Trade payables	69	302
- Sundry payables	309	-
- Personnel (outstanding remuneration)	104	-
- Other taxes payable	297	-
Total	779	302

The majority of accounts payable do not accrue interest and have reach contractual maturity within 30 to 90 days. The book value of the Company's debts is denominated in Euros.

15. Risk management:

The Company develops suitable procedures to identify, analyse, manage and mitigate all types of risks to which it is subject on account of its business activity, amongst which we highlight the following:

- Separation of duties and responsibilities in key areas.
- Compliance with internal rules and current legislation.
- Application of supervision and control systems.
- Use of hedge instruments with regard to specific risks.
- Policies involving informative transparency amongst the different departments subject to the risks.

The Company has taken measures with regard to the principal financial risks: Market risk (including exchange rate risk) and liquidity risk. The Company's comprehensive risk management program is focused on the uncertainty of financial markets and attempts to minimize the potential adverse effect on financial profitability.

Interest rate risk

Interest rate variations modify the fair value of those financial assets and liabilities which bear a fixed interest rate, as well as the cash flows of financial assets and liabilities referenced to a variable interest rate, as a result of which they affect both equity and results respectively.

The objective of interest rate risk management is to maintain a balance between variable and fixed debt, which permits a financial debt cost reduction within the parameters of the established risk.

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

	At 31.12.2008	At 31.12.07
Fixed interest rate	-	-
Variable interest rate	5,134	-
Total	5,134	-

The variable interest rate is subject principally to fluctuations in the European Interbank Offered Rate (EURIBOR). The sensitivity of the yearly results and equity to interest rate variation is as follows:

	Increase/decrease in interest rate	Effect on income before taxes (thousand Euros)
2008	10% (10%)	469 (469)
2007	10% (10%)	457 (457)

Exchange rate risk

Exchange rate fluctuations can affect the fair value of:

- Debt denominated in currencies different from domestic or functional currency.
- Operations and investments in currencies which are not the Euro, with regard to the exchangeable value of the contributed net equity and results.

Currencies diferents from Euro in which Fersa Energías Renovables has operated the most during the fiscal year 2008 are the dollar, the rupee and the zloty. The sensitivity of Fersa Energías Renovables S.A.'s consolidated equity and result (increase and decrease) to a fluctuation of 10% is as follows:

	Increase/decrease in functional currency exchange rate	Effect on income before taxes (thousand Euros)
2008	10% (10%)	14,981 (17,656)
2007	10% (10%)	- (4,043)

Credit risk

As at December 31, 2008 and 2007, there are no bad debt provisions as they are not deemed necessary.

As at December 31, 2008 and 2007, the Company did not have significant concentrations of credit risks or outstanding financial assets.

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In order to mitigate the credit risk derived from financial positions, the placement of surplus funds is carried out with highly reputable financial institutions and banks.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and negotiable instruments, the availability of financing from an adequate number of credit facilities and the ability to close out market positions. Given the dynamic nature of the underlying businesses, the objective of the Company's treasury department is to maintain flexibility in financing by maintaining the availability of committed credit lines.

The directors monitor forecasts with regard to the Company's liquidity provisions (which includes the availability of credit, cash and cash equivalents) in relation to anticipated cash flows.

As at December 31, 2008, liquidity availability reached 31,965 thousand Euros, taking into account both cash (12,099 thousand Euros) and un-drawn credit lines (19,866 thousand Euros (Note 12)).

Capital management

The objective of capital risk management is the maintenance of an adequate ratio between equity and external financing (financial debt); the leverage effect ratio is as follows:

	As at 31.12.08	As at 31.12.07
Short term financial debt (Note 12)	5,156	-
Cash and cash equivalents	(12,099)	-
Financial deposits (Note 8)	-	(50,923)
Net financial debt:	(6,943)	(50,923)
Net equity (Note 11)	399,641	186,449
Leverage Effect (Net financial debt / (Net financial debt + Net equity))	(1.77%)	(37.57%)

16. Tax situation

The deferred tax breakdown is as follows:

	2008	2007
Deferred tax assets:		
- Temporary differences	-	1,830
		1,830
Deferred taxes	-	1,830

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Tax assets and liabilities are offset if at that moment the Company has the enforceable right to set off the recognized amounts and has the intention to settle the amounts on a net basis or realize the asset and settle the liability simultaneously. Offset deferred tax assets and liabilities are as follows:

	2008	2007
Deferred tax assets:		
- Non-current	-	1,830
- Current	-	-
Total		1,830
Deferred tax liabilities:		
- Non-current	-	-
- Current	-	-
Total	-	-
Net deferred taxes	-	1,830

The gross movement of deferred taxes is as follows:

	2008	2007
Initial balance	1,830	154
Charge to the income statement	-	-
Tax charged directly to net equity	(1,830)	1,676
Final Balance	-	1,830

The deferred tax charged directly to net equity during the fiscal year 2008 corresponds to the fiscal effect of the conversion adjustment to the New General Accounting Plan (Note 3 a). The reconciliation of net revenue and expenses for the fiscal year and the tax base of the profit tax is as follows:

	Profit and loss account		Income and expenses directly attributed to equity		Total	
	Increases	Decreases	Increases	Decreases		
Balance income and expenses for the fiscal year		(26,039)			-	(26,039)
Income tax						
Permanent differences	22,584	(696)	21,888	-	(6,974)	(6,974)
Temporary differences:						
- originating during the year	-	-	-	-	(356)	(356)
- originating in previous years	-	-	-	-	(356)	(356)
Offset of tax losses carryforward	-	-	-	-	-	-
Tax base (taxable income)						(11,481)

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The reconciliation of the applicable tax rate with the effective rate for the fiscal years 2008 and 2007 is as follows:

	2008	%	2007	%
Profit before tax	(26,039)		1,270	
Notional tax	(7,806)	29.9%	381	29.9%
Deductible expenses recognised in equity	(2,197)	8.5%	-	-
Deductions	-	-	(318)	(25%)
Permanent differences non-deductible expenses	6,561	(25.2%)	238	18.7%
Other adjustments	-	-	18	1.4%
			-	
Prior accrued income tax	(3,442)	13.2%	319	25.1%
Non-recognition of tax credits	3,442	(13.2%)	-	-
Income tax accrued	-	-	319	25.1%

The corporate tax expense is composed of the following:

	2008	2007
Current tax	-	319
Deferred tax	-	-
Total	-	319

As at December 31, 2008, the Company has tax losses carryforward pending to compensate for the amount of 11,481 thousand Euros, which mature in 2023, as well as a deferred tax asset balance (net of the deferred tax liability) for the amount of 5.9 million Euros. In both cases, the Company has decided not to recognize said amounts in the annual accounts, given that they do not comply with the conditions set forth in the valuation rules for their recognition as an asset.

Deductions for reinvestment and double taxation whose amounts and terms are as follows are pending application:

Year	Thousand Euros	Last year
2007	61	2014/15
2008	132	2015/16

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The Company's last four fiscal years with regard to the principal taxes which are applicable thereto are pending inspection by the tax authorities.

As a consequence, amongst others, of the different possible interpretations of current tax legislation, new additional liabilities could arise as a consequence of an inspection. In all cases, the directors hold the opinion that said liabilities, if they arise, will not significantly affect the annual accounts.

During the fiscal year 2009, Fersa Energías Renovables, S.A. will be subject to taxation for the Tax on Corporations pursuant to the consolidated taxation scheme with the following subsidiaries in Spain:

Eólica El Pedregoso, S.L.,	Joso Fotovoltaica, S.L.
Empordavent, S.L.	Fotovoltaica Padua, S.L.
Energía Renovable Mestral, S.L.	Fotovoltaica Vergos, S.L.
Eólica del Pino, S.L.,	Fotovoltaica La Mola, S.L.
Catalana d'Energies Renovables, S.L.	Inversions Trautt, S.L.
Fercom Eólica, S.L.U.	Fotovoltaica de Castelló, S.L.
La Tossa del Vent, S.L.U.	Fotovoltaica de les Coves
Texte, S.L.U.	Inversions Vinroma, S.L.
Eolener, S.L.U.	Parque Eólico Hinojal, S.L.
Orta Eólica, S.L.U.	Siljan Port, S.L.
Electravent, S.L.U.	Fergest Biomasa, S.L.U.
Gestora Fotovoltaica de Castellón, S.L.	Parc Eòlic Coll de Som, S.L.
Fotovoltaica Fer, S.L.	Parc Eòlic L'Arram, S.L.
Weinsberg Ecotec, S.L.	Explotación Eólica La Pedrera, S.L.U.
Fotovoltaica Ecotec, S.L.	

17. Income and expenses

a) Net turnover

The net turnover corresponds principally to invoicing for services rendered to Group companies.

b) Personnel expenses

	2008	2007
Wages and salaries	1,419	-
Social security	178	-
Total	1,597	-

During the fiscal year 2008 and due to the merger with Fomento de inversiones y Capital S.L. (Note 7) all of the employees from said entity are incorporated into the

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Company, with Fersa Energías Renovables not having any employed personnel in the fiscal year 2007.

The average number of employees during the course of the year, distributed by categories is as follows:

	2008
Directors	4
Technicians	7
Others	3
Total	14

Likewise, the distribution by gender at year end with regard to the Company's personnel is as follows:

	Men	Women	Total
Directors	4	-	4
Technicians	12	6	18
Other	-	6	6
Total	16	12	28

18. Financial result

	2008	2007
Financial income:		
From ownership interests in equity		
- In group companies and associates	439	927
From negotiable securities and other instruments		
instruments		
- From group companies and associated companies	2,688	740
- From third parties	1,597	2,949
	4,724	4,616
Financial expenses:		
- Third party accounts payable	(31)	(47)
	(31)	(47)
Variation in fair value of financial instruments		
- Cash flow hedge derivatives	264	-
	264	-
Exchange differences	590	-
Impairment and gains on disposals of financial instruments		
- Impairment and losses (Note 7)	(28,162)	(1,166)
	(28,162)	(1,166)
Financial result	(22,615)	3,403

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19. Cash flow statements

a) Cash flows from operating activities:

	2008	2007
Profit before tax	(26,039)	1,589
Adjustments to net income:	22,629	(3,403)
- Amortisation and depreciation of fixed assets	14	-
- Financial income	(4,988)	(4,616)
- Financial expenses	31	47
- Exchange rate differences	(590)	-
- Variation in fair value of financial instruments	28,162	1,166
Changes in working capital:	(2,871)	(82)
- Debtors and other accounts receivables	(3,188)	(309)
- Creditors and other accounts payables:	317	227
- Other current liabilities	-	-
Other cash flows from operating activities	2,112	2,919
- Dividends received	404	927
- Interest received	1,560	2,004
- Income tax refunded (paid)	148	(12)
Cash flows from operating activities	(4,169)	1,023

b) Cash flows from investing activities:

	2008	2007
Payments for investments	(102,645)	(91,394)
- Group companies and associates	(102,143)	(26,240)
- Fixed assets:	(126)	-
- Other financial assets	-	(64,029)
- Other assets	(376)	(1,125)
Proceeds from divestitures	54,029	19,529
- Group companies and associates	3,085	1,955
- Other financial assets	50,944	17,574
Cash flows from investing activities	(48,616)	(71,865)

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c) Cash flows from financing activities:

	2008	2007
Receipts and payments for equity instruments	(12,694)	144,642
- Acquisition of equity instruments	(11,166)	(794)
- Capital increase	-	151,024
- Capital increase expenses	(1,528)	(5,588)
Receipts and payments from financial liability instruments	5,324	-
- Issues:		
- Borrowing from financial entities	5,324	2,545
- Repayment and redemption of:		
- Borrowing from financial entities	-	(2,545)
Dividends paid and remunerations for other equity instruments:	(986)	(686)
- Dividends	(986)	(686)
Cash flows from financing activities	(8,356)	143,956

20. Commitments and contingent liabilities

a) Commitments

The Company rents premises under non-cancellable operational leases.

These contracts have a term of five years, with the majority thereof being renewable upon expiration in accordance with market conditions. The Company is obliged to provide two months advance notice with regard to the termination of these contracts. The future total minimum payment per non-cancellable operational lease corresponds to the rent for one fiscal year.

b) Guarantees

Fersa Energías Renovables, S.A. guarantees the following entities which have presented guarantees before the Directorate-General of Energy Policy and mines in accordance with the provisions of Royal Decree 661/2007 for the following amounts:

Company	Amount
Eólica Cljara, S.L.	1,300
Sinergia Andaluza, S.L. y Energías Renovables Guadiana Menor, S.L.	2,000
Energia Renovable Mestral Eólica, S.L.	1,000
Castellwind 03 S.L	2,100
Total	6,400

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Fersa Energías Renovables, S.A. guarantees 100% of the guarantees presented for the processing of the authorizations of the wind farm installations of the companies Eolener, S.L. and Orta Eólica, S.L. for the amount of 320 thousand Euros and 933 thousand Euros, respectively.

Additionally, Fersa Energías Renovables, S.A. presents a 2,099 thousand Euro guarantee for the financing of the Generación Eólica India Limited wind farm.

Furthermore, Fersa Energías Renovables S.A. guarantees the company Grupo Catalana d'Energies Renovables S.L. for the loan this company has for the maximum available amount of 18 million Euros.

The companies in which an ownership interest is held, Eólica del Pino S.L., Eólica el Pedregoso, SAS Eoliennes de Beausemblant, Generación Eólica India Limited, Parque Eólico Hinojal S.L. and Gestora Fotovoltaica de Castellón have pledged their shares as a consequence of the loans contracted with credit entities in the Project Finance modality.

In addition, the loans to Eólica del Pino S.L., Eólica el Pedregoso S.L., SAS Eoliennes de Beausemblant, Parque Eólico Hinojal S.L. and Gestora Fotovoltaica de Castellón S.L. include conditions which limit the distribution of dividends and require the fulfilment of specific minimum ratios, such as the Debt Service Coverage Ratio or the Leverage Ratio.

The directors of Fersa Energías Renovables, S.A. are of the opinion that liabilities not anticipated as at December 31, 2008, if they were to arise, which could result from the commitments indicated in this Note would not have a significant impact on these consolidated annual accounts.

c) Contingent liabilities

On December 21, 2005, the Regional Customs Unit of the Barcelona Tax Office brought proceedings against the group company, Invetem Mediterránea, S.L, in which it alleged the Company's breach of the tax item, the Special Hydrocarbon Tax, for the period 2001 to 2004, for the use of biogas as a fuel in the production of electricity. Those proceedings contain a settlement proposal whose amount stands at a total of 8,840 thousand Euros, of which 813 thousand correspond to late interest charges and the rest to the estimated tax liability connected with said tax. On February 21, 2006, the head of the Regional Office of Customs and Special Taxes confirmed the proceedings, handing down the corresponding administrative decision. In the fiscal year 2006, Invetem filed the corresponding administrative-economic appeal against the issued administrative ruling before the Regional Economic-Administrative Tribunal of Catalonia, having requested the corresponding stay of the proceedings. Fersa Energías Renovables, S.A. has signed an agreement with EMTE, S.A., the company from which the Company acquired the ownership interest in Invetem Mediterránea, S.L. in the year 2002, for which reason in the event that the company has to finally pay the aforementioned judgment against Invetem, EMTE,

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S.A. agrees to repurchase the ownership interest in the Company, so that said Company will obtain an IRR of 10%. During the fiscal year 2008, no relevant events took place with regard to these proceedings. As a consequence, as at December 31, 2008, the Company reports a provision for the amount of 0.4 million Euros (Note 7) to cover said subsidiary's investment net of the agreed upon retribution. Given the characteristics of this contingency, it is not possible to specify a reasonable schedule of payment dates, but, in any case, it is not thought that the final resolution would be handed down during the twelve months following the close of the fiscal year 2008.

The Company holds that the provision reported in these annual accounts adequately covers the risk described in this Note, as a result of which it is not anticipated that said risks will give rise to liabilities other than those already reported. Nevertheless, in the event of a final resolution which is unfavourable in connection with the aforementioned proceedings, the Company may dissolve Invetem Mediterránea, S.L. or exercise the option to sell to the former owner of the shares in accordance with the sale and purchase agreement. For this reason, it is deemed that the Company's maximum risk is equal to the net book value of the investment as at December 31, 2008 of 515 thousand Euros, net of the compensation to be received by the seller of said investment in the event of a negative resolution for the amount of 114 thousand Euros, in accordance with the sale and purchase agreement between both parties.

21. Information regarding operations with related parties, group and associated companies.

In accordance with the provisions of Section 37 of the Financial System Reform Measures Act 44/2002, the transactions carried out during the fiscal year 2008, between Fersa Energías Renovables, S.A. and natural or legal persons related to said company, are specified below.

Related persons fall under one of the following categories:

- Major shareholders of Fersa Energías Renovables, S.A. meaning those who have, either directly or indirectly, an ownership interest equal to or above 5%, as well as shareholders who, without being major shareholders, have exercised the power to propose the designation of a member of the Board of Directors.

In accordance with this definition, Grupo Empresarial Enhol S.L. and subsidiary companies (hereinafter the Enhol Group) are considered to form an entity related to Fersa Energías Renovables.

- The company's directors and executives and their immediate family, with "directors" understood to be members of the Board of Directors and "executives" understood to be members of the Management Committee. The transactions undertaken with the directors and executives of Fersa Energías Renovables are broken down in Note 22.
- Group and Multigroup companies and Associated companies.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

Operations with Group and Multigroup Companies and Associated Companies

a) Sale of goods and rendering of services

	2008	2007
Services rendered to Group companies and Associated companies		
Administrative, accounting and technical consulting services.	849	174
Total	849	174

The services are normally negotiated with related parties at fair value.

b) Closing balances stemming from services rendered

	2008	2007
Accounts receivable of Group companies and Associated companies (Note 9):		
Account receivables from group and associated companies	572	12
Total	572	12

Accounts receivable with respect to related parties arise from services rendered including technical, accounting and administrative consulting, and they are due one month after the date of issue. Accounts receivable are not insured and do not yield interest.

c) Loans granted to Group companies, Multigroup companies and Associated companies

The loans to group and multigroup companies and associated companies mature between the fiscal years 2010 and 2013 and yield an annual interest rate between 4% and 7.5%. The breakdown by company and the movement of the loans is indicated in Note 7.

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Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

22. Information regarding members of the Board of Directors and Executives

Remuneration of members of the Board of Directors and Executives

The Board of Directors, in its session on December 5, 2007, unanimously approved the remuneration system proposed by the Appointments and Remuneration Commission to the members of the Board of Directors with regard to annual fixed fees for each Board Member, as well as annual fixed fees for each member of the Auditing Committee or the Appointments and Remuneration Committee, as well as annual fixed fees for each member of the Executive Committee.

On June 25, 2008, the General Meeting of the company agreed to modify Article 17 bis of the Articles of Association in connection with Board member remuneration. Thereinafter, said administrative office was to be remunerated.

During the fiscal year 2008, the amount paid to members of the Board of Directors of Fersa Energías Renovables, S.A. stands at 546 thousand Euros, with these amounts including those attributed to them due to their membership on the Board of Directors and its distinct committees, as well as those amounts corresponding, when appropriate, to the direct responsibilities or employment relationships which they may have maintained at different executive levels.

During the fiscal year 2007, no amount was paid out for the item mentioned in the previous paragraph.

Office Leasing Agreement entered into with Real Wind, S.L. (hereinafter Real Wind).

As a result of the contribution of all of the shareholding stakes of Fomento de Inversiones y Capital, S.L. to the Company's share capital on February 20, 2008, with effects on March 1 of the present year, Fersa Energías Renovables, S.A. subrogated the lease agreements entered into with Real Wind S.L. (a company 100% owned by Jose M^a Roger Ezpeleta, Chairman of the Board of Directors of Fersa Energías Renovables). These leases involve the Barcelona offices where Fersa Energías Renovables S.A.'s corporate headquarters are located and have a term of five years, which is automatically extendable for year-long intervals.

The total amount paid in the fiscal year 2008 for this item stands at 183 thousand Euros.

Transactions with directors

During the fiscal year 2008, the shareholding stakes, offices and/or duties of the directors of Fersa Energías Renovables, S.A. in other companies engaging in activities which are the same, analogous or complementary to the activity constituting the corporate purpose (Note 1), of Fersa Energías Renovables, S.A. are as follows:

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Member of the Board of Directors	Associated Company	Shareholding	Duties
José M ^a Roger Ezpeleta	Real Wind, S.L.U.	100%	Sole Director
José M ^a Roger Ezpeleta	Eólica el Pedregoso, S.L.	On the account of FERSA 80%	Chairman
José M ^a Roger Ezpeleta	Eólica del Pino, S.L.	On the account of FERSA 80%	Chairman
José M ^a Roger Ezpeleta	Aprofitament d'energies renovables de la Terra Alta, S.L.	On the account of FERCOM EÓLICA, 13.94% and on the account of CATALANA D'ENERGIES RENOVABLES, S.L. 15.73%	Board Member
José M ^a Roger Ezpeleta	Berta Energies Renovables, S.L.	On the account of FERCOM EÓLICA, 18.39% on account of PARC EOLIC COLL DE SOM, S.L. 5.35% and on the account of PARC EOLIC L'ARRAM S.L. 5.35%	Chairman
José M ^a Roger Ezpeleta	Parque Eólico Hinojal, S.L.U.	On the account of FERSA 100%	Deputy Chairman (until Sept. 08)
José M ^a Roger Ezpeleta	Fercom Eólica, S.L.U.	On the account of FERSA 100%	Chairman (until April 08)
José M ^a Roger Ezpeleta	La Tossa del Vent, S.L.U.	On the account of Fercom Eólica, 100%	Chairman (until April 08)
José M ^a Roger Ezpeleta	Texte, S.L.U.	On the account of Fercom Eólica, 100%	Chairman (until April 08)
José M ^a Roger Ezpeleta	Orta Eólica, S.L.U.	On the account of Fercom Eólica, 100%	Chairman (until April 08)
José M ^a Roger Ezpeleta	Eolener, S.L.U.	On the account of Fercom Eólica, 100%	Chairman (until April 08)
José M ^a Roger Ezpeleta	Electravent, S.L.	On the account of Fercom Eólica, 100%	Chairman (until April 08)
José M ^a Roger Ezpeleta	Fergest Biomasa, S.L.U.	On the account of FERSA 100%	Chairman (until June 08)
José M ^a Roger Ezpeleta	Gestora Fotovoltaica de Castellón, S.L.	On the account of FERSA 76%	Joint Director
José M ^a Roger Ezpeleta	Fotovoltaica Fer, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Weinsberg Ecotec, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Fotovoltaica Ecotec, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director

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Member of the Board of Directors	Associated Company	Shareholding	Duties
José M ^a Roger Ezpeleta	Joso Fotovoltaica, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Fotovoltaica Padua, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Fotovoltaica Vergos, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Fotovoltaica La Mola, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Inversions Trautt, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Fotovoltaica de Castelló, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Fotovoltaica de les Coves, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Inversions Vinroma, S.L.	As representative of Gestora Fotovoltaica de Castellón, S.L., 100%	Joint Director
José M ^a Roger Ezpeleta	Invetem Mediterránea, S.L.	On the account of FERSA 70.83%	Board Member
José M ^a Roger Ezpeleta	Sinergia Andaluza, S.L.	On the account of FERSA 60%	Board Member
José M ^a Roger Ezpeleta	Energías Renovables del Guadiana Menor, S.L.	On the account of FERSA 50%	Board Member
José M ^a Roger Ezpeleta	Castellwind-03, S.L.	On the account of FERSA 67.39%	Board Member
José M ^a Roger Ezpeleta	Enrilews, S.A.	On the account of FERSA 92%	Deputy Chairman
José M ^a Roger Ezpeleta	Siljan Port, S.L.	On the account of FERSA 80%	Chairman

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Member of the Board of Directors	Associated Company	Shareholding	Duties
José M ^a Roger Ezpeleta	OÜ Est Wind Power	On the account of FERSA 75%	Board Member
José M ^a Roger Ezpeleta	Generación Eólica India Private Limited	On the account of FERSA 99.9%	Board Member
José M ^a Roger Ezpeleta	EN Green Energy Private Limited	On the account of FERSA 99.9%	Board Member
José M ^a Roger Ezpeleta	EN Renewable Energy Private Limited	On the account of FERSA 99.9%	Board Member
José M ^a Roger Ezpeleta	EN Wind Power Private Limited	On the account of FERSA 99.9%	Board Member
José M ^a Roger Ezpeleta	Eolica Postolin S.P. Z o.o.	On the account of FERSA 100%	Board Member
José M ^a Roger Ezpeleta	Eolica Cieplowody S.P. Z o.o.	On the account of FERSA 100%	Board Member
José M ^a Roger Ezpeleta	Eolica Kisielice S.P. Z o.o.	On the account of FERSA 100%	Board Member
José M ^a Roger Ezpeleta	Eolica Warblewo S.P. Z o.o.	On the account of FERSA 100%	Board Member
José M ^a Roger Ezpeleta	Eoliennes de Beausemblant S.A.S.	On the account of FERSA 80%	Chairman
ENERGIA INTELIGENTE ENERGENA, S.L.U.	ENERGIA TERMOSOLAR ENERTOL, S.L.	50%	-
ENERGIA INTELIGENTE ENERGENA, S.L.U.	INNOVACION VERDE INVER, S.L.U.	100%	-
ENERGIA INTELIGENTE ENERGENA, S.L.U.	EOLICA NAVARRA, S.L.U.	100%	-

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Member of the Board of Directors	Associated Company	Shareholding	Duties
ENERGIA INTELIGENTE ENERGENA, S.L.U.	CRAQUENER, S.L.	50%	-
ENERGIA INTELIGENTE ENERGENA, S.L.U.	YNFINITI ENGINEERING SERVICES, S.L.	33.33%	-
ENERGIA INTELIGENTE ENERGENA, S.L.U.	ENHOL BULGARIA, E.O.O.D.	100%	-
GRUPO EMPRESARIAL ENHOL, S.L.	ENERGIA INTELIGENTE ENERGENA, S.L.U.	100%	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA CABANILLAS, S.L.	50%	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA MONTES DE CIERZO, S.L.	50%	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA CAPARROSO, S.L.	50%	-
GRUPO EMPRESARIAL ENHOL, S.L.	EOLICA LA BANDERA, S.L.	50%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXIV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXVI, S.L.	19.99%	-

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Member of the Board of Directors	Associated Company	Shareholding	Duties
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXVII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXVIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXIX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXIV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXVI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXVII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXVIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Altiplano XXXIX, S.L.	19.99%	-

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Member of the Board of Directors	Associated Company	Shareholding	Duties
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica I, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica II, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica III, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica IV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica V, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica VI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica VII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica VIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica IX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica X, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XIII, S.L.	19.99%	-

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Member of the Board of Directors	Associated Company	Shareholding	Duties
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XIV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XVI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XVII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XVIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XIX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XXI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XXII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Geoibérica XXIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol I, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol II, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol III, S.L.	19.99%	-

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Member of the Board of Directors	Associated Company	Shareholding	Duties
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol IV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol IX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol L, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol V, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol VI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol VII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol VIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol X, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XIV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XIX, S.L.	19.99%	-

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Member of the Board of Directors	Associated Company	Shareholding	Duties
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XL, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLIV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLIX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLVI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLVII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XLVIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XVI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XVII, S.L.	19.99%	-

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Member of the Board of Directors	Associated Company	Shareholding	Duties
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XVIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXIV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXIX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXVI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXVII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXVIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXI, S.L.	19.99%	-

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(Expressed in thousand Euros)

Member of the Board of Directors	Associated Company	Shareholding	Duties
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXIV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXIX, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXV, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXVI, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXVII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	Central Eléctrica Solar Ibersol XXXVIII, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	ENERGIA ORIENTAL, S.L.	35%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	ENERGIAS RENOVABLES DEL GUADIANA MENOR, S.L.	50%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	EOLICA DEL ZENETE, S.L.	42.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	PARQUE EOLICO HINOJAL, S.L.	55%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	PRADER ENERGIAS RENOVABLES, S.L.	20%	-

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

Member of the Board of Directors	Associated Company	Shareholding	Duties
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	SILICIO ENERGIA, S.A.	5%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	SINERGIA ANDALUZA, S.L.	20%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	SOLNAYA ALFA, S.L.	19.99%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	DISTRIBUIDORA ELECTRICA BERMEJALES, S.A.	20%	Voting Member
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	HIDROELECTRICA CUERVA, S.A.	20%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	HIDROELECTRICA SAN BUENAVENTURA, S.L.	20%	-
CAJA GENERAL DE AHORROS DE GRANADA, S.A.	MONTAJES ELECTRICOS CUERVA, S.A.	20%	Voting Member
COMSA MEDIO AMBIENTE, S.L.	GENERACIÓN ENERGÍA SOSTENIBLE, S.L.	100%	-
COMSA MEDIO AMBIENTE, S.L.	PARQUE SOLAR DE ECIJA, S.L.	100%	Sole Director
COMSA MEDIO AMBIENTE, S.L.	EÓLICA LAS LANCHAS, S.L.	100%	Sole Director
COMSA MEDIO AMBIENTE, S.L.	EÓLICA EL HORNICO, S.L.	100%	Sole Director
COMSA MEDIO AMBIENTE, S.L.	EÓLICA LA CARRASCA, S.L.	100%	Sole Director
COMSA MEDIO AMBIENTE, S.L.	EÓLICA SIERRA GADEA, S.L.	100%	Sole Director

FERSA ENERGÍAS RENOVABLES S.A.

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Member of the Board of Directors	Associated Company	Shareholding	Duties
COMSA MEDIO AMBIENTE, S.L.	TFM ENERGIA SOLAR FOTOVOLTAICA, S.A.	75%	Board member
COMSA MEDIO AMBIENTE, S.L.	COMSA ENERGÍAS RENOVABLES, S.L.	100%	Board member
COMSA MEDIO AMBIENTE, S.L.	COMSA INVERSIONES SOLARES, S.L.	100%	Sole Director
COMSA MEDIO AMBIENTE, S.L.	MAIALS SOLAR, S.L.	100%	Sole Director
COMSA MEDIO AMBIENTE, S.L.	VILLOLDO SOLAR, S.L.	100%	Sole Director
COMSA MEDIO AMBIENTE, S.L.	PARQUE SOLAR VISO DEL MARQUES, S.L.	100%	Sole Director
BCN GODIA, S.L.	Rotasol Energy, S.L.	40% indirect	-
Ignacio García-Nieto Portabella	Rotasol Energy, S.L.	5% indirect	-

Management Committee Remuneration

The total remuneration paid during the fiscal year 2008 to Management Committee members, excluding that of those members who also sit on the Board of Directors, which is included in the section on fixed remuneration to the Board of Directors is 422 thousand Euros.

Some of the contracts subscribed with the Management Committee contain a dismissal indemnity clause in the event of the termination of the employment relationship due to wrongful dismissal.

23. Auditors' fees

The fees paid during the fiscal year to PricewaterhouseCoopers Auditores, S.L. for auditing of accounts and for other services rendered to the Company related to auditing was for 173 thousand Euros (91 thousand Euros in 2007).

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
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Furthermore, the fees paid during the fiscal year to other companies which use the trade name PricewaterhouseCoopers, as a result of other services rendered to the Company, was 221 thousand Euros, mainly for tax consulting.

24. Environment

The environment is taken into consideration throughout the processing and construction of the installations pertaining to the projects which the Company is in charge of developing, building and promoting, while performing the required studies in accordance with each country's legislation.

During the fiscal year 2008 and 2007 and in relation to the installations in operation, the Company has not incurred in environmental expenses.

25. Subsequent events

No significant events occurred after the year end.

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

APPENDIX 1

a) Investments in Group companies

Fersa Energías Renovables, S.A. has control over the following companies:

Name	Legal form	Registered Office	Activity	Fraction of capital	
				Direct %	Indirect %
Eólica El Pedregoso	S.L.	C/Arenal, 21 Málaga	Wind	80	-
Invetem Mediterránea	S.L.	Av.Baix Llobregat, 10 Esplugues	Biomass	70.83	-
Empordavent	S.L.	Travessera de Gracia, 30 Barcelona	Wind	97.39	2.61
Energia Renovable Mestral	S.L.	Av. María Fortuny, 83 Reus	Wind	100	-
Eólica del Pino	S.L.	C/Arenal, 21 Málaga	Wind	80	-
Catalana d'Energies Renovables	S.L.	Av. María Fortuny, 83 Reus	Wind	94.51	5.49
Fercom Eólica	S.L.	Travessera de Gracia, 30 Barcelona	Holding	100	-
La Tossa del Vent	S.L.	Aragón, 295 Barcelona	Wind	-	100
Texte	S.L.	Aragón, 295 Barcelona	Wind	-	100
Eolener	S.L.	Aragón, 295 Barcelona	Wind	-	100
Orta Eólica	S.L.	Aragón, 295 Barcelona	Wind	-	100
Electravent	S.L.	Aragón, 295 Barcelona	Wind	-	100
Gestora Fotovoltaica de Castellón	S.L.	Travessera de Gracia, 66 Barcelona	Holding	76	-
Fotovoltaica Fer	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Weinsberg Ecotec	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Fotovoltaica Ecotec	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Joso Fotovoltaica	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Fotovoltaica Papua	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Fotovoltaica Vergos	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Fotovoltaica La Mola	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Inversions Trautt	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Fotovoltaica de Castelló	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Fotovoltaica de les Coves	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Inversions Vinroma	S.L.	Travessera de Gracia, 66 Barcelona	Photovoltaic	-	76
Parque Eólico Hinojal	S.L.	Júcar, 3 Tarifa	Wind	100	-
Enrilews	S.A.	c/ Cincuenta, Edificio 2000	Wind	92	-
Eólica Postolin	S.P.	Szosa Gdanska n 12, Osielsko, Kujawy y Pomerania, Polonia	Wind	100	-
OÜ EstWindPower	-	Hiiu-Maleva 13-3 Tallinn (11619) Toila, Paite-Vaivina, Estonia	Wind	75	-
Fergest Biomasa	S.L.	Travessera de Gracia, 30 Barcelona	Biomass	100	-
Parc Eòlic Coll De Som	S.L.	Álava, 12 Barcelona	Wind	100	-
Parc Eòlic L'Arram	S.L.	Álava, 12 Barcelona	Wind	100	-
Explotación Eólica la Pedrera	S.L.	Plaza Circular, 6 Murcia	Wind	100	-
Sinergia andaluza	S.L.	Av. Madrid, 1 Granada	Holding	60	-

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

Name	Legal form	Registered office	Activity	Fraction of capital	
				Direct %	Indirect %
Generación Eólica India	Ltd.	Esplanade, 12-13 Amrit Keshav Nayak Marg, Fort, (400 001) Mumbai, Maharashtra, India	Wind	100	-
EN Renewable Energy	Pvte. Ltd.	New Delhi (Delhi)- 110016 India, 50-E Hauz Khas Village	Wind	100	-
EN Wind Power	Pvte. Ltd.	New Delhi (Delhi)- 110016 India, 50-E Hauz Khas Village	Wind	100	-
EN Green Energy	Pvte. Ltd.	New Delhi (Delhi)- 110016 India, 50-E Hauz Khas Village	Wind	100	-
Eólica Kisielice	S.P. z.o.o.	Szosa Gdanska n° 12, Osielsko, Kujawy y Pomerania, Polonia	Wind	100	-
Eólica Warblewo	S.P. z.o.o.	Szosa Gdanska n° 12, Osielsko, Kujawy y Pomerania, Polonia	Wind	100	-
Eólica Cieplowody	S.P. z.o.o.	Szosa Gdanska n° 12, Osielsko, Kujawy y Pomerania, Polonia	Wind	100	-
Eoliennes De Beausemblant	S.A.S.	1 Chemin de Lavigne Ródano Alpes – 68400 Francia	Wind	80	-
Castelwind 03	S.L.	C/Alfonso XII, 5 Tortosa (Tarragona)	Wind	67	-
Fersa Cherkessk	L.L.C.	Suite 4, Building 50, Lenina Prospect 369000, Cherkessk City, Karachei-Circassian Republic – Russian Federation	Wind	100	-
Entreyeltes 1	S.L.	c/ Farmacéutico Obdulio Fernández, 11 bajos Burgos	Wind	51	-
Fersa Montenegro	L.L.C.	TRG Bozane Vucinic. Zgrada Montex 5. Podgorica, Montenegro	Wind	100	-
Fersa Business Consulting co	Ltd	Room 1015,8th Building ,No.1147,Kangding Rd,Jing'an District, Shanghai	Holding	100	-

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

b) Investments in associated and multigroup companies

Name and registered office	Legal form	Registered address	Activity	Fraction of capital		Control relationship
				Direct %	Indirect %	
Aprofitament d'Energies Renovables Ebre	S.L.	Travessera de Gracia, 56 entresuelo (Barcelona)	Wind	-	21.33	Significant influence
Aprofitament d'Energies renovables Terra Alta	S.L.	Travessera de Gracia, 56 entresuelo (Barcelona)	Wind	-	29.67	Significant influence
Parque Eólico Altos del Voltoya	S.A.	C/Serrano Galvache,56 Madrid	Wind	30	-	Significant influence
Berta Energies Renovables	S.L.	Travessera de Gracia, 56 entresuelo (Barcelona)	Wind		29.09	Significant influence
Los Siglos	A.I.E.	C/San Jucar Tarifa	Wind	-	30.3	Significant influence
Energía Cijara	S.L.	Rambla Cataluña, 54 (Barcelona)	Wind	50	-	Shared control
Eólica Cijara	S.L.	Bartolome J.Gallardo, 1 (Badajoz)	Wind	50	-	Shared control
Parque Eólico Valcaire	S.L.	C/del Ayuntamiento, 7 Padul (Granada)	Wind	-	27	Significant influence
E. R. Guadiana Menor	S.L.	Plaza del Ayuntamiento, 7 Peal de Becerro (Jaén)	Wind	50	-	Shared control
Energía Renovable Mestral Eólica	S.L.	Av. María Fortuny, 83 (Reus)	Wind	50	-	Shared control
Siljan Port	S.L.	Rambla Cataluña, 54 (Barcelona)	Holding	80	-	Shared control
Shandong Lusa New Energy co	Ltd	Chengkou, Wudi, Shandong Province	Wind	-	48	Shared control

APPENDIX II

a) Investments in Group companies

As at 31.12.08								
Company	Share Capital	Reserves and others	Result	Total shareholders' equity	Gross book value	Accrual	Net book Value	Dividends Received
Eólica El Pedregoso, S.L.	146	3,063	1,044	4,253	8,989	(227)	8,762	0
Invetem Mediterránea, S.L.	72	562	235	869	578	(463)	115	64
Empordavent, S.L.	460	(54)	(11)	395	5,281	0	5,281	0
Energía Renovable Mestral, S.L.	750	731	49	1,530	7,774	0	7,774	0
Eólica Del Pino, S.L.	75	1,573	267	1,915	8,628	(370)	8,258	0
Catalana d'Energies Renovables, S.L.	630	(78)	(12)	540	20,298	0	20,298	0
Fercom Eólica, S.L.	37	152	2,510	2,699	30,191	0	30,191	0
Gestora Fotovoltaica de Castellón, S.L.	30	1,293	310	1,633	1,425	(24)	1,401	0
Parque Eólico Hinojal, S.L.	2,876	(333)	749	3,292	26,783	(1,819)	24,964	0
Enrlews, S.L.	3	(10)	(24)	(31)	16,091	(766)	15,325	0
Eólica Postolin S.p. zoo	112	0	(11)	101	19,523	(2,193)	17,330	0
OU EstWindPower	32	553	(37)	548	8,465	0	8,465	0
Fergest Biomasa, S.L.	50	(1)	(10)	39	52	0	52	0
Parc Eòlic Coll de Som, S.L.	643	(98)	(6)	539	6,625	0	6,625	0
Parc Eòlic L'Arram, S.L.	646	(105)	(11)	530	7,006	0	7,006	0
Explotación La Pedrera, S.L.	1,700	(181)	(11)	1,508	22,224	0	22,224	0
Sinerqia andaluza SL	6	0	0	6	26,997	0	26,997	0
Generación Eólica India Limited	7,372	(932)	191	6,631	19,252	(3,838)	15,414	0
EN Renewable Energy Private Limited	11,643	(1,885)	(4)	9,754	27,533	(2,242)	25,291	0
EN Wind Power Private Limited	11,640	(1,882)	(4)	9,754	34,861	(4,910)	29,951	0
EN Green Energy Private Limited	11,184	(1,426)	(4)	9,754	22,565	(2,909)	19,656	0
Eólica Kisielice Sp.zoo	14	130	(829)	(685)	25,018	(4,197)	20,821	0
Eólica Warblewo Sp.zoo	14	(13)	70	71	18,965	(2,594)	16,371	0
Eólica Cieplowody Sp.zoo	14	(10)	47	51	21,601	(2,981)	18,620	0
Eolinnes De Beausemblant SAS	556	(41)	148	663	3,498	(158)	3,340	0
Castelwind 03 S.L.	764	511	(59)	1,216	386	0	386	0
Fersa Cherkessk LLC	0	0	0	0	140	0	140	0
Entreyeltes 1, S.L.	3	(1)	0	2	8	0	8	0
FERSA Montenegro	10	0	(10)	0	855	0	855	0
Fersa Business Consulting (Shanghai) co ltd	63	0	(16)	47	392	0	392	0
Totals	51,545	1,518	4,561	57,624	392,004	(29,691)	362,313	64

FERSA ENERGÍAS RENOVABLES S.A.

Notes to the annual accounts for the fiscal year 2008
(Expressed in thousand Euros)

As at 31.12.07								
	Share Capital	Reserves and Others	Result	Total shareholders' Equity	Gross book value	Accrual	Net book Value	Dividends Received
Eólica El Pedregoso, S.L	146	2,902	(17)	3,031	11,139	(468)	10,671	0
Invetem Mediterránea, S.L	72	562	91	725	578	(463)	115	11
Empordavent, S.L	60	(23)	(6)	31	57	0	57	0
Energía Renovable Mestral, S.L	750	741	(6)	1,485	1,590	0	1,590	0
Eólica Del Pino, S.L	75	1,555	186	1,816	2,788	(101)	2,687	0
Fercom Eólica, S.L.	37	(4)	151	184	1,520	0	1,520	0
Gestora Fotovoltaica de Castellón, S.L.	30	1,664	(27)	1,667	1,425	0	1,425	0
Enrilews, S.A.	5	0	(12)	(7)	812	0	812	0
Eolica Postolin Sp, z.o.o.	52	0	0	52	10,400	0	10,400	0
Est Wind Power Oü	500	8,005	400	8,905	7,671	0	7,671	0
Siljan Port, SL	3	0	0	3	2	0	2	0
Fergest Biomasa, S.L.	50	0	0	50	27	0	27	0
Total	1,780	15,402	760	17,942	38,009	(1,032)	36,977	11

b) Investments in associated and multigroup companies

As at 31.12.08								
Company	Share Capital	Reserves and Others	Results	Total shareholders' Equity	Gross book value	Accrual	Net book Value	Dividends Received
Energía Renovable Mestral Eólica, S.L	5	3	(5)	3	5	0	5	0
Parque Eólico Altos del Voltoya, S.A	6,869	1,523	3,468	11,860	7,037	(185)	6,852	216
Energía Cijara, S.L.	200	(1)	(6)	193	325	0	325	0
Eólica Cijara, S.L.	59	(4)	(8)	47	32	0	32	0
Siljan Port, S.L.	3	(13)	(11)	(21)	4,621	0	4,621	0
Energías Renovables del Guadiana Menor, S.L.	24	(5)	(5)	14	2,849	0	2,849	0
Totals	7,160	1,503	3,433	12,096	14,869	(185)	14,684	216

As at 31.12.07								
	Share Capital	Reserves and Others	Results	Total shareholders' Equity	Gross book value	Accrual	Net book Value	Dividends Received
Parque Eólico Hinoial, S.L	2,876	893	309	4,078	1,837	0	1,837	0
Parque Eólico Altos del Voltoya, S.A	7,813	1,788	1,335	10,936	7,447	(682)	6,765	916
Catalana d'Energies Renovables, S.L.	130	(79)	1	52	252	0	252	0
Energía Renovable Mestral Eólica, S.L	5	5	(2)	8	5	0	5	0
Aprofitament d'Energies renovables T.A. (1,994	(45)	(62)	1,887	0	0	0	0
Eólica Cijara, S.L.	59	0	(2)	57	29	0	29	0
Total	12,877	2,562	1,579	17,018	9,570	(682)	8,888	916

FERSA ENERGÍAS RENOVABLES, S.A.

DIRECTORS' REPORT

FISCAL YEAR ENDING DECEMBER 31, 2008

1. Significant Events

On February 20, 2008, Fersa Energías Renovables S.A., (hereinafter Fersa), has proceeded to execute a non-monetary capital increase by means of which a number of different business groups have contributed several companies with wind farms in operation and in different phases of processing. This operation involved the contribution to Fersa of wind farms in Spain, India, France and Poland.

The non-monetary capital increase has been performed by means of the issue of 64,491,828 new shares at an issue price of 4.26216336 Euros per share. This new shares have been distributed pro rata the non-monetary contributions made by new shareholders. The operations included in this increase are as follows:

- 1) The ENHOL Group (Eólica de Navarra) has contributed companies with several wind farms, some of them in operation, others under construction or being developed, with 314.0 MW of power and a value of 131.7 million Euros.
- 2) Companies in which BANC SABADELL has invested and its minority holders have provided companies with several wind farms with 73.2 MW of power and a value of 32.9 million Euros.
- 3) Partners of companies in which Fersa already previously had ownership interests have contributed companies representing 81.7 additional MW, valued at 48.0 million Euros.
- 4) Companies in which CAJA GRANADA has an ownership interest and its minority partners have provided a total of 93.8 MW valued at 37.0 million Euros.
- 5) FOMENTO DE INVERSIONES Y CAPITAL S.L. (FOINCA), a company responsible for the management and administration of Fersa has integrated all of its know how and human resources into the Company so that Fersa now has its own management structure. This agreement by means of which Fomento de inversiones y capital S.L is integrated into Fersa has been performed through a non-monetary capital increase of the same nature as those described previously.

All together, the non-monetary capital increase has resulted in the incorporation into Fersa of 562.7 MW, valued at 274.8 million Euros.

This set of operations has constituted a very important quantitative and qualitative leap for Fersa, since it has permitted it to greatly increase its attributable power, internationally diversify its portfolio of projects and wind farms in operation, and make possible its entrance into countries with high growth potential and high profitability.

The Fersa shares issued as a consequence of the aforementioned non-monetary capital increase were accepted for trading on the Continuous Market (Spanish Stock Exchange Network) on June 5, 2008.

2. Strategic Agreements

During the fiscal year 2008, Fersa has reached a number of agreements for the development of wind farms, both nationally and internationally. Said projects are located principally in China, Russia and Italy.

2. 1. China

The Fersa Group has signed an agreement with the Chinese company Lubei Enterprise Group to develop wind farms in the Chinese province of Shandong, by way of a joint venture in which Fersa has a 48% stake holding.

The company now has the permits and authorizations to initiate the construction of a 48 MW wind farm (23 attributable MW)

During the fiscal year 2008, Fersa incorporated a subsidiary in China, Fersa Business Consulting Co., Ltd, with the objective of giving support to all of its operations in that country.

2. 2. Russia

An agreement has been reached with Russian developers to develop wind farms in Cherkesia province with an installed power of 575 MW. Fersa has an option to purchase up to 100% of the wind farms, once they are developed.

During the fiscal year 2008, the company Fersa Cherkessk in which Fersa has a 100% ownership interest was incorporated, with the tasks involving the evaluation of the wind resource having been initiated.

2. 3. Italy

In February 2008, an agreement was signed for the acquisition of 50% of Nextwind Srl, an Italian company which develops wind farms.

The company has an important portfolio of wind farms in different phases of development, over which Fersa has a 100% option to buy, at the moment in which construction is to be initiated.

3. Financial Highlights

The Net turnover, which corresponds principally to the invoicing of services rendered to associates, stands at 855 thousand Euros, 334% over the previous fiscal year. The principal reason is the incorporation of the new associates by means of a non-monetary capital increase.

Operating Expenditures, without counting amortisations, stand at 4,288 thousand Euros, which means an increase of 112%, basically, due to the increase in structural expenses necessary for the management of the incorporated new companies.

Financial income from associate companies' loans have reached 2,688 thousand Euros, an increase of 263% with respect to the previous year. In addition, dividend income from associates reached 439 thousand Euros, a decrease of 52% due to the smaller dividend received from Sociedad Parque Eólico Altos de Voltoya, S.A.

The treasury surplus which comes, basically, from the capital increase performed in June 2007, has generated financial income of 1,597 thousand Euros.

The impact on the profit and loss statement due to the investment provision is 28,162 thousand Euros. Fersa acquired four companies in India and four companies in Poland. Due to the approximate 15% devaluation of the rupee, with an approximate 16% devaluation of the zloty (the functional currencies of these ownership interests respectively) from the acquisition date until December 31, 2008, the recoverable value of said ownership interests in Fersa's individual balance has decreased. As a consequence, and in accordance with the New General Accounting Plan, it has been necessary to constitute a provision for these investments for the amount of 25,864 thousand Euros, which along with the rest, constitutes an accumulated investment provision of 29,876 thousand Euros as at December 31, 2008. It is worth highlighting that this impairment of the investments' value in India and Poland may be reversible if the recoverable value improves.

As a consequence, the negative financial results stand at 22,615 thousand Euros, compared to the positive financial result of 3,403 thousand Euros the previous fiscal year.

Fersa's losses stands at 26,039 thousand Euros compared to the net profit of 1,270 thousand Euros for the previous year. The principal cause of this result is the impact on the profit and loss statement of the previously described investment provision.

4. Principal risks associated with Fersa Group activities

a – Operational risks:

Group activities are exposed to a range of business risks such as wind and other meteorological conditions. The Group's operational risk involves technological failures, human error or errors resulting from external events.

The Group makes the investments necessary to mitigate these risks, and maintains an adequate insurance policy.

The Group's companies are subject to the legislation which is in force in each country in relation to rates at which electricity production is invoiced. The modification of the current legal framework could affect the activity's results.

It is worth mentioning that the Group's activities are subject to current environmental regulations, and are therefore subject to approval by the authorities of environmental studies, as well as to the granting of the corresponding permits and authorizations.

b – Financial risk and financial instruments:

The Group is exposed to interest rate curve fluctuations because it maintains all of its debt with financial entities at a variable interest rate. In this sense, the Group executes contracts to hedge interest rate risks, basically by means of contracts with structures which insure maximum interest rates. Said contracts, by nature comply with the hedging requirements established by IFRS-EU. As a consequence, exchanged net cash flows are reported in the profit and loss statement in accordance with their corresponding accrual. At the close of the fiscal year, said contracts are valued individually at fair value, recognizing their value in consolidated net equity.

Fersa Group activities outside of Spain are exposed to currency exchange rate fluctuation risks, with a possible effect on the result, and the market value of the corresponding Companies in which the Fersa Group has ownership interests, as well as on the translation of the results to the parent Company.

See additional information on other financial instruments in Note 8 of the annual report.

5. Environment

The environment is taken into consideration throughout the processing and construction of the installations, while performing the required studies in accordance with each country's legislation.

During the fiscal year 2008 and in relation to the installations in operation, the Group has incurred expenses in the amount of 214 thousand Euros, basically for the preservation of the fauna.

6. Treasury Shares

During the fiscal year 2008, and under the authorization granted by the General Shareholders' Meeting on May 2, 2007 and June 25, 2008, the Company has acquired treasury shares. As at December 31, 2008, Fersa has 1,818,581 treasury shares.

7. Information required in accordance with Section 116 bis of the Stock Market Act

In accordance with the provisions of Section 116 bis of the Stock Market Act 24/1988, of July 28, introduced by Act 6/2007, of April 12, the following information is presented below.

a) The structure of the capital, including the securities not traded in a regulated community market, with an indication, as the case may be, of the different classes of shares, and for each class of shares, the rights and obligations which said class confers and the percentage of share capital that it represents.

The company's share capital is set at the amount of ONE HUNDRED AND FORTY MILLION THREE THOUSAND SEVEN HUNDRED AND SEVENTY EIGHT (140,003,778) EUROS, divided into ONE HUNDRED AND FORTY MILLION THREE THOUSAND SEVEN HUNDRED AND SEVENTY EIGHT (140,003,778) shares, each with a nominal value of ONE (1) EURO, each of them of the same class or series, numbered from 1 to 140,003,778, represented by means of annotations to the account, granting the same rights. The shares have been fully paid in (Articles 5 and 6 of the company's Articles of Association).

b) Any restriction on share transferability;

There are no legal or statutory restrictions with regard to the acquisition or transfer of stake holdings in the share capital.

c) Significant stake holdings in the capital, whether direct or indirect;

Stake holdings in the capital are mentioned in Note 12 of the Annual Report.

d) Any restrictions with regard to the right to vote;

There are no legal or statutory restrictions with regard to voting rights.

e) Shareholder agreements;

Fersa Energías Renovables has no knowledge of the existence of any agreements between the Company's shareholders.

f) The rules applicable to the appointment and replacement of members of the board of directors and the modification of the company's articles of association;

f.1.) Said rules applicable to the appointment and replacement of members of the board of directors are set forth in Articles 10 and 11 of the Regulations governing the Board of Directors and in Article 2 of the Regulations governing the General Shareholders' Meeting, whose text is reproduced as an extract:

Board Regulations:

Article 10.- Appointment and conflicts of interest

“The General Meeting, or, as the case may be, the Board of Directors, shall be the entities competent to designate their members, in accordance with legal requirements and all requirements pursuant to the company's Articles of Association.

The Board Members will observe the legally established conflicts of interest.”

Article 11.- Dismissal and re-election of Board Members

“Board Members shall be dismissed, when the term for which they were appointed has elapsed, as well as in all other legally established cases as well as those provided for under the company's Articles of Association. They must place their office at the disposal of the Board of Directors and must execute the corresponding resignation when they incur in any of the following cases of conflict of interest or prohibition which are legally set forth and when the Board decides that the Board of Directors has engaged in a grave breach of its obligations.”

Regulations governing the General Shareholders' Meeting:

Article 2.- Classes and competencies.

(...) The General Shareholders' Meeting is the sovereign entity in terms of reaching decisions with regard to matters reserved thereto by Act or under the company's Articles of Association and, in general, in terms of passing all of the resolutions inherent to its condition as the company's sovereign body. In particular, and for illustrative purposes, it is responsible for:

() The appointment, re-election or ratification of members of the board of directors, without prejudice to the power of cooption by the board. Agree, if warranted, with regard to the removal of said members.

f.2.) The rules with regard to the modification of the company's Articles of Association are found in Article 14 of the company's Articles of Association and in Article 2 of the aforementioned Regulations of the General Meeting:

Articles of association

Article 14.- “The General Shareholders' Meeting, ordinary or extraordinary, shall be deemed validly established on first call when the shareholders, present or by proxy, hold at least 25% of the subscribed capital with voting rights. At the second call, the

Meeting shall be deemed validly established, whatever the percentage of share capital in attendance.

Notwithstanding the above, in order for the General Meeting to be able to validly agree on the issue of any debentures, a capital increase or decrease, the transformation, merger or split-off of the company and, in general, on **any modification of the Articles of Association**, the attendance shall be required, on first call, of shareholders present, in person or by proxy, who hold at least 50% of the subscribed capital with voting rights. On second call, the attendance of shareholders holding 25% of such share capital shall be sufficient. When shareholders holding less than 50% of the share capital with voting rights are in attendance, the aforementioned resolutions may only be adopted upon the affirmative vote of two-thirds of the capital whose holders are present, in person or by proxy. (...).

General Meeting Regulations

Article 2.- Classes and competencies.

✓ Approve resolutions with regard to any amendment of the Articles of Association, and in particular with regard to capital increases or decreases, issue of debentures, the transformation, merger, split-off or dissolution of the company

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

The Ordinary General Shareholders' Meeting passed the following resolution on 25/06/08:

“NINE: Authorization to acquire treasury shares within the limits and requirements established in Section 75 of the Public Limited Companies Act.

The General Shareholders' Meeting, in accordance with the provisions of Section 75 of the current Public Limited Companies Act, authorizes the Board of Directors to perform the derivative acquisition of Fersa Energías Renovables, S.A. shares, by means of any valuable consideration available at law, within legal limits and requirements, until reaching a maximum number of shares which does not exceed 5% of the company's share capital, and at a minimum nominal value price per share of 1 Euro and at a maximum price which does not exceed the current Stock Market share price.

This authorization is subject to compliance with all additional, applicable legal requirements, shall have a term of 18 months, counting from the date of the present General Shareholders' Meeting, and voids the authorization agreed upon at the last Extraordinary General Meeting held on February 20, 2008, in resolution Seven (1).

Furthermore, **Article 21 of the Articles of Association**, in section f) therein, with regard to the duties of the Board of Directors, sets forth the power to “Acquire,

negotiate, transfer and pledge securities, shares, or ownership interests, whether listed on the Stock Market or not, as well as execute, at Board of Directors meetings, all legally authorized operations.”

In addition, the Board of Directors of the company, pursuant to **Article 4 of the Board Regulations**, among other duties, is assigned that of developing, directly or by means of the Auditing Committee, all the duties imposed thereon pursuant to the company's status as a corporation listed on the Stock Market, specifically: Oversee the control of the periodic public information of a financial nature, and in general the control of the information provided to the financial markets, as well as the control of the information relative to all events, decisions or circumstances which could be relevant for stock quotations, in order to promote, to the degree possible, a correct drawing up of the company's share prices, avoiding manipulation and insider trading.

h) Important agreements entered into by the company and which enter into effect, are modified or are terminated in the event of a change of control of the company as a result of a takeover bid, and their effects, except when their dissemination is seriously harmful to the company. This exception shall not apply when the company is legally obliged to make this information public;

The company has not passed significant resolutions.

i) Agreements between the company and its directors, management executives or employees which involve compensation when said parties resign or are wrongfully dismissed, or if the employment relationship is terminated as a result of a takeover bid.

Agreements between the company and its directors, management executives are mentioned in Notes 21 and 22 of the Annual Report, with no compensation agreements other than those mentioned in said Notes.

8.- Subsequent events

There are no significant subsequent events.

9.- Corporate governance report