Deloitte

INDEPENDENT AUDITOR´S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
OPDE Investment España, S L

Report on the Consolidated Financial Statements

We have audited the consolidated financial statements of Grupo OPDE Investment España, S L and subsidiary companies, comprising the consolidated balance sheet at 31 December 2014, the consolidated income statement, the statement of consolidated changes in equity, the statement of consolidated cash flow and notes to the financial statements for the year then ended

Governing Body´s Responsibility for the Financial Statements

The Parent Company´s Governing Body is responsible for the preparation of the consolidated financial statements of the Group, such that they present a fair view of consolidated equity, the financial position and the consolidated results of OPDE Investment España, S L and subsidiaries, in accordance with the regulatory framework for financial information applicable to the Group in Spain, which is described in Note 3 1 of the notes accompanying the financial statements, and for such internal control as they determine necessary to enable the preparation of the financial statements free from material misstatement, whether due to fraud or error

Auditor´s Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit We conducted our audit in accordance with the Spanish regulatory standards for account auditing Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor´s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity´s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity´s internal control An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material aspects, the consolidated equity and financial position of OPDE Investment España, S L and subsidiaries at 31 December 2014, as do the consolidated results and consolidated cash flows for the year then ended, pursuant to the regulatory framework for financial information applied, and in particular, the accounting standards and criteria therein

Report on other legal and regulatory requirements

The accompanying annual report of the Company for 2014 contains the explanations which the Governing Body of the Company consider appropriate regarding the position of OPDE Investment España, S L and subsidiary companies , the evolution of business and other matters, but is not an integral part of the consolidated financial statements We have verified that the accounting information in the consolidated management report is consistent with that contained in the consolidated financial statements for 2014 Our work as auditors is confined to checking the consolidate management report within the aforementioned scope, and does not include a review of any other information other than that drawn from the accounting records of the Group

DELOITTE

Ignacio Lézaun Echevarri

April 30, 2015

OPDE Investment España, S L and Subsidiaries

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2014 (Notes 1,2 & 4)

(Thousands of Euros)

ASSETS	Notes	Year 2014	Year 2013 (*)
NON CURRENT ASSETS		140,892	146.910
Intangible assets	Note 7	4.614	3.618
Development		79	159
Concessions		2.030	2.150
Patents licences trademarks and similar		382	487
Computer software		228	322
Other intangible assets		196	500
Goodwill		1 699	
Property, plant and equipment	Note 8	114.714	120.400
Land and buildings		2.859	2.971
Plant, machinery tooling furnishings and other property plant and equipment		111 714	116 962
Assets in course of construction and advances		141	467
Property investment	Note 9	702	702
Long-term investment in Group companies and associates	Note 11 1	123	41
Other financial assets		123	41
Long-term financial investment	Note 11 1	8.539	10.359
Equity instruments		13	624
Long-term loans to companies		40	54
Other financial assets		8 486	9 681
Deferred tax assets	Note 20	12.200	11 790
CURRENT ASSETS		56 777	57.383
Inventories	Note 15	5.863	11.571
Available for sale		553	1 378
Raw materials and other supplies		343	355
Semi-finished goods	Note 8	3 735	8.995
Prepayments to suppliers		1.232	843
Trade and other receivables	Note 11.2	27.994	14.067
Trade receivables for sales and services rendered		18.327	7.279
Trade receivables from group companies and associates		310	348
Other receivables	Note 11	2.513	317
Current tax assets	Note 20	855	379
Other receivables from Public Authorities	Note 20	5.989	5 746
Investment in Group companies and associates	Note 11.2	615	144
Loans to companies		535	
Other financial assets		80	144
Short term financial investment	Note 11.2	9.863	21 455
Equity instruments		-	259
Short term loans to companies		827	763
Other financial assets		9.036	20 433
Prepayments and accrued income	Note 19	468	806
Cash and other cash equivalents		11.974	9.320
Cash		11 974	9.320
TOTAL ASSETS		197 669	204 273

EQUITY AND LIABILITIES	Notes	Year 2014	Year 2013 (*)
EQUITY		64 118	62,199
SHAREHOLDERS FUNDS-	Note 16	64 722	62.362
Capital		2.118	2.118
Registered capital		2 118	2,118
Reserves and prior years results		64.381	55.250
Legal reserve		602	602
Voluntary reserves		63 779	54 848
Reserves in consolidated companies		(7.517)	(5 115)
Result for the year attributable to the parent company		5 740	10 109
Consolidated losses and gains		5 684	9.902
Minority interests losses and gains		56	207
VALUE ADJUSTMENTS-		(1.384)	(342)
Translation differences		56	125
Hedging operations		(1 440)	(467)
GRANTS DONATIONS AND BEQUESTS RECEIVED		4	9
MINORITY INTERESTS-	Note 16 3	776	170
NON CURRENT LIABILITIES		94.004	112.255
Long-term provisions	Note 17	2.721	2.185
Liabilities for rendering of services		47	38
Other provisions		2.674	2.147
Long-term payables	Note 18	90 775	109.353
Bank borrowings		27 197	42.655
Finance lease liabilities		62 061	65.344
Derivatives	Note 13	1.517	334
Other financial liabilities		-	1 020
Deferred tax liabilities	Note 20	508	717
CURRENT LIABILITIES		39.547	29.819
Short term provisions	Note 17	66	1,043
Short term payables		25.017	15.549
Bank borrowings	Note 18	21 187	12.965
Finance lease liabilities	Note 10	3.331	3.236
Derivatives	Note 13	403	334
Other financial liabilities		96	14
Payables to Group companies and associates	Note 22.3	553	2 145
Trade and other payables		13.401	9.204
Trade payables to suppliers		8 513	6 158
Trade payables to Group companies and associates		14	2
Sundry payables		1.532	872
Personnel (accrued wages and salaries)		145	41
Current tax liabilities	Note 20	1.998	752
Other amounts payable to Public Authorities	Note 20	929	1.050
Advance payments from clients		272	331
Accruals and deferred income	Note 19	510	878
TOTAL EQUITY AND LIABILITIES		197 669	204.273

(*) Included solely for comparative purposes (Note 3.5)

Notes 1 to 24 in the consolidated notes and the accompanying annexes are an integral part of the consolidated balance sheet at 31 December 2014

OPDE Investment España, S.L. and Subsidiaries

CONSOLIDATED INCOME STATEMENT FOR 2014 (NOTES 1,2 & 4)

(Thousands of Euros)

	Notes	Year 2014	Year 2013 (*)
CONTINUING OPERATIONS			
Net revenue	Notes 21 & 24 4	74 516	55 115
Sales		69 049	48 700
Rendering of services		5 467	6 415
Changes in inventories of finished goods and work in progress		(5.260)	7 839
In-house work on assets		341	54
Procurements and consumables		(42 129)	(36 378)
Consumption of goods purchased for resale	Note 21 2	(17 782)	(20 677)
Consumption of raw materials and other consumable materials	Note 21 2	(896)	(11 149)
Subcontracted work		(23 430)	(5 243)
Impairment of goods for resale, raw materials and other consumables	Note 15	(21)	691
Other operating Income		3 403	1 318
Non-core income and sundry income		3 395	1 274
Operating grants released to income during the year		8	44
Personnel Costs	Note 21 3	(4 570)	(5 233)
Wages, salaries and similar remuneration		(3 789)	(3 950)
Social security expense		(758)	(1 063)
Severance payments		(23)	(220)
Other operating expense	Note 21 4	(9 475)	(11 205)
External services		(7 217)	(8 354)
Taxes		(1 232)	(1 253)
Losses, impairments and changes in trade provisions	Notes 11 2 & 17	(101)	(1 608)
Other operating expense		(925)	10
Depreciation and amortisation charge	Notes 7 & 8	(5 930)	(6 641)
Release of non-financial capital grants and others		9	14
Provision excess		819	(125)
Impairment and result on fixed asset disposals	Notes 7 & 8	(145)	17 312
Impairment and losses		(169)	(963)
Results on disposals and other		24	18 275
OPERATING RESULT		11 579	22 070
Financial income		188	553
From marketable securities and other financial instruments	Note 11 1	188	553
- From third parties		188	553
Financial expense		(6 215)	(7 127)
Payables to third parties	Notes 13 & 18	(6 131)	(7 046)
For updating of provisions		(84)	(81)
Exchange differences		1 044	(234)
Impairment and result on disposals of financial Instruments		2 094	(39)
Impairment and losses		8	(233)
Results on disposals and other	Notes 2.c & 11	2 086	194
FINANCIAL RESULT		(2.889)	(6 847)
RESULT BEFORE TAX		8 690	15 223
Income tax	Note 20	(3 006)	(5 321)
RESULT FOR THE YEAR FOR CONTINUING OPERATIONS		5 684	9 902
CONSOLIDATED RESULT FOR THE YEAR		5 684	9 902
Result attributable to the parent company		5 740	10 109
Result attributable to minority interests		(56)	(207)

(*) Included solely for comparative purposes (Note 3 5)

Notes 1 to 24 in the consolidated notes and the accompanying annexes are an integral part of the consolidated income statement at year end 2014

OPDE Investment España, S L and Subsidiaries

CONSOLIDATED STATEMENT FOR CHANGES IN EQUITY FOR 2014 (Notes 1, 2 & 4)

(Thousands of Euros)

A) STATEMENT OF RECOGNIZED CONSOLIDATED INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER 2014

	Year 2014	Year 2013 ( )
Consolidated result for the year	5 684	9.902
Total income and expense allocated directly to consolidated net equity	(1 273)	268
Cash flow hedges	(1 586)	372
Grants donations and bequests received	4	(73)
Translation differences	(71)	84
Tax effect	380	(115)
Total transfers to the consolidated income statement	226	274
Cash flow hedges	332	347
Grants donations and bequests received	(9)	44
Tax effect	(97)	(117)
TOTAL RECOGNIZED INCOME AND EXPENSE	4 637	10 444
Total income and expense attributable to the parent company	4 693	10 651
Total income and expense attributable to minority interests	(56)	(207)

( ) Incluido exclusivamente a efectos comparativos (Nota 3 5)

B) STATEMENT OF TOTAL CHANGES IN CONSOLIDATED NET EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Registered capital	Reserves	Treasury shares	Result for the year attributable to the parent company	Grants	Minority interests	Value adjustments	TOTAL
ADJUSTED OPENING BALANCE 2013	3 012	78.501	-	(1 731)	29	221	(904)	79 128
Total recognized income and expense		-		10 109	(20)	(207)	562	10 444
Transactions with shareholders and owners								
Operations with treasury shares (Note 1)	-		(26 556)	-			-	(26 556)
Reduction of capital (Notes 1 & 16 1)	(894)	(25 662)	26 556	-	-	-		
Distribution of dividend (Note 16.2)	-	(130)		-	-	-		(130)
Other changes in equity	-	(2.574)		1 731		156		(687)
CLOSING BALANCE 2013 ( )	2.118	50 135		10.109	9	170	(342)	82.199
Total recognized income and expense	-			5 740	(5)	(56)	(1 042)	4 637
Transactions with shareholders and owners								
Acquisition of Opde Solare S r l. (Note 2 c)	-	(600)	-	-		912	-	312
Spin off of Proyectos Integrales Solares S L. (Note 1)		20	-	-		(250)	-	(230)
Distribution of dividend (Note 16.2)		(2.800)	-					(2.800)
Other changes in equity								
Distribution of result		10 109	-	(10 109)				
CLOSING BALANCE 2014	2.118	56.864	-	5 740	4	776	(1 384)	64 118

( ) Incluido solely for comparative purposes (Note 3 5)

Notes 1 to 24 in the consolidated notes and the accompanying annexes are an integral part of the statement of total changes in consolidated equity for 2014

OPDE Investment España, S L and Subsidiaries

CONSOLIDATED CASH FLOW STATEMENTS FOR 2014 AND 2013 (Notes 1, 2 & 4)

(Thosands of Euros)

	Notes	Year 2014	Year 2013 (*)
CASH FLOWS FROM OPERATING ACTIVITIES (I)		5.498	(5 789)
Result for the year before tax		8.690	15 223
Adjustments for		9 386	(5 554)
Depreciation and amortisation charge	Notes 7 & 8	5 930	6 641
Impairment		291	2 113
Changes in provisions	Note 17	393	(2 716)
Release of grants		(9)	(44)
Gains/losses on derecognition and disposals of equity instruments		(2 094)	
Gains/losses on derecognition and disposals of fixed assets	Note 21 5	(24)	(18 275)
- Financial income		(188)	(553)
Financial expense		6 131	7 046
- Exchange differences		(1 044)	234
Changes in working capital		(5 670)	(9 357)
- Inventories	Note 15	6 436	(5 823)
- Trade and other receivables		(12 283)	(249)
Loans to Group companies and associates		(471)	82
Other current assets		533	13 697
Trade and other payables		2 628	(15 802)
Payables to Group companies and associates		(2 145)	
Other current liabilities		(368)	9 171
Other non current assets and liabilities			(16 362)
Changes in the consolidation scope			5 929
Other cash flows from operating activities		(6 908)	(6 101)
Interest paid		(6 001)	(6 624)
Interest received		188	-
Received (paid) income tax		(768)	1 072
Other collections (payments) for provisions	Nota 17	(327)	(549)
CASH FLOWS FROM INVESTING ACTIVITIES (II)		10 737	(2 060)
Payments due to investment		(6 549)	(2.202)
Intangible assets	Note 7	(1 898)	(604)
Property plant and equipment	Note 8	(879)	(1 252)
Other financial assets	Note 11 1	(3 772)	(346)
Collections on divestments		17 286	142
Intangible assets		141	-
Property plant and equipment		26	-
Other financial assets	Note 11 1	17 119	142
CASH FLOWS FROM FINANCING ACTIVITIES (III)		(14 246)	(2.902)
Proceeds and payments relating to financial liability instruments		(11 446)	(2 772)
Issue of			
Bank borrowings	Note 18 1	5 193	1 182
Collections from Group companies and associates		46	
Repayment and amortisation of			
Bank borrowings	Note 18	(15 747)	(3 954)
Other borrowings		(938)	-
Payments of dividends and remuneration of other equity instruments		(2.800)	(130)
Dividends	Note 16 2	(2 800)	(130)
EFFECTS OF EXCHANGE RATE VARIATION (IV)		1 044	
NET INCREASE/DECREASE OF CASH AND CASH EQUIVALENTS (I+II+III+IV)		3 033	(10 751)
Cash and cash equivalents at beginning of year		9 320	20 071
Exit from consolidation scope due to spin off (Note 1)		(379)	
Cash and cash equivalents at year end		11 974	9 320

( ) Included solely for comparative purposes (Note 3 5)

Notes 1 to 24 in the consolidated notes and the accompanying annexes are an integral part of the cash flow statements for 2014

Grupo Opde

OPDE Investment España, S.L.
and Subsidiaries

Notes to the consolidated financial statements for the year ended 31 December 2014

1 Corporate purpose and activity

OPDE Investment España, S L , (hereinafter the Company) was incorporated on 20 January 2005 under the name Otras Producciones de Energía, S L (OPDE, S L) On 3 July 2009 Otras Producciones de Energia, S L changed its name to OPDE Investment España, S L

On that date a capital increase was executed in the investee, Otras Producciones de Energía Fotovoltaica, S L through the contribution of a line of business by the company such that OPDE Investment España, S L became a holding company with interests in various group companies and associates while Otras Producciones de Energía Fotovoltaica, S L continued to carry out the activities connected with the development of solar parks which until that time had been carried out by OPDE, S L The contribution was covered by the Special Regime for mergers, splits, asset contributions and share exchanges contained in Provincial Law 24/1996 on Corporate Income Tax For detailed information of the process see the Notes for the consolidated annual accounts for year end 2009

As a result of the contribution of the "solar plant development, marketing, installation, sale and maintenance" business to Otras Producciones de Energia Fotovoltaica, S L the Company's corporate purpose mainly consists of

- The subscription, acquisition, transfer, management, administration, holding and enjoyment of stocks and shares representing an interest in companies resident and not resident in Spanish territory and financial assets in general, fixed or variable income, involving any securities, and the assignment to third parties of equity, interests in the equity of other companies and shares in the capital or assets of collective investment undertakings, whether listed or other in organised markets, without carrying out activities typical of collective investment undertakings

- Sale of energy to electricity companies

Its registered office for mercantile and tax purposes is located in Fustiñana (Navarra)

At the 2014 and 2013 year end OPDE Investment España SL is the parent of a group (hereinafter the Group), made up of the subsidiaries and associates detailed in Annex I and II, respectively

A breakdown by segment and the most significant changes in the consolidation scope are detailed in Notes 24 4 and 2 c respectively

For the purposes of preparing the consolidated annual accounts, a group is understood to exist when the parent company has one or more subsidiaries, i e companies controlled directly or indirectly The principles applied in the preparation of the Group's consolidated annual accounts, together with the consolidation scope, are set out in Notes 2 and 5

The consolidated annual accounts of the OPDE group for 2014 were presented by the Directors at the Board of Director´s Meeting held on March 31, 2015

Grupo Opde

The consolidated annual accounts of the OPDE Group for 2013 were presented by the Directors at the Board of Directors Meeting held on March 31, 2014 and approved at the General Shareholders Meeting for OPDE Investment España, S L held on June 30, 2014 and registered with the Navarre Companies House

Spin off of Proyectos Integrales Solares, S L

On June 30, 2014 at the Extraordinary General Meeting the shareholders unanimously approved the partial spin off of a part of their equity in favor of the trading company, Photovoltaic Global Distribution, S L , which was constituted simultaneously and as a consequence of the said partial spin-off The corporate address of said company is in in Fustiñana (Navarre) In making a block purchase of all the capital shares said company became the owner of Proyectos Integrales Solares, S L (Single Shareholder Company) This agreement was published in the Official Bulletin nº136 of Companies House on July 21, 2014 and became a public deed on October 13, 2014 which was later rectified and recorded as a public document on January 13, 2015 Subsequently, on January 16, 2015 the agreement was registered in Companies House

The main aspects of the approved draft terms of division are as follows

1 Procedure

The partial spin-off operation consists in separating the related assets and liabilities to the newly set up company (which is initially held in the same percentages by the same shareholders – note 16), Photovoltaic Global Distribution, S L , regarding the holding of 100% of the share capital of Proyectos Integrales Solares, S L U

As the beneficiary company of the spin-off is a limited liability company, and additionally, in accordance with the terms of article 78 bis of the Act 3/2009 of April 3, regarding structural modifications of trading companies (according to which, the shares in the new company will be attributed to the shareholders of the company which proportionately splits off the shares they hold in the capital of the spin-off company) there is no obligation for the spin off to be subject to any independent expert report

On March 13, 2015 the General Shareholders Meeting of Photovoltaic Global Distribution, S L approved a capital increase due to the entry of a new Shareholder This subsequently became a public document on March 26, 2015

In addition, as the beneficiary company of the spin-off is a limited liability company, a Directors report regarding the draft terms of division is not required

2 Spin-off balance sheet

The spin-off balance sheet is 2013 year end (approved at the General Shareholders Meeting on June 30, 2014)

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3 Accounting effect of the spin-off

As a consequence of the entry of a new shareholder in the capital of the beneficiary company, the ownership structure and the taking of decisions has changed, such that, from an accounting point of view, the date for the spin-off for accounting purposes is not that from the beginning of the year, but that from the date at which the approved draft terms of division became a public deed, i e October 13, 2014

Thus, the Group has integrated the results of the sub-group Proinso up to October 13, 2014 These are as follows

Losses and gains	From 1 1 14 to 13 10 2014
Sales	13 874
Rendering of services	257
Procurements and supplies	(12 825)
Other operating income	27
Personnel expense	(550)
Other operating expense	(1 023)
Depreciation of plant, property and equipment	(41)
Provisions excess	14
Impairment and result on disposals of property, plant and equipment	3
Other income / expense	33
OPERATING RESULT	**(231)**
Financial income	94
Financial expense	(192)
Exchange differences	86
Impairment and result on disposal of financial instruments	26
FINANCIAL RESULT	**14**
PRE-TAX RESULT	**(217)**
Corporate income tax	(63)
RESULT FOR THE YEAR	**(280)**

4 Exchange ratio and procedure

As a consequence of this operation, the shareholders of the partially spun-off trading company will receive a number of shares proportional to the shares which they hold in the company which is being divided in lieu of an economic transfer

The shareholders in the separated company will receive a number of shares in the beneficiary company equivalent to dividing by four the number of shares they hold in the divided company The exchange ratio will not involve any payment to the shareholders of the spin-off The exchange rate is based on the real value of the economic unit of the divided company, and taking into account the real value of its respective assets and liabilities No complementary payments of any kind are foreseen

Grupo Opde

5 Assets and liabilities which will be transferred to the beneficiary company of the spin-off

Opde Investment, S L divides the economic unit made up of the shareholding it holds in the share capital of Proyectos Integrales Solares, S L U

The asset and liability items which are transferred from the parent company of the Group to the beneficiary company are the following

Asset	Thousands of euros	Liability	Thousands of euros
Long-term investment in Group companies and associates	1 200	Voluntary reserves (Note 16)	1 200
Total	1.200	Total	1 200

6 Spin-off tax regime

The partial spin-off operation has been taxed under the Tax Regime laid out in Chapter IX of Title IX of Regional Act 24/1996 of December 30, regarding corporate income tax in the Region of Navarre As such, the Navarre Tax Authorities have received the appropriate information

Agreement reached with Ríos & Enrique, S L. in 2013

On June 19, 2013, OPDE Investment España, S L and its partners signed an agreement with the minority shareholder, Ríos & Enrique, S L for the acquisition as treasury shares of its shares in OPDE Investment, S L As payment for the shares, the Group transferred the ownership to Rios & Enrique, S L of the solar parks Almaraz XXXV, S L U , Ribaforada 6, S r l , Piemonte Eguzki 1, S r l and Piemonte Eguzki 10, S r l and certain properties, offsetting in addition the receivable and payable balances which were held between both groups
The following operations were undertaken to execute the agreement reached

- On June 19, 2013 at the General Shareholders Meeting of OPDE Investment España, S L it was agreed to acquire the shares held at that time by Ríos & Enrique, S L , and for their immediate amortization through a reduction in share capital

- On June 19, 2013, the Group acquired as treasury shares, the share capital held by Ríos & Enrique at that time at a price of EUR 26 556 thousand, approximately, and thus generated a payable amount for said total to Ríos & Enrique, S L

- On June 19, 2013, the Group notarized by public deed, the agreement for the reduction in share capital for the purpose of redeeming the 89 356 shares at a par value of 10 euros which it holds as treasury shares (Note 16)

  As a consequence, the Group reduced its share capital by EUR 894 thousand The difference between the acquisition price and the reduction in share capital, (EUR 25 662 thousand) was charged under "Reserves" in the accompanying consolidated balance sheets (Note 16)

- Río & Enrique, S L purchased from the Group 100% of the assets and liabilities of

Grupo Opde

Parent Company	Company Sold	Sale Price Thosands of Euros	Gross Capital Gain (Notes 8 & 21 5)
OPDE Investment, S L	Ribaforada 6, S r l	5 757	1 115
OPDE Investment, S L	Piemonte Eguzki 1, S r l	5 664	5 040
OPDE Investment, S L	Piemonte Eguzki 10, S r l	6 120	2 906
Otras Producciones Industriales, S L U *	Almaraz Fotovoltaica 35, S L U	12 047	9 476
	Total	**29 588**	**18.537**

* OPDE Investment, S L holds 100% of the share capial of Otras Producciones Industriales, S L U (Annex)

Price payment was carried out through the partial compensation of the payable amount generated by the treasury shares purchase

In addition, Ríos & Enrique, S L purchased a property from the Group for EUR 1 541 thousand As a consequence the Group recorded a capital gain of EUR 67 thousand (Note 21 5) The collection of this payment was carried out through the partial offsetting of payable amounts the Group held with Ríos & Enrique, S L

As a consequence of this sale, the Group recorded a gross capital gain for EUR 18 537 thousand under the item "Impairment and results on fixed asset disposals – Results on disposals and others" in the accompanying consolidated income statement The associated costs for this operation totalled EUR 1 660 thousand (Note 21 5)

- The receivable and payable amounts held between the Group and Ríos & Enrique, S L were offset by EUR 4 572 thousand

Sector regulation in Spain

The electricity generation activity of the Company is regulated by electricity sector Law 413/2014, of June 6, which came into force on June 10, 2014 as well as the regulatory provisions covered by said law

On 28 May 2007, Royal Decree 661/2007 was published, which regulates energy production activity covered by the Special Regime Subsequently, on 26 September, 2008, Royal Decree 1578/2008 was published, regarding remuneration in the activity of electrical energy production through solar photovoltaic technology for installations subsequent to the remuneration deadline of the Royal Decree 661/2007, of 25 May 2007

On 23 November 2010, the Royal Decree 1565/2010 of November 19 was published, which regulated and modified certain aspects related to the activity of electrical energy production covered by the Special Regime This Royal Decree considers a premium reduction of between 5% and 45% for new projects which enter in the first pre-allocations called after the coming into being of the Royal Decree, as well as abolishing the option of receiving the regulated tariff from the 26th year onwards

In addition, on 24 December 2010, the Royal Decree 14/2010 of 23 December was published, introducing urgent measures for the adjustment of the tariff deficit in the electrical sector This Royal Decree established a limit in the working equivalent hours for photovoltaic installations which have the right to the receiving of a premium and the introduction of a toll of 0 5€/MWh in order for the special regime to contribute to the maintenance and development of the transport and distribution network

The Sustainable Economy Law (Lay 2/2011) extended the number of years with rights to a premium tariff from 25 years to 30 years for those facilities covered by the tariff regime from the Royal Decree 661/2007

Grupo Opde

On 28 January, 2012 the Official State Bulletin was published which brought into effect Royal Decree – Law 1/2012 (RDL 1/2012), which suspended pre-allocation remuneration processes and abolished economic incentives for new electric energy installations based on cogeneration, renewable energy sources and waste

In 2014 and 2013 a series of regulatory modifications have come into effect which has substantially altered the business of the Group, amongst which the following are highlighted

- On 27 December, 2012, Law 15/2012 was published in the Official State Bulletin, regarding sustainable energy measures This law brought into effect a new tax on the production of electricity, amounting to 7% of the sales of electrical energy of all producers regardless of the type of energy or form of payment This law came into effect on January 1, 2013

- On February 2, 2013 the Royal Decree 2/2013 of February 1 was published, regarding urgent measures for the electrical system and financial sector This legal document states that from 2013 onwards, the CPI to be used to update premiums and tariffs will be the underlying CPI, which excludes fresh food and energy products from flat taxes In addition, all special regime technology is gathered under a single remuneration formula it establishes that this remuneration is to be carried out under the regulated tariff formula, except when the holder of the facility decides to receive only the market price (without premium) Therefore, the option of selling the electricity in the electric energy production market at market price and receiving a variable premium based on the market price is eliminated This Royal Decree came into force the day after its publication

- On July 14, 2013, Royal Decree-Law 9/2013 came into force, which adopted urgent measures to guarantee the financial stability of the electrical system This Royal Decree-Law set up the principles on which the legal regulations will be based on regarding the legal and economic regime applicable to electrical energy production facilities using renewable, cogeneration and waste energy sources, and established a series of mechanisms in virtue of which, and in accordance with the subsequent development of this regulation, certain complementary remunerations are established for facilities of this nature in order to guarantee a reasonable operational profitability before tax on the investment This Royal Decree, amongst other issues, replaces the special regime in place up to the time, and in particular and explicitly the Royal Decree 661/2007, of May 25, which regulates electrical energy production activity under special regime and Royal Decree 1578/2008 regarding remuneration in the activity of electrical energy production through solar photovoltaic technology for facilities subsequent to the remuneration deadline of the Royal Decree 661/2007, of May 25

In 2014 a regulatory development to Royal Decree-law 9/2013 has been approved, which has been formalized in the approval of Royal Decree 413/2014, which regulates and defines the new legal and economic model, and in the Ministerial Order IET/1045/2014 of June 16, which sets out the remuneration parameters for the facilities applicable by type to determine the specific retribution The information is in more detail as follows

- On June 6, 2014 Royal Decree 413/2014 was approved, which regulates the activity of electrical energy production using renewable, cogeneration and waste energy sources, and includes the following matters amongst others

    - The remuneration of electrical energy production using renewable energy sources is set according to the market price plus a specific remuneration

    - The specific remuneration is made up of an investment compensation (based on the power installed) and an operating compensation (based on the production), albeit this remuneration will be different for each generator depending on the energy used and the characteristics of each facility type

- The operating remuneration values will be revised annually for facilities whose operating costs essentially depend on the price of fuel, every three years investment remuneration estimates may be revised for facilities by the market price of energy sale, as well as directly related remuneration parameters, and every six years the value upon which reasonable profitability of the facilities is based will be revised Once recorded, under no circumstances may the two following parameters be revised the regulatory useful life and the standard value of the initial investment of a facility

- To calculate the specific remuneration, an estimate is made of the standard income from the sale of the generated energy, valued at the price (estimated) of the production market Given that there may be differences between the estimated market price and the final price, article 22 of RD 413/2014 establishes an adjustment mechanism for the specific remuneration which takes into consideration market price adjustments At the end of the regulatory useful life of a facility or the situation in which the specific remuneration regime is lost, the positive and negative balances of the adjustment values for deviation from market price will be settled by the entity in charge of the liquidation in the six liquidations subsequent to the ending of the regulatory useful life of the facility or the date of its renunciation

• On June 20, 2014 the Ministerial Order IET/1045/2014 of June 16 was published, which approved the remuneration parameters for facility types applicable to certain electrical energy production facilities using renewable, cogeneration and waste energy sources This order introduced the following points

  - A classification of facility types is set up according to the technology, power installed, age, electric system and other segments required for the remuneration regime to be applied Each group and sub-group of facilities corresponds to a set of installation types, to which an individualized code is assigned Annexes I and IV of the order define the installation types ans assign a total of 2,071 numeric codes Each code is assigned with an annual investment and operating remuneration

  - The years subject to this method of remuneration are 2013 (from July 14 to December 31, 2013, Annex II 1), 2014, 2015 y 2016 (Annex II 2)

  - The most relevant parameters are investment remuneration for the power output, operating remuneration, the regulatory useful life, the number of hours of minimum operating, the operating threshold and the number of hours of maximum operating for operating remuneration purposes

Sector regulation in Italy

The regulatory framework which addresses both the procedures required as well as the operating of and management of photovoltaic plants in Italy is principally based on "Decree 387" from 2003, which is applied in Italy to the European Directive 2001/77/CE The Directive introduced the legal framework and general rules, as well as establishing energy production regimes based on renewable sources in the Italian electricity network The Decree set a fixed premium system on rates for a period of 20 years, and made support and promotion of energy production based on renewable sources a priority by

- Simplifying and unifying authorization procedures, through the introduction of deadlines and specific and immovable laws

- Introducing economic incentives

- Granting priority of access to the national grid

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Subsequently, the Italian Government approved, via Ministerial Decree, the decree known as "Nuovo Conto Energia", which specifically regulated photovoltaic plants and came into being on February 19, 2007 This Decree stipulated the prices for the income obtained from the premium rate system In accordance with the decree, three categories of photovoltaic plants were defined Non-integrated (basically, ground - based), partially integrated, and integrated (basically on roofs, greenhouses and car parks)

Due to the rapid expansión of the Italian Market, on August 6, 2010, the Ministries of Environment and Finance passed a Ministerial Decree which established new rates applicable to the years 2011-2013 This measure, named "3º Conto Energia" came into effect on January 1, 2011

In March 2011, the Italian Government enacted the Legislative Decree 28/2011 (also named "Renewables Decree), which granted the Ministry of Finance the power to modify the system of incentives, and finalized the process by approving the Ministerial Decree of May 5, 2011 named "4º Conto Energia"

The "4º Conto Energia" established a system of varying incentives based on the type and size of photovoltaic plants

The Ministerial Decree of July 5, 2013 published the "5 Conto Energia" which updated the incentives set by the Energy Systems Management for the photovoltaic sector in accordance with the real costs of photovoltaic facilities

In 2013 the following regulatory changes were introduced

- Ministerial Decree Nº 69 published on June 21, 2013 extended the application of the "Robin Hood Tax" to energy producers whose sales exceeded EUR 3 million and whose pre-tax profits exceeded EUR 300 thousand This tax increases the "Imposta sul Reddito delle Societa (IRES)" tax by 6 5%

- On July 1, 2013 the Ministerial Decree "5 Conto Energia" of July 5, 2012 ceased to be applied The date on which it ceased to be applied marked the deadline for new photovoltaic projects applying for the electricity production incentives in accordance with the parameters set out by this Ministerial Decree

- On December 20, 2013 a resolution named "Agenzia delle Entrate" was published, a ruling which stated that amortization costs which exceed 4% per annum will not be deductible The Group amortizes its photovoltaic facilities over 25 years

- In 2013, the 2014 Stability Law was approved, through which the "Imposta Municipale Propria" is deductible in the "IRES" by 30% and 20% for 2013 and subsequent years respectively

In 2014 the Italian Parliament approved the Decree Law nº 91 of June 24, with Law nº116 of August 11, 2014, which affects the incentives guaranteed to photovoltaic companies, offering other incentive options

This Law sets out that photovoltaic companies must choose the new incentive model prior to November 30, 2014 The options established by the Law are the following

- Extension of the useful life of the photovoltaic park with a tariff reduction of between 17% and 25%

- Modifivation of the maturity dates of accounts receivable without modifying the useful life

- Reduction of income between 6% and 8% without modifying the useful life of the park This option will be designated by default if the company still has not made a decision by November 30, 2014

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The Directors have considered the third option and such have included it in the impairment tests conducted

2 Subsidiaries, associates and multi-group companies

a) Subsidiaries

Consolidation has been carried out by applying the fully consolidated method to all subsidiaries, which are those in which the Group exercises or may exercise control either directly or indirectly, which is understood as the power to manage the financial and operating policy of a company to obtain economic benefit from its activities This circumstance is generally, though not solely, demonstrated by having direct or indirect ownership of 50% or more of the voting rights of the company In accordance with part b) of these Notes, the Parent company consolidates by the equity method those companies in which it holds 50% of the voting rights as it is understood that this percentage grants the Parent company (directly or indirectly), significant influence, and not control, in accordance with the definition given by the Royal Decree 1159/2010 relating to the Rules for the presentation of Consolidated Annual Accounts (Note 3 1)

The capital interest of minority shareholders in consolidated subsidiaries´ equity and results is presented under the item "Minority interests" under "Equity" in the consolidated balance sheet and in "Result attributable to minority interests" in the consolidated results statement respectively

Annex 1 of these notes details the subsidiaries included in the consolidation scope, indicating percentages held (direct plus indirect) All of them have the same financial year as the Group those subsidiaries which are within the consolidation scope and have not been audited have been revised with respect to the consolidation scope by the chief auditor

Regarding the subsidiaries in England, the Group s Board of Directors have expressed that it is their intention to qualify for audit exemption through section 479A of the Companies Act 2006 The subsidiaries benefitting from this exemption are Epsilon Solar Limited, Iota Solar Limited, Kappa Solar Limited, Lambda Solar Limited, Alpha Solar Limited, Gamma Solar Limited, Delta Solar Limited, Omega Solar Limited, Omicron Solar Limited, Sigma Solar Limited, Tau Solar Limited and Theta Solar Limited

b) Jointly held and associate companies

Jointly-held companies are those which constitute a joint business and are consolidated by applying the proportional consolidation method, which consists of the inclusion in the consolidated annual accounts of the portion of assets, liabilities, expense and income of these companies which corresponds to the percentage of its equity which is owned by the Group A joint business is understood to be one in which there is joint control together with other parties, which arises when a statutory or contractual agreement exists under which the strategic decisions of the activities, both financial and operational, require the unanimous consent of the parties sharing control At year end 2014 and 2013 there are no companies held by the Group in which there is joint control

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Associate companies are those in which significant influence is exercised in their management, which is understood to be the power to intervene in financial and operating policy decisions, but without ever having control or joint control Significant influence in a company is assumed when the interest held in the company equates to or exceeds 20% Associate companies are registered by applying the equity method The equity method consists of including a line in the consolidated balance sheet "Long-term investments in group companies and associates – Equity method" for the value of net assets and goodwill if there were, relating to the interest held in the associate company The net result every year corresponding to the percentage held in these companies is recorded in the consolidated results statement as "Share in profits (losses) equity method companies

Annex 1 of these notes details the associate companies included in the consolidation scope All of them have to the same financial year as the Group

c) ***Changes in the consolidation scope***

At December 31, 2013 the Group reclassified by recording a credit under the item "Non current assets held for sale" and a charge under "Non-current related liabilities held for sale", the assets and liabilities relating to OPDE Solare, S r l , OPDE Puglia, S r l , and Solare Puglia, S r l given that the sale process which was underway at 2012 year end could not be closed (Notes 8, 14 & 25)

In 2014, the parent company has acquired 32% of OPDE Solare, S r l , for EUR 600 thousand (the remaining 68% is owned by OPDE Italy, S r l) At 31 December, 2014 there is an outstanding amount of EUR 400 thousand recorded under "Sundry payables" in the accompanying balance sheet for 2014

In 2014 and 2013 the Group has not included the 24% share capital it has in Renter Gestiones, S L in the consolidation scope, as it has insignificant assets, liabilities and operations At the end of 2014 the total amount of assets, equity and net result (losses) of this company totalled EUR 300 thousand, EUR 6 thousand and EUR 1 thousand respectively (EUR 488 thousand, 5 thousand and 32 thousand in 2013)

Similarly, in 2014 and 2013 the Group has not included its 100% ownership of OPDE US Corp in the consolidation scope, which at the end of 2014 is in the process of liquidation In March 2015 the company has been wound up and the Directors do not expect any disruption caused

In 2014, there has been a spin-off of the Group company Proyecto Solares Integrales, S L U and thus since October 13, 2014 it is no longer included in the consolidation scope (Note 1)

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In 2013, 4 companies were sold (Note 1) and 7 companies liquidated The liquidated companies were promotional companies which did not have any activity The companies are set out in the following table

Company	Reason for scope exit
Piemonte Eguzki 1, S r l (Note 1)	Sale
Piemonte Eguzki 10, S r l (Note 1)	Sale
Ribaforada 6, S r l (Note 1)	Sale
Almaraz Fotovoltaica 35, S r l (Note 1)	Sale
Piemnote Eguzki 9, S r l	Liquidation
Genapie 1, S r l	Liquidation
Ribaforada 4, S r l	Liquidation
Jonisun, S L U	Liquidation
Lindisun, S L U	Liquidation
Candisun, S L U	Liquidation
Iñisun, S L U	Liquidation

The impact of the sold companies on the consolidated income statement for 2013 is described in notes 1 and 21 5

The impact of the liquidated companies on the accompanying consolidated income statement is not significant

d) Going concern

As is described in Note 1, the new rulings which have come into effect in the current year have introduced significant uncertainty with respect to the development of the electrical sector, and thus also for the segment for electricity sale amongst others (note 24 4) in which the Group acts In accordance with the rulings approved and the information available to date regarding future effects, the Group has already suffered during this current year and in the future will suffer a significant decrease in profitability and in the expected cash flows of its assets in the segment, which in turn entails, amongst other issues, a risk with respect to the Group's capacity to meet the financial commitments pertaining to current financial agreements (both of principal and interest as well as meeting Financial Ratios, with the possible consequence of early maturity of contracts stemming from these non-compliances) Similarly, the remaining activities carried out by the Group (Note 24 4), are related to the electricity sector and thus are affected by the aforementioned regulatory changes

The Group's Directors have assessed the impact of the new regulations on the energy segment and others in which the Group acts, and in particular, as previously mentioned, on the capacity of the Group to meet its financial commitments and obligations pertaining to financing agreements (Note 18), and has reached the following conclusions

- The Group has fully met all its financial commitments pertaining to financing agreements at the date of presenting the accompanying consolidated financial statements

- The Group will be able to meet any debt servicing until the debts have been fully paid off

- The value of the projects is higher than the amount owed (i e the expected cash flows from the projects are greater than the debt servicing due)

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In these circumstances, the Group's Directors have prepared these consolidated financial statements following the going concern principle, due to, as was previously stated, incompliance being improbable over the next twelve months regarding the financial commitments bome in virtue of current financing agreements, or for any foreseeable incompliance of financial commitments until the final maturity date of the financing contracts, it also being improbable that this fact results in any early maturity of financing agreements

In addition, the Group is actively involved in projects in other geographical areas which are not affected by the regulatory changes previously referred to

3 Basis of presentation of the consolidated annual accounts

3.1 Regulatory framework for financial information applicable to the Group

These consolidated annual accounts have been prepared by the Directors of the Parent company in accordance with the regulatory framework for financial information applicable to the Group as set out in

a) The Code of Commerce and other commercial laws

b) The Regulations for the presentation of Consolidated Annual Accounts approved by Royal Decree 1159/2010, the General Chart of Accounts approved by Royal Decree 1514/2007 and their sector adaptation

c) The mandatory rules approved by the Institute of Accountancy and Account Auditing within the development of the General Chart of Accounts and their complementary rules

d) The remaining Spanish accounting laws to be applied

3 2 Fair view

These consolidated annual accounts for 2014 have been prepared on the basis of the accounting records of the Parent Company and the companies which make up the OPDE Group (hereinafter, the Group – see Annex I) and are presented in accordance with the regulatory framework for financial information applicable to the company and, in particular, the accounting principles and criteria contained Such that they express a true and fair view of equity, the financial situation, the Group results and the cash flows for the year These consolidated annual accounts have been presented on March 31, 2015 These consolidated annual accounts, which have been presented by the Company Directors will be submitted for approval at the General Shareholders Meeting, and are expected to be approved without any modifications and deposited in the Commercial Register of Navarre

3 3 Application of non-obligatory accounting principles

No non-obligatory accounting principles were applied In addition, the Directors of the Parent Company formally prepared these consolidated annual accounts taking into account all the obligatory accounting principles and standards with a significant effect thereon All obligatory accounting principles were applied

3 4 Key issues relating to the measurement and estimation of uncertainty

In preparing the accompanying consolidated annual accounts estimates were made by the Directors of the Parent Company in order to measure certain assets, liabilities, income, expenses and obligations reported herein These estimates relate basically to the following

- The useful life of property, plant and equipment and intangible assets (Notes 7 and 8)

- The assessment of possible impairment losses on certain assets (Notes 7, 8 and 9)
- The market value of certain financial instruments (Notes 11, 12 and 13)
- The recoverability of deferred tax assets (Notes 5 12 and 20)
- The calculation of provisions (Note 17)
- The estimates for accrued income and expense in 2014 relating to the sale of electricity (Notes 21 1 and 24 4)

The Directors consider that the regulatory and tax changes regarding photovoltaic parks approved in 2014 (Note 1) constitute an indication in the impairment of the value of these assets In accordance with the criteria set out in Note 5 6, the Directors have calculated the recoverable value of the photovoltaic facilities by estimating forecasted cash flows from past experience and based on the best estimates available and reducing them by the weighted average of the cost of the capital, which includes the cost of the liabilities and the risks specific to the assets (Notes 8 & 21 5)

Although these estimates were made on the basis of the best information available at year end 2014 and 2013, events that take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years Any changes in accounting estimates would be applied prospectively

3 5 Comparative information

The information relating to 2013 included in these notes is presented for comparative purposes with that relating to 2014

3 6 Grouping of items

Certain items of the consolidated balance sheet, consolidated income statement, consolidated statement of equity changes and consolidated statement of cash flows are grouped together for ease of understanding, however whenever the amounts involved are material , the information is broken down in the related notes to the consolidated financial statements

3.7 Changes in accounting policies

In 2014 there were no significant changes in the accounting policies used with respect to the criteria applied in 2013

3 8 Correction of errors and other

In the preparation of the annual accounts no significant error has been detected which has led to the correction of the amounts included in the annual accounts for 2013

3 9 Presentational currency

The accompanying consolidated annual accounts are expressed in Euros Given the magnitude of the figures they are expressed in thousands of Euros unless otherwise stated

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4 Distribution of profit

The proposed distribution of 2014 profit that the Directors of the Parent Company will submit for approval by the shareholders at the Annual General Shareholders Meeting is as follows

	Thousands of euros
Distributable profit-	
Profit	1 420
	1.420
Distribution-	
Voluntary reserves	1 420
	1.420

5 Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Group in the preparation of the consolidated annual accounts for 2014, prepared in accordance with the Spanish Chart of Accounts, were as follows

5 1 Consolidation principles applied

The main consolidation principles applied to the consolidated annual accounts for 2014 and 2013 are as follows

1 Companies in which there is a majority shareholding, as well as those in which a majority of votes is held on the Board and effective control is exercised (which is defined as the power to direct financial and operating policy with the purpose of obtaining economic profit from its activities), and which have been consolidated by the fully consolidated method The fully consolidated method requires the inclusion in the Parent Company's balance sheet of all the goods, rights and obligations which make up the equity of the subsidiary When applicable, the interests of minority shareholders are recorded in the item "Minority Interests" in the consolidated balance sheet, and all the income and costs incurred in the determination of the result of the subsidiary companies are included in the income statement, once the appropriate homogenizations and eliminations have been carried out The related information has been included previously

2 In the preparation of the attached consolidated annual accounts all the important balances and transactions between consolidated companies have been eliminated

3 If the situation arises that new companies are incorporated into the Group during the year, the attribution in the consolidated income statement of the income and expense is limited to the period which extends from the date of incorporation of the company into the Group to year end

4 In addition, capital investments which are held in other companies with which there exists a long-standing relationship, and in which the interest generally relates to 20% or higher, are measured by the proportion of equity which the investment represents, after having considered the dividends received and other equity eliminations

5 The remaining capital investments are presented in the accompanying consolidated balance sheet in accordance with the criteria set out in Note 5 8

6 Homogenization of the individual accounts included in the consolidation scope the differences which exist between the accounting policies and measurement bases for the companies included in the consolidation scope are not significant

7 The financial statements in foreign currency on December 31, 2014 and 2013 have been converted to Euros by applying the "closing exchange rate" method The net charge or credit resulting from the conversion is recorded in the item "Translation differences" in the accompanying consolidated balance sheet

8 In the case of shares being acquired subsequent to the taking of control of a company, the "Minority interests" is reduced by the corresponding reduction of consolidated equity share, and the "Consolidation reserves" are adjusted by the difference in value between the amount contributed and the deduction of the minority interest Therefore, goodwill is not present in this type of transaction

9 The interest of minority shareholders in equity and in the results of consolidated subsidiary companies is presented in "Minority interests" under "Equity" in the consolidated balance sheet and in "Result attributable to minority interests" in the consolidated results statement respectively

10 Associate companies are recorded by the equity method These companies are those in which significant influence is held over their management, which is understood to be the power to intervene in the financial and operating policy of the company, but without exercising control or having joint control Significant influence in associate companies is assumed when the interest held equates to or exceeds 20%

11 The equity method consists of including a line in the consolidated balance sheet "Long-term investments in Group companies and associates – equity method" for the value of the net assets and goodwill if there were, relating to the interest held in the associate company The net result every year corresponding to the percentage held in these companies is recorded in the consolidated results statement as "Share in profits (losses) equity method companies"

5 2 Goodwill and business combinations

The acquisition of control of a subsidiary by the parent company constitutes a business combination and the acquisition method is applied In subsequent consolidations, the elimination of the investment-equity of the subsidiary companies will be done generally based on the values resulting from the application of the acquisition method on the date of the acquisition of control The application method is described as follows

Business combinations are registered by applying the acquisition method for which the acquisition date is determined and the combination cost is calculated Acquired identifiable assets and liabilities assumed are recorded at fair value on the date of acquisition

Goodwill or the negative difference of the combination is determined by the difference between the fair values of the assets acquired and the liabilities assumed, and the cost of the combination on the date of acquisition

The cost of the combination is determined by the aggregation of

- The fair values of the transferred assets, the liabilities incurred or assumed and the equity instruments issued on the date of acquisition

- The fair value of any contingency amount which depends on future events or compliance with certain conditions

Expense entailed in the issuing of equity instruments or financial liabilities in exchange for the acquired elements is not included in the cost of the combination

Similarly, since January 1, 2010, fees paid to legal advisors or other professionals who intervene in the combination or internally generated expense are not included in the cost of the combination These amounts are attributed directly to the financial statement

If the business combination is carried out in stages, such that an investment exists previous to the date of acquisition (the date of assuming control), the goodwill or negative difference is obtained from the difference between

- The cost of the business combination, plus the fair value on the date of acquisition of any previous investment in the acquired company by the acquiring company, and,

- The value of the identifiable assets acquired less the value of the liabilities assumed, in accordance with the criteria previously mentioned

Any profit or loss which arises from fair value measurement on the date of assuming control, from the previous investment in the acquired company is recorded in the income statement If the investment in the acquired company had been previously measured at fair value, any pending adjustments to the profit for the year are transferred to the income statement Furthermore, the cost of the business combination is assumed to be the best reference when estimating the fair value of any previous investment on the date of acquisition

In the exceptional circumstance that a negative difference arises in the business combination, then this is recorded in the income statement as an income

If the measurement processes required to apply the acquisition method for a business combination have not concluded at the year end for the year in which the combination occurred, the registration is considered provisional, and the provisional values can be adjusted in the time period required to obtain the required information providing that such period does not exceed 1 year The effects of the adjustments carried out in this period are recorded retrospectively, and comparative information is modified if required

Subsequent changes in the fair value of the contingent amount are adjusted against results, except when the amount has been classified as equity, in which case the subsequent changes in its fair value are not recognised

The goodwill generated in the consolidation represents the excess cost of the acquisition with respect to the Group interest in the fair value of the identifiable assets and liabilities of a subsidiary company or jointly held entity on the acquisition date

The positive differences between the cost of the share capital in the consolidated entities with respect to the corresponding book values acquired, adjusted on the date of the first consolidation, are recorded as follows

1 If they are attributable to specific equity elements of the acquired companies, increasing the value of the assets (or reducing liabilities) for those whose market value are superior (inferior) to the net carrying values which figure in the balance sheets and whose accounting criteria is similar to the assets (liabilities) of the Group amortization, accruals, etc

2 If they are attributable to specific intangible assets, and are explicitly recognized in the consolidated balance sheet providing that their fair value on the acquisition date can be reliably determined

3 The remaining differences are registered as goodwill, which are assigned to one or more specific cash generating units

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Goodwill is only registered when it is has been acquired for good and valuable consideration, and thus represents advance payments made by the acquiring entity for the future economic benefits of the assets of the acquired company , which are not individual in nature and are separately identifiable and recognizable

Goodwill values are maintained at their acquisition cost At the end of the accounting year, estimates are made of their value to ascertain if there has been any impairment which reduces their recoverable value to below the net cost recorded If such cases arise timely reorganization occurs by using a contribution to the item "Impairment and results on disposals of fully consolidated companies – equity method" in the consolidated income statement

If any impairment arose related to goodwill it is not subsequently reversed

At the time of disposal of any subsidiary company the amount attributable to goodwill is included in the determination of the profits and losses resulting from the disposal

If subsequent to the attaining of control there are any sales operations or purchases of shares in a subsidiary without losing control, the impact of these transactions is included in equity and the consolidation goodwill amount is not modified

5 3 Intangible assets

As a general rule, intangible assets are recognized initially at acquisition price or production cost and are subsequently measured at cost less any accumulated amortization and any accumulated amortization losses These assets are amortised over the years of their useful life

Research and development expenditure

The Group recognizes research expenditure as an expense in the year in which it is incurred Development expenditure is mainly based on the cost of personnel assigned to the Research and Development Department, and the production costs relating to trials necessary in order to obtain fresh knowledge regarding the development of new products or processes or significantly improve existing ones, including the necessary production costs entailed in the creation of non-marketable prototypes Development expenditure is capitalized at the moment the following conditions are met

- It is specifically itemized by project and the related costs can be clearly identified
- There are sound reasons to foresee the technical success and the economic and commercial profitability of the related projects

The Group´s work on its own assets is recognized at its accumulated cost resulting from adding internal costs to external costs, based on the consumption of own materials, direct labor costs incurred and general manufacturing costs which are calculated according to absorption rates similar to those applied for purposes of inventory measurement

Assets generated thus so are depreciated by applying a straight line method over 5 years which is their estimated useful life

If doubts arise as to the technical success or economic profitability of the Project, the amounts capitalized are recognized directly in profit or loss

Patents, licenses, trademarks and similar

Patents and concessions are carried under assets at cost less accumulated amortisation and the accumulated amount of recognized value adjustments for impairment This heading mainly reflects the amounts paid in respect of rights and licenses for the construction of parks They are amortised on a straight-line basis over their estimated duration, which in the case of licenses for solar parks, this coincides with the life of the facility

Computer software

Computer software licences acquired from third parties are capitalised on the basis of the costs incurred to acquire and bring to use the specific software These costs are amortised over their estimated useful lives

Expenses associated with software maintenance are recognized when incurred Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets Direct costs include the software development employee costs and an appropriate portion of relevant overhead

Software development costs recognised as assets are amortised over the software's estimated useful life (which does not exceed 5 years)

5 4 Property, plant and equipment

Property, plant and equipment are initially recognized at acquisition or production cost, and are subsequently reduced by the related accumulated depreciation and by any impairment losses recognized, as indicated in Note 5 6

Property, plant and equipment upkeep and maintenance expenses are recognized in the income statement in the year in which they occur Amounts invested in improvements that contribute to improving capacity or efficiency or extend the useful life are registered at their higher cost

At the initial measurement of the fixed assets, the Group estimates the current value of future obligations of dismantling, withdrawal and other actions related to the assets, such as repair costs to the land site This current value is carried as the greater cost of the asset, and a provision is recorded (Notes 8 and 17), which is financially updated during those periods subsequent to its constitution

The Group depreciates its property, plant and equipment according to the straight-line method, at annual depreciation rates based on the estimated useful life of the related items In this way the Group depreciates its photovoltaic facilities as well as the intangible assets related to them over 25 years

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The useful life estimates with regard to items relating to the depreciation of plant, property and equipment are as follows

	Useful life
Buildings	20
Plant	25
Machinery	6-7
Furnishings	6-7
Tooling	3
Vehicles	5
Computer systems	4

Financial costs directly attributable to the acquisition or construction of property, plant and equipment that need more than one year before they are brought to use are recorded at their cost until they are in working condition

5 5 Property investment

The investment property heading in the consolidated balance sheet includes the values of land, buildings and other held constructions, whether they are for leasing, or for obtaining profit from their future sale as a consequence of their increase in value due to market prices

At December 31, 2014 and 2013 the Group mainly includes land held for rent under this heading

These assets are valued according to the criteria indicated in Note 5 4 relating to plant, property and equipment

5.6 Impairment of intangible assets and materials

At every year end (in the case of Goodwill and assets who have an undefined useful life) or whenever there is any indication of loss of value (for the remaining assets), the Group carries out impairment tests, to estimate the possible existence of impairment which reduces the recoverable amount of the these assets to below their carrying amount

The recoverable amount is understood to be the fair value of the asset less the greater of the sales cost or usage value

The recoverable amounts are calculated for each Cash Generating Unit Whenever possible, in the case of plant, property and equipment, the impairment calculation is performed by individual item

The Company Management annually prepares a business plan for markets and activities for each cash generating unit

The main hypotheses used by the Group in the impairment tests for the assets associated with the "Sale of Electricity" segment (Note 24 4) are as follows

Hypothesis used	Spanish Solar Parks	Italian Solar Parks
Projection time period	30 years	25 years
Energy sale price	48 21 €/Mwh	56 34 €/Mwh
Annual increase in energy sale price	2%	2%

The main components for the assets associated with the remaining segments are

- Results projections
- Investment and working capital projections

Other variables which influence the measurement of the recoverable value are

- Type of reduction to be applied, understanding this to be the weighted average of the capital cost, which is mainly influenced by the following variables, the cost of the liabilities and the specific risks of the assets
- Growth rate of the cash flows used to extrapolate cash flow projections beyond that of the period covered by budgets or forecasts

The projections are prepared from past experience and based on the best available estimates, these being consistent with external information

The business plans prepared thus so are revised and finally approved by the Directors

If an impairment loss must be recognized for a cash- generating unit which had been allocated all or part of Goodwill, firstly the goodwill carrying value for the unit is reduced If the impairment is greater than this amount, then the carrying value of the other assets of the cash generating unit are reduced proportionately, until the greater of the following values fair value less cost of sale, its usage value and zero Based on this, the Directors consider that at December 31, 2014 there is no evidence of the need to record any impairment in the accompanying consolidated financial statements

When an impairment loss subsequently reverses (a circumstance not allowed for Goodwill), the book value of the asset or the cash generating unit is increased by the revised amount of its recoverable amount, but in such a way that the increased book value does not exceed the book value which would have been recognized if no impairment loss had been recognized in previous years This reversal of an impairment loss is recognized as income

5 7 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards underlying the ownership of the leased asset to the lessee All other leases are classified as operating leases

<u>Finance leases</u>

In finance leases operations in which the Group is the lessee, the cost of the leased assets is presented in the consolidated balance sheet based on the nature of the leased asset, and simultaneously, a liability is recorded for the same amount This amount will be the lower value of the fair value of the leased asset and the present value, at the inception of the lease, of the agreed minimum lease payments, include the price of the purchase option, when it is reasonably certain that it will be exercised The minimum lease payments do not include contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor The total financial charges arising under the lease are allocated to the income statement for the year in which they are incurred using the effective interest method Contingent rent is recognized as an expense for the period in which it is incurred

Leased assets are depreciated, based on their nature, using similar criteria to those applied to the items of plant, property and equipment that are owned

Operating leases

Income and expense resulting from operating leases is presented in the consolidated income statement in the year in which they are incurred

In addition, the acquisition cost of the leased asset is presented in the consolidated balance based on its nature, being increased by directly chargeable lease expense, which is recognized as expense during the period of the lease, and which is subject to the same criteria used for recognizing lease income

Any collection or payment carried that might be made when arranging an operating lease will be treated as prepaid lease collection or payment which will be allocated to profit or loss in accordance with the time pattern in which the benefits of the leased asset are provided or received

5 8 Financial instruments

Financial assets

Classification of financial assets-

The financial assets of the Group are classified in the following categories

a) Loans and receivables Financial assets arising from the sale of goods or rendering of services in the ordinary course of the Company's business, or financial assets which, not having commercial substance, are not equity instruments or derivatives, have fixed or determinable payments and are not traded in an active market

b) Available for sale financial assets These include debt securities and equity instruments of other companies that are not classified in any other category

Initial recognition -

Financial assets are initially recognized at the fair value of the consideration given plus any directly attributable transaction costs

Subsequent measurement -

Loans and receivables are measured at amortized cost

Available for sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognized in equity until the asset is disposed of or it is determined that it has become (permanently) impaired, at which time the cumulative gains and losses previously recognized in consolidated equity are recognized consolidated income statement

Accordingly, impairment (on a permanent basis) is deemed to exist if the market value of the asset has fallen by more than 40% over a period of 18 months without the value being recovered Generally, fair value is referenced to reliable market values Accordingly, the listed price in an active market is deemed the best reference of fair value, except on those occasions when determined situations co-exist (for example, book value exceeding listed price, absence of disposal perspectives, low market trading volume, recoverable expectations of the investment via dividends) which could lead to the understanding that the listed value is not representative of the fair value, in which case measurements carried out by third parties will be addressed in accordance with generally applied financial practices (i e cash flow reductions or similar)

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At least at year end the Parent company carries out an impairment test on those financial assets which are not recorded at fair value Objective evidence of impairment is deemed to exist if the recoverable value of the financial asset is less than its book value When this occurs, the appropriate write-down is recognized in the consolidated income statement

The Group writes off financial assets when they expire or the cash flow rights pertaining to the financial asset have been transferred and when substantially all the risks and rewards attaching to ownership of the asset have been transferred, such as in the case of firm asset sales, factoring of trade receivables in which the company does not retain any credit or interest risk, sale of financial assets with repurchase agreement at its fair value or any usage of the financial assets in which the transferring company does not retain subordinate financing or grants any type of security or assumes any other type of risk At December 31, 2014 and 2013 the Group does not hold any agreement of this nature

However, the Group does not write off financial assets, and recognizes a financial liability for an amount equal to the consideration received, in transfers of financial assets in which substantially all the risks and rewards of ownership are retained, such as in the case of with-recourse factoring, financial asset sale with repurchase agreement at a fixed price or at sale price plus interest, and asset securitization in which the transferring company retains subordinate financing or other types of securities which substantially absorb all the expected losses At December 31, 2014 and 2013 the Group does not hold any agreement of this nature

With respect to the value adjustments related to trade and other receivables, the criteria used by the Group to measure the value adjustments, if the case arose, is to make a provision for trade insolvencies based on individual analysis of the receivables and an estimation of the amounts which are envisaged as irregular or very doubtful

Financial liabilities

Financial liabilities includes amounts payable by the Group that have arisen from the purchase of goods and services in the normal course of business and those which, not having commercial substance cannot be classified as derivative financial instruments

Payables are initially measured at fair value of the consideration received and are adjusted by directly attributable transaction costs Subsequently, these liabilities are measured according to their amortized cost

Financial guarantee contracts are initially measured at fair value which, unless there is proof to the contrary, will be the same as the premium received plus the current value of the premiums to be received

The Group derecognizes financial liabilities when the obligations giving rise to them cease to exist

Financial derivatives and hedge accounting

The Group uses financial derivatives to hedge the risks to which its activities, transactions and future cash flows are exposed Basically, these risks are variations in interest rates Within the framework of these operations the Group uses financial hedging instruments (Note 13)

The Group has opted to designate these instruments, whenever possible, (when accounting standards are met), as hedging instruments In order for a financial derivative to be considered by hedge accounting, it is necessary for the Group to hedge one of the following types of risk

1 Variations in the values of its assets and liabilities due to fluctuations in price, interest rates or balances to hedge (fair value hedges)

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2 Changes in cash flow estimates generating from financial assets and liabilities, obligations and highly probable foreseen operations (cash flow hedges)

3 The net investment of a business transaction abroad (foreign net investments hedges)

Accordingly, the risk associated with the item or hedged position must be effectively eliminated throughout the forecast period of the hedging and there must be appropriate documentation indicating that the arrangement of the financial derivative specifically occurred for hedging purposes of determined balances or transactions, as well as the way in which this effective hedging is to be attained and measured

In order for these financial instruments to be classified as hedges, they are initially designated thus so and the hedge is documented Accordingly, the Group initially verifies and regularly verifies throughout its life (every year end as a minimum) that the hedging is efficient, i e , that it is expected prospectively that the changes in fair value or in the cash flows of the hedged item (attributable to the covered risk) are almost completely compensated by those of the hedging instrument, and that, retrospectively, the results of the hedge have varied between a range of 80% and 125% with regard to the result of the item covered

As has been previously mentioned, the Group applies cash flow hedges For these types of instruments, the gain or loss of the hedging instrument which has been deemed efficient is recognized provisionally in equity, and is recognized in the income statement for the same period in which the item is being hedged with regard to the result, except when the hedge corresponds to a transaction forecasted to result in the recognition of a non-financial asset or liability, in which case the amounts recorded under equity will include the cost of the asset or liability when it is acquired or assumed (see note 13)

5 9 Inventories

Inventories are measured at the lower of acquisition cost, production cost and net realisable value Trade discounts, rebates, similar items and interest included in the face value of the related payables are deducted in determining the costs of purchase (see Note 15)

Production cost includes the cost of raw materials, direct labour and general production overheads until year end

Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution

The Group uses the FIFO method for recording costs

The Group makes appropriate value adjustments, recognizing an expense in the income statement when the net realizable value of the inventories is less than the acquisition price (or production cost) (see Note 15)

Work in progress and finished products relate mainly to photovoltaic solar parks in construction The cost of finished products and work in progress includes the cost of design, raw materials, direct labour and other direct costs and general production overheads (based on normal operating capacity)

The net realizable value is the estimated selling price in the ordinary course of business, less the related costs estimated as necessary

Completed electricity generating solar facilities are considered inventories during the usual selling period of such facilities that normally does not exceed 18 months

In the case of inventories that require a period exceeding one year to be ready to be sold, financial expense is included in the cost in the same terms as those envisaged for assets

At 31 December 2014 the Group has purchasing commitments for the acquisition of inventories to complete the construction of photovoltaic parks amounting to EUR 3 447 thousand (EUR 3 913 thousand in 2013)

5 10 Cash and other cash equivalents

This heading includes cash, bank current accounts, and if relevant, deposits and temporary asset acquisitions which meet the following requirements

- They are convertible into cash
- At the time of acquisition their maturity did not exceed three months
- They are not subject to a significant risk in changes in value
- They are part of the normal treasury management policy of the Company

5.11 Grants, donations and bequests

The Group uses the following criteria for recognizing grants, donations and bequests received from non-shareholder third parties

a) Non-repayable grants, donations and capital bequests These are measured at fair value of the amount or asset received, according to whether they are of a monetary nature or not, and recognized in the income statement for the period in proportion to the amortization or depreciation charged on the relevant assets or, if applicable, upon their sale or value adjustment, with the exception of those received from owners or shareholders which are directly recognized in equity as they do not constitute income

b) Repayable grants These are recognized as liabilities whilst they maintain their repayable nature

c) Operating grants These are credited in the income statement when they are awarded unless they are used to offset an operating deficit in future years, in which case they are recognized in those years If they are awarded to offset specific expense, they are recognized in the income statement as the related expenses are incurred

5.12 Corporate income tax

Since 2010, OPDE Investment España, S L and subsidiary companies whose corporate address is in Navarre (Annex I), file consolidated tax returns This is regulated by the Regional Law 24/1996 of 30 December for the Region of Navarre governing corporate income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income)

Income tax expense is the amount payable by the Group as a result of income tax settlements for a given year Tax credits and other tax benefits, excluding withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense

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Deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of the assets and liabilities and their tax bases, as well as tax loss and tax credit carryforwards These amounts are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled

Deferred tax liabilities are recognized for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets or liabilities in a transaction that neither affects the tax result nor accounting result, and is not a business combination

Deferred tax assets are only recognized insofar as future tax profits will probably arise for the Group against which to offset the temporary differences (see Note 20)

Accordingly, at a consolidated level any differences which may arise between the consolidated value of a subsidiary and its tax base are considered In general, these differences arise in the cumulative income generated since the acquisition date of the subsidiary, in the tax deductions related to the investment and the translation difference in the case of investments made in a functional currency different to the euro Deferred tax assets and liabilities arising from these differences are recognized except when, in the case of taxable differences, the investor is able to control the timing of the reversal of the temporary difference, and in the case of deductible differences the difference is expected to be reversed in the foreseeable future and it is probable that the company will have sufficient future tax gains

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised directly in equity

At each accounting close, the deferred tax assets recognized are reviewed and appropriate adjustments are made when there are doubts as to their future recoverability Likewise, at each accounting close the deferred tax assets that have not been recognized in the balance sheet are assessed and recognized to the extent of their recovery against future taxable profits at the lower of a maximum usage period of 10 years and the offset limit dictated by tax legislation

5 13 Termination benefits

Under current legislation, the Group is required to pay termination benefits to employees terminated under certain conditions Therefore, termination benefits that can reasonably quantified are recognised as an expense in the year in which the decision to terminate the employment relationship is taken

At 31 December 2014 the consolidated financial statements do not include any provision in this connection, as the Group Directors do not expect any situation of this nature to arise

5 14 Provisions and contingencies

When preparing the consolidated financial statements the Group Directors have made a distinction between

a) Provisions credit balances covering present obligations arising from past events whose settlement will give rise to an outflow of resources, but whose amount and/or timing is uncertain

b) Contingent liabilities possible obligations that arise from past events, whose future existence will be confirmed by the occurrence or non-occurrence of one or more events not within the Group s control

The consolidated financial statements include all the provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled Contingent liabilities are not recognized in the financial statements, but rather are disclosed, unless the possibility of an outflow in settlement is considered to be remote

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences Adjustments made to provisions are recognized as financial expense on an accrual basis

The compensation to be received from a third party on settlement of the obligation is recognized as an asset, provided that there are no doubts that the reimbursement will take place, unless there is a legal relationship whereby a portion of the risk has been externalized as a result of which the Group is not liable, in this situation, the compensation will be taken into account for the purpose of estimating the amount of the related provision that should be recognized

As is normal practice in the sector, the Group grants customer warranties under the turn-key contracts for photovoltaic plants The Group's Management uses judgment to determine the amount of provisions necessary to cover potential warranty claims on turn-key contracts, which are estimated based on theoretical projections and historical information regarding defects and estimated repair costs, and which are regularly reviewed and adjusted At 31 December 2014 and 2013 no warrant provisions exist since there is no significant evidence in this respect, with the consideration that the warranties provided by the manufacturers of the components used by the Group, as well as the external insurance obtained by manufacturers for those parts, would sufficiently cover any incident On the other hand a provision has been recognized for EUR 562 thousand at December 31, 2014 (EUR 491 thousand in 2013) relating to warranties for Group manufactured materials sold to third parties, based on historical information regarding defects (see note 17)

5 15 Revenue recognition

Revenue and expenses are recognized on an accrual basis, i e when the actual flow of the goods and services occurs, regardless of when the resulting monetary or financial flow arises Revenue is measured at the fair value of the consideration received, net of discounts and taxes

Revenue from sales is recognized when the significant risks and rewards of ownership of the goods sold have been transferred to the buyer, and the Group neither continues to manage the goods nor retains effective control over them

Revenue from the rendering of services is recognized by reference to the stage of completion of the transaction at the end of the reporting period, provided the outcome of the transaction can be estimated reliably

Interest income from financial assets is recognized using the effective interest method and dividend income is recognized when the shareholder's right to receive payment is established Interest and dividends from financial assets accrued after the date of acquisition are recognized as income in the consolidated income statement

Sales of solar parks

Revenues on turn-key projects for the construction of solar parks for non-Group third parties are recognized by applying the percentage of completion to the total forecast margin on the construction and sale of the solar park provided that at 31 December each year the following conditions are met

- there is a firm obligation from the purchaser prior to the commencement of the turn-key construction
- total revenues to be received may be estimated with an acceptable level of assurance

- the costs to completion of the contract and level of completion to said date may be reliably estimated

Where there is no firm obligation with a non-group third party purchaser or where the result of a construction contract cannot be reliably estimated, contract revenues are recognized only up to the limit of the construction contract costs considered recoverable When it is probable that the contract costs will exceed total contract revenues, the expected loss is recognized immediately as an expense

The percentage of completion is calculated on the basis of total estimated revenues under each contract and is determined taking into account the relationship between the costs incurred to date and total forecast project costs

At December 31, 2014 the UK projects, Natewood and Oakland meet the aforementioned conditions to be recorded by percentage of completion The margin has been recorded as EUR 454 thousand under "Revenue" in the accompanying income statement and a EUR 1 351 thousand under "Trade receivables for sales and services rendered" in the accompanying consolidated balance sheet At 31 December 2013 no turn-key projects met the previously stated conditions

Sale of electricity (Spanish Solar Parks)

Nexus Energia, S A, acts as a sales agent for the group in the market, making settlements with different energy market agents and reflecting the billing

As is described in Note 1, in 2014 the segment of the Group related to the sale of electricity in the Spanish market is subject to two different regulations which have directly affected the price for which the energy produced is billed, such that the incomes corresponding to the current year have been governed by different regulations based on the regulation which was in force at the time of the accrual Initially, one regulation was in force until the coming into effect of Royal Decree-law 413/2014 on June 6 and by another since then until December 31, 2014

The income accrued since the entry of Royal Decree 9/2013, on July 14, until its final development into the new law 413/2014 (Note 1), has been recorded based on the best estimate according to the regulation applicable The excess of income regulated in account to be received from the agent Nexus Energia, S A , from July 14, 2013 to June 6, 2014 has been regularized in 2014

Based on this regularization, the Companies in this segment have recorded amounts corresponding to investment remuneration and for the Mwh produced after the coming into effect of the Royal Decree-law 413/2014, which are to be received in 2014 according to the new law, which have been recorded under "Revenue" in the accompanying consolidated income statement for the year ended December 31, 2014

5.16 Foreign currency transactions

Functional and presentation currency

The annual accounts of the Group are presented in Euros, which is the Group s functional and presentation currency

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the transaction dates Foreign currency gains and losses resulting from the settlement of transactions and translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recorded in the income statement, unless they are deferred in equity as qualified cash flow hedges and qualified net investment hedges

5.17 Related-party transactions

In general, transactions between group companies are initially recognised at fair value If applicable, where the agreed price differs from the fair value, the difference is recognised based on the economic reality of the transaction Transactions are subsequently measured in accordance with applicable standards

Notwithstanding the above, in mergers, spin-offs and non-monetary contributions of a business the items constituting the acquired business are measured at their carrying values in the consolidated accounts for the group or sub-group after the transaction takes place

When the parent company of the group or sub-group and the subsidiary do not intervene, the annual accounts to be considered for such purposes will be those of the group or largest sub-group in which the equity elements are integrated, whose parent company is Spanish

In these cases any difference which could arise between the net value of the assets and liabilities of the acquired company, adjusted by the balance of grants, donations and bequests received and value adjustments, and any capital amount or paid in capital by the acquiring company is taken to reserves

5 18 Current and non-current items

Current assets are those related to the normal operating cycle, generally considered to be one year, and those assets which are expected to mature, be sold or realized in the short-tem after the accounting date Current assets also include financial assets held for negotiation, with the exception of financial derivatives whose settlement period is more than one year, and cash and other cash equivalents Assets which do not meet these requirements are classified as non-current items

Accordingly, current liabilities are those related to the normal operating cycle, those held for negotiation, with the exception of financial derivatives whose settlement period is more than one year and in general all those obligations which will mature or be settled short-term Otherwise, they are classified as non-current items

5 19 Environmental disclosures

Assets of an environmental nature are deemed those which are used in a long-lasting way in the Group's activity, whose main aim is to minimize environmental impact and protect and improve the environment, as well as reducing and eliminating future contamination

Business actions with an environmental impact are considered an expense of the year or an increase in the value of the relevant asset, on the basis of the measurement criteria described in property, plant and equipment in the corresponding note above

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5 20 Cash flow statements

The concepts used in the presentation of the consolidated cash flow statements are as follows

- Cash flows inflows and outflows of cash and cash equivalents i e highly liquid short-term investments subject to low risk of impairment
- Operating activities ordinary Group activities, as well as other activities which cannot be classified as investing or financing activities
- Investing activities the acquisition, sale or disposal of non-current assets and other investments not included in cash and cash equivalents
- Financing activities activities which cause changes in equity and the liabilities which are not included in operating activities

6 Business combinations

In 2014 the Group has acquired 100% of the company, Haymaker Mountmill, Ltd for EUR 1 699 thousand (Note 7), the Directors considered the full total of the premium price paid as Goodwill derived from the operating rights held by the company

7 Intangible assets

The movements under this heading of the consolidated balance sheet in 2014 and 2013 are as follows (in thousands of euros)

Year 2014

Cost	31 12 13	Additions	Disposals	Transfers	Changes in the consolidation scope (Notes 1 and 2 c)	31 12 14
Research and development	319	-	-	-	-	319
Concessions, patents,licences	2 679	-	-	(84)	(2)	2 593
Computer software	628	23	-	-	(37)	614
Goodwill	-	1 699	-	-	-	1 699
Other intangible assets	720	176	(128)	(288)	(6)	474
Total cost	**4 346**	**1.898**	**(128)**	**(372)**	**(45)**	**5 699**

Amortization	31 12 13	Provisions	Disposals	Transfers	Changes in the consolidation scope (Notes 1 and 2 c)	31 12 14
Research and development	(160)	(80)	-	-	-	(240)
Concesions, patents, licences	(42)	(139)	-	-	-	(181)
Computer software	(306)	(117)	-	-	37	(386)
Other intangible assets	(220)	(14)	14	-	3	(217)
Total amortization	**(728)**	**(350)**	**14**	-	**40**	**(1 024)**

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Impairment	31 12 13	Provisions	Transfers	Disposals	Changes in the consolidation scope (Notes 1 and 2 c)	31 12 14
Other intangible assets	-	(61)	-	-	-	(61)
Total Impairment	-	**(61)**	-	-	-	**(61)**

Total intangible assets	Opening balance	Closing balance
Cost	4 346	5 699
Amortization	(728)	(1 024)
Impairment	-	(61)
Net total	**3.618**	**4.614**

Year 2013

Cost	31 12 12	Additions	Transfers	Changes in the consolidation scope (Notes 1 & 2 c)	31 12 13
Research and development	325	-	-	(6)	319
Concessions, patents and licences	3 440	23	(126)	(658)	2 679
Computer software	518	128	(18)	-	628
Other intangible assets	484	453	(217)	-	720
Total cost	**4.767**	**604**	**(361)**	**(664)**	**4.346**

Amortization	31 12 12	Provisions	Transfers	Changes in the consolidation scope (Notes 1 & 2 c)	31 12 13
Research and development	(82)	(80)	-	2	(160)
Concessions, patents and licences	(106)	(141)	157	48	(42)
Computer software	(209)	(111)	14	-	(306)
Other intangible assets	(349)	-	129	-	(220)
Total amortization	**(746)**	**(332)**	**300**	**50**	**(728)**

Total intangible assets	Opening balance	Closing balance
Cost	4 767	4 346
Amortization	(746)	(728)
Net total	**4 021**	**3 618**

The additions in 2014 mainly include the costs associated with the projects developed by the Group in Mexico, totalling EUR 176 thousand (453 thousand euros in 2013) which is recorded under "Intangible assets – other intangible assets" Similarly, certain costs included under "Intangible assets" in 2013 have been transferred to the item "Inventories – work in course of construction" in the accompanying consolidated balance sheet for 2014 as they refer to expense added to the value of the inventories of the parks which are in the process of being constructed in this country (Note 15) At year end 2014 the Directors have made a best estimate provision of EUR 61 thousand as intangible asset impairment, which is recorded under "Impairment and results on disposals of property, plant and equipment" in the accompanying consolidated income statement for 2014

In 2014 the Group has disposed of 115 thousand euros corresponding to a credit for engineering work and starting up facilities

In 2014 the Group company, Otras Participaciones Industriales, S L has acquired the company, Haymaker Mountmill for the construction of a park and subsequent sale, in the same way the Group did in 2014 with the companies, Haymaker Oakland and Haymaker Natewood From this acquisition, goodwill has arisen amounting to EUR 1 699 thousand, recorded under "Goodwill" in the accompanying consolidated balance sheet for 2014

At year end 2014 the Group has fully amortized intangible assets that are still in use for a value of EUR 60 thousand (EUR 51 thousand in 2013)

As is indicated in Note 10, the Group has various finance leases in place for its intangible assets amounting to EUR 1 508 thousand in 2014 (EUR 1 503 thousand in 2013)

At 31 December 2014 and 2013 there are no firm commitments for the purchase of assets

8 Property, plant and equipment

The breakdown of the movements and significant information under this heading in the consolidated balance sheets for 2014 and 2013 is as follows (thousands of euros)

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Year 2014

Cost	31 12 13	Additions	Transfers	Disposals	Changes in the consolidation scope (Notes 1 & 2 c)	31 12 14
Land and buildings	3 596	31	-	(16)	-	3 611
Plant and machinery	130 760	758	-	-	(1 024)	130 494
Fittings, tooling and furnishings	977	9	-	(6)	(123)	857
Other plant and equipment	1 345	21	9	(67)	-	1 308
Prepayments and assets in construction	467	60	(386)	-	-	141
Total cost	**137.145**	**879**	**(377)**	**(89)**	**(1 147)**	**136.411**

Amortizations	31 12 13	Provisions	Transfers	Disposals	Changes in the consolidation scope (Notes 1 & 2 c)	31 12 14
Land and buildings	(625)	(127)	-	-	-	(752)
Plant and machinery	(13 627)	(5 291)	-	-	561	(18 357)
Fittings, tooling and furnishings	(410)	(57)	-	6	71	(390)
Other plant and equipment	(1 120)	(105)	-	57	41	(1 127)
Total amortization	**(15 782)**	**(5 580)**	**-**	**63**	**673**	**(20.626)**

Impairment	31 12 13	Provisions	Transfers	Disposals	Changes in the consolidation scope (Notes 1 & 2 c)	31 12 14
		-	-	-	-	
Plant and machinery	(963)	(108)	-	-	-	(1 071)
Total Impairment	**(963)**	**(108)**	**-**	**-**	**-**	**(1.071)**

Total property, plant and equipment	Opening balance	Closing balance
Cost	137 145	136 411
Amortization	(15 782)	(20 626)
Impairment	(963)	(1 071)
Net total	**120.400**	**114.714**

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Year 2013

Cost	31 12 12	Additions	Transfers	Disposals	Changes in the consolidation scope (Notes 1 & 2 c)	31 12 13
Land and buildings	4 089	581	233	(1 307)	-	3 596
Plant and machinery	140 368	185	22 839	(5)	(32 627)	130 760
Fittings, tooling and furnishings	652	43	484	(202)	-	977
Other plant and equipment	1 396	18	-	(69)	-	1 345
Prepayments and assets in construction	54	425	(10)	(2)	-	467
Total cost	**146.559**	**1.252**	**23.546**	**(1.585)**	**(32.627)**	**137.145**

Amortization	31 12 12	Provisions	Transfers	Disposals	Changes in the consolidation scope (Notes 1 & 2 c)	31 12 13
Land and buildings	(564)	(149)	-	88	-	(625)
Plant and machinery	(9 238)	(5 990)	(3 779)	4	5 376	(13 627)
Fittings, toolings and furnishings	(371)	(133)	-	94	-	(410)
Other property, plant and equipment	(809)	(37)	(334)	60	-	(1 120)
Total amortization	**(10.982)**	**(6.309)**	**(4.113)**	**246**	**5.376**	**(15.782)**

Impairment	31 12 12	Provisions	Transfers	Disposals	Changes in the consolidation scope	31 12 13
Plant and machinery	-	(963)	-	-	-	(963)
Total amortization	-	**(963)**	-	-	-	**(963)**

Total property, plant and equipment	Opening balance	Closing balance
Cost	146 559	137 145
Amortization	(10 982)	(15 782)
Impairment	-	(963)
Net total	**135.577**	**120.400**

At year end 2014 and 2013 the Group owns property which is valued separately from land and buildings as follows (in thousands of euros)

	2014			2013		
	Gross	Accumulated amortization	Net	Gross	Accumulated amortization	Net
Land	1 662	-	1 662	1 662	-	1 662
Buildings	1 949	(752)	1 197	1 934	(625)	1 309
	3 611	**(752)**	**2 859**	**3 596**	**(625)**	**2.971**

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In 2014 the Group has registered an amount of EUR 879 thousand under property, plant and equipment, which mainly comes from additions in the Italian companies which have purchased modules, inverters and structures

Similarly, in 2014 an amount has for EUR 377 thousand has been transferred in the companies in the UK to "Inventories – semi finished goods" in the consolidated balance sheet for 2014, relating to work carried out in previous years which were recorded under property, plant and equipment The Company Directors have determined that this work can be included under inventories as they give a higher value to the park being constructed

In 2014 the group has recorded an impairment of property, plant and equipment amounting to EUR 108 thousand, charged under "Impairment and results on disposals of property, plant and equipment – Impairment and losses" in the accompanying consolidated income statement and registered a credit to the item "Plant, machinery, tooling, furnishings and other fixed assets" in the accompanying consolidated balance sheet (EUR 963 thousand in 2013) Similarly, the disposals of fixed assets the Company has carried out in 2014 have led to a loss to the Group amounting to EUR 37 thousand, which has been charged under "Impairment and results on disposals of property, plant and equipment – Impairment and losses" in the accompanying consolidated income statement for 2014

In 2013 the Directors transferred EUR 1 727 thousand to the item "Property, plant and equipment – Plant, machinery, tooling, furnishing and other property, plant and equipment" which corresponds to the Tarassa solar park, which at year end 2012 was recorded under "Inventories - Finished goods and work in construction" for EUR 1 157 thousand as it was in the process of construction This park entered in construction in 2013

Similarly, in 2013 the Group transferred the solar parks OPDE Puglia (Italy) and Solare Puglia (Puglia) to the item "Property, plant and equipment – Plant, machinery, tooling, furnishings and other property, plant and equipment" for an amount for EUR 21 174 thousand In 2012 these assets were recorded under "Non-current assets held for sale" The net amortization cost from previous years transferred to 2013 amounts to EUR 17 646 thousand (Note 14) The Group recalculated the amortization charge relating to the assets transferred to 2014 The expense for 2013 totalled EUR 924 thousand in 2013 (Note 14)

As is detailed in Notes 1 and 2 c, the Group sold the solar parks, Almaraz 35, Piemnote Eguzki 1, Piemonte Eguzki 10 and Ribaforada 6 as a consequence of the agreement reached on June 19, 2013 with the minority shareholder, Ríos & Enrique, S L The capital gain from the sale amounted to EUR 18 537 thousand, as is recorded under "Impairment and results on disposals of property, plant and equipment – Results on disposals and other" in the accompanying consolidated income statement for 2013 (Note 21 5)

In addition, in 2013 the heading "Property, plant and equipment – Prepayments and work in construction" was activated by an amount for EUR 378 which corresponds to plant and machinery relating to the solar park, Gamma Solar S r l (United Kingdom) which was in the process of construction

The Group has pledged solar parks amounting to EUR 41 118 thousand (EUR 42 761 thousand in 2013) as a guarantee against the meeting of commitments derived from certain clauses regarding the loans received for the financing of the parks (Note 18 1)

In 2014 no Group company or associate company assets have been acquired

At 31 December 2014 the net carrying amount of property, plant and equipment located out of Spain is EUR 72 710 thousand (EUR 68 994 thousand in 2013)

There are fully amortized assets still in use as follows (in thousands of euros)

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	2014	2013
Plant, machinery and other property, plant and equipment	591	341

As is broken down in Note 10, at December 31, 2014 the Group has taken out finance leases for its property, plant and equipment amounting to EUR 61 916 thousand (EUR 61 105 thousand at December 31, 2013)

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

At 31 December 2014 the Group has no fixed asset purchase commitments (EUR 7 thousand in 2013)

9 Property investment

At 31 December 2014 and 2013 the Group presents an amount totaling EUR 702 thousand under "Investment property" which relates to land acquired for the construction of solar parks This land is leased to the owners of the photovoltaic plants

Under the heading "Non-core and other income" in the consolidated income statement, an amount totaling EUR 116 thousand (EUR 149 thousand in 2013) has been recorded, relating to the income from investment property in 2014

At year end 2014 and 2013 no restrictions exist regarding the realization of new property investments and the collection of the deriving income, or related to gains obtained from a possible sale

At year end 2014 and 2013 there are no contractual obligations regarding repairs, maintenance or improvements in the aforementioned investment property

10 Leases

Finance leases

Finance leases at year end 2014 and 2013, in which the Group acts as the lessee, are recognized based on the leased asset as follows (thousands of euros)

	2014	2013
	Assets measured at fair value	
Intangible assets (Note 7)	1 508	1 503
Property, plant and equipment (Note 8)	61 916	64 105
Total	**63.424**	**65.608**

At year end 2014 and 2013 the Group's finance lease contracts have the following minimum payable amounts (including purchasing options if applicable) in place, without taking into account common expense, future increases due to inflation, or agreements regarding future updates of monthly rentals (in thousands of euros)

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Finance leases Minimum payable amounts	2014 Nominal value	2014 Current value	2013 Nominal value	2013 Current value
Less than one yearMenos de un año	6 293	3 331	6 293	3 236
One to five years	25 172	15 620	25 172	14 342
More than five years	58 625	46 440	64 918	51 002
Total	**90.090**	**65.391**	**96.383**	**68 580**

The breakdown of the most significant finance leases the Group holds at 2014 year end is as follows

				Thousands of euros		
					Rental amounts paid	
Park	Location	Inception	Duration	Purchase option	2014	2013
Almaraz XXXIV	Extremadura	30/04/2013	10 years	7	76	81
Ribaforada 7	Italia	01/06/2011	18 years	355	2 339	2 024
Piemonte Eguzki 6	Italia	28/07/2011	18 years	57	327	316
Ribaforada 10 (Com 1 y Com 2)	Italia	01/05/2011	18 years	96	590	510
Piemonte Eguzki 2	Italia	30/06/2011	18 years	255	1 124	1 107
Piemonte Eguzki 1 (Nota1)	Italia	-	-	-	-	-
OPDE Puglia – Ruatella 1	Italia	01/08/2010	18 years	48	403	432
OPDE Puglia – Ginosa 1	Italia	01/03/2010	18 years	48	442	432
OPDE Puglia – Ruatella 2	Italia	25/05/2010	18 years	48	306	325
Solare Puglia – Ginosa 2	Italia	22/02/2010	18 years	48	306	306
Solare Puglia - Sannicardo	Italia	01/03/2013	18 years	46	325	325

Operating lease

The Group acting as the lessee has various operating leases relating to the rent of property, machinery and vehicles

At year end 2014 the Company s operating leases have the following minimum payable amounts in place, without taking into account common expense, future increases due to inflation, or agreements regarding future updates of monthly rentals (in thousands of euros)

Operating leases Minimum payable amounts	Nominal value 2014	Nominal value 2013
Less than one year	352	272
One to five years	1 102	1 193
Total	**1 454**	**1 465**

Operating lease amounts recorded as expense in 2014 and 2013 under the item "Other operating expense – External services" (Note 21 4) are as follows (thousands of euros)

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	2014	2013
Lease payments (*)	370	397
Total	**370**	**397**

(*)Relating to non-cancelable lease contracts

There are no significant operating lease obligations at 31 December 2014 and 2013

11 Financial investment (long and short-term)

11 1 Long-term financial instruments

The classification by category of long-term financial instruments for Group Opde is as follows (in thousands of euros)

	2014	2013
Loans and receivables		
- Loans to companies	40	54
- Other financial assets	8 609	9 722
Assets available for sale		
- Equity instruments	13	624
Total	**8.662**	**10.400**

Loans to companies

At 31 December 2014 the Group has recorded various loans granted to third parties in prior years as long-term The breakdown of these loans is as follows (thousands of euros)

	Date of concession	Maturity date	Average interest rate	Balance at 31 12 14	Balance at 31 12 13
Sociedad Ibérica de Generación de Energía Fotovoltaica XIX, S L	01/12/2008	Not established	None	795	795
Sociedad Ibérica de Generación de Energía Fotovoltaica VI, S L	01/12/2008	Not established	None	768	768
Desarrollos Fotovoltaicos Valdecaballero I a XVII, S L	01/12/2009	01/12/2018	1,5%	40	54
Total				**1.603**	**1.617**
Impairment				(1 563)	(1 563)
Net Total				**40**	**54**

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The Group has granted loans to various companies which total EUR 1 563 thousand, which don't have a contractual maturity date In 2012 the Directors decided to make a provision for 50% of the amounts receivable, and in 2013 they made a provision for the remaining amount, this being the best estimate by the Directors regarding the recoverable amount of the receivable amounts

Other financial assets

At 31 December 2014 the Group has long-term financial investment totaling EUR 8 486 thousand (EUR 9 681 thousand in 2013), which relate to deposits whose maturity is more than one year and pledged under a guarantee policy granted as security on the compliance of specific assumed obligations by the Group, mainly the guarantees granted to clients regarding the sale of parks (Note 24 1) The period of the guaranteed obligation is more than one year In addition, this long-term financial investment corresponds to the restricted accounts which the Group must provide for in order to meet the contractual obligations borne by the syndicated loan agreements

These investments accrue interest according to market rates In 2014 the interest accrued on long and short term financial investment (see Note 11 2) amounts to EUR 0 2 million (EUR 0 5 million in 2013), which is recorded under "Finance income – marketable securities and other financial instruments – third parties" in the accompanying consolidated income statement for 2014

Equity instruments

The most relevant information related to investments in non-consolidated equity instruments in which the Groups holds an interest of 5% or more at year end 2014 and 2013 is as follows (note 2 c)

Year 2014

	%	Thousands of euros	
		Net cost	
	Interest held	2014	2013
Investment Funds	n/a	-	611
Oher	n/a	13	13
Total		**13**	**624**

At year end 2013 the Group recorded EUR 611 thousand under "Long-term financial investment – Equity instruments" relating to an investment in an Investment fund of a financial entity which was pledged by a security which matured in 2014 The company has reclassified to short-term this asset under "Short-term financial investment – Other financial assets" in 2014 (Note 11 2)

11 2 Short-term financial instruments

The classification by category of short-term financial instruments of the Group is as follows (in thousands of euros)

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	2014	2013
- Trade and other receivables		
Trade receivables, sales and rendering of services (Note 5 15)	18 327	7 279
Trade receivables, associate companies and related parties	310	346
Other receivables	2 513	317
- Investments in associates and related parties	615	144
- Short-term financial investment	9 863	21 455
Total	**31.628**	**29.541**

Trade and other receivables

The Group records a provision for impairment for receivables on the basis of a specific analysis of overdue balances and certain rates based on historical experience

The movements for the provision of impairment of trade receivables, recorded as deductions in the accompanying consolidated balance sheet under "Trade receivables for sales and rendering of services" is as follows

Year 2014

	Opening balance	Impairment/ Reversals recognized for the year	Provision application	Closing balance
Impairment of trade receivables	3 627	101	-	3 728

Year 2013

	Opening balance	Impairment/ Reversals recognized for the year	Provision application	Closing balance
Impairment of trade receivables	2 984	1 258	(615)	3 627

In 2014 the Group has recorded an amount of EUR 101 thousand (EUR 1 258 thousand in 2013), relating to provisions made for impairment of trade receivables under the item "Losses, impairment and changes in trade provisions" in the accompanying income statement

At 31 December 2014 the Group has no significant balances in currencies other than the Euro

The maximum exposure to credit risk at the date the information is presented is the fair value of each of the categories of the aforementioned receivables The Group does not hold any guarantee as insurance

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In 2014, the Group company, Otras Participaciones Industriales, S L has acquired, from a third party, the companies Haymaker Oakland, Ltd and Haymaker Natewood, Ltd in order to construct two parks in the United Kingdom, and later sell their investment and the parks The purchase price of these companies amounted to EUR 1 917 thousand and EUR 1 041thousand respectively and approximately, of which a remaining amount of EUR 340 thousand is pending payment at year end which is recorded under "Sundry payables" in the accompanying consolidated balance sheet for 2014 At year end 2014 the Group has sold the shares it held to a third party for an amount for EUR 5 120 thousand approximately, obtaining a gain of EUR 2 162 recorded as a credit under "Impairment and results on disposals of financial instruments – results on disposals and other" in the consolidated income statement for 2014 At December 31, 2014 there are outstanding receivable amounts totaling EUR 2 221 thousand under the heading "Other receivables" in the accompanying consolidated balance sheet for 2014 which will be collected during the first half of 2015

Short-term financial investment and deposits

At 31 December 2014 the Group holds various temporary financial investments (deposit or fixed term) and restricted bank accounts totaling EUR 9 036 thousand (EUR 20 433 thousand in 2013) secured by a guarantee policy (see Note 24 1) The bank accounts which total EUR 2 485 thousand are restricted as a consequence of contractual obligations taken on by the Group associated with the syndicated loans

12 Financial risk management

The Group's activities are exposed to various types of financial risk market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk The Group's overall risk management program focuses on uncertainty in financial markets and seeks to minimize the potential adverse impact on its financial profitability

Responsibility for financial risk management is controlled by the Group's Finance Department in accordance with policies approved by Company Directors This Department identifies, assesses and hedges financial exposure in close collaboration with the Group's operational units The Group provides policies for overall risk management and written policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, use of derivatives and non-derivatives and investing excess liquidity

12 1 Market risk

Exchange rate risk

The Group operates internationally and is exposed to the foreign exchange risk arising from currency transactions The exchange rate risk arises mainly on business transactions abroad that are denominated in a currency other than the euro which is the Group's functional currency

Price risk

The photovoltaic facilities constructed by the Group are governed in Spain and Italy by the regulations outlined in Note 1

Interest rate, cash flow and fair value risk

Interest rate fluctuations affect the fair value of assets and liabilities that bear a fixed rate of interest and future flows of assets and liabilities that bear a floating rate of interest

As the Group has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates, except for deposits (note 11)

The Group's interest rate risk arises mainly on debts with credit institutions Variable interest rate debts with credit institutions expose the Group to the cash flow interest rate risk

12.2 Credit risk

Credit risk derives from cash and cash equivalents, bank and financial institution deposits and trade and other receivables, including outstanding receivables and transaction commitments Concerning banks and financial institutions, transactions are only performed with highly recognised quality entities, taking into account past experience and other factors Where there is no independent credit quality rating of customers, the Finance Department assesses the same, taking into account the customer's financial position, past experience and other factors It is not Group policy to grant long-term loans to customers, except in exceptional circumstances

Maximum exposure to the credit risk at the date of presentation of the financial assets is their carrying value

12 3 Liquidity risk

The prudent management of liquidity risk entails maintaining sufficient cash and marketable securities, ensuring available funding in the form of sufficient committed credit facilities and the ability to monetise market positions Given the dynamic nature of the underlying businesses, the Group's Finance Department aims to ensure flexibility in financing through the availability of committed credit lines that complemented the financing associated with the turn-key projects

Liquidity risk (current assets less current liabilities) is adequately managed by means of tight control over working capital, limits on the amount of credit exposure to any financial institution and permanent monitoring of levels of borrowings and fund generation

12 4 Fair value estimation

The carrying value of trade receivables and payables is assumed to approximate their fair value The fair value of financial liabilities for financial reporting purposes is estimated by discounting future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments

13 <u>Derivative financial instruments</u>

The Group uses derivative financial instruments to cover the risks to which its activities, operations and future cash flows are exposed The breakdown of these financial derivatives at year end 2014 and 2013 is as follows (in thousands of euros)

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Year 2014

	Classification	Rate	Amount contracted	Maturity date	Nominal value at 31 12 2014	Fair value at 31 12 2014 (Note 18)
Interest rate SWAP	Hedged interest rate	Variable or Fixed	7 950	30/06/2024	7 289	(962)
Interest rate SWAP	Hedged interest rate	Variable or Fxed	7 950	30/06/2024	7 289	(958)

Year 2013

	Classification	Rate	Amount contracted	Maturity date	Nominal value at 31 12 2013	Fair value at 31 12 2013 (Note 18)
Interest rate SWAP	Hedged interest rate	Variable or Fixed	7 950	30/06/2024	7 627	(328)
Interest rate SWAP	Hedged interest rate	Variable or Fxed	7 950	30/06/2024	7 627	(340)

In 2014 financial expense accrued from the liquidations of swap flows has been registered as EUR 332 thousand (EUR 348 thousand in 2013), under the heading "Financial expense – payables to third parties" in the accompanying consolidated income statement

The Group has complied with the requirements indicated in Note 5 8 regarding measurement rules in order to classify the aforementioned financial instruments as hedges

14 Non-current assets held for sale

In 2012 the Group was committed to a sales plan for the subsidiaries OPDE Solare, S r l , OPDE Puglia, S r l , and Solare Puglia, S r l which would entail losing control of these companies and which was expected to be finalized at the end of 2013 Given that the requirements which are laid down in the Chart of Accounts and the Rules for the Preparing of Consolidated Annual Accounts (NOFCAC) were met in order for these assets to be classified as a disposal group, at year end 2012 the assets and liabilities of these companies were fully consolidated, but were reclassified under "Non-current assets held for sale" and "Liabilities related to non-current assets held for sale" (Note 2 c)

In 2013 the sales plan previously mentioned could not be brought about As a consequence, at year end 2013, the Group fully integrated the subsidiary companies initially committed to in the plan

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15 Inventories

The breakdown of this item in the consolidated balance sheet at 31 December 2014 and 2013 is as follows (thousands of euros)

	2014	2013
Goods purchased for resale	553	1 378
Raw materials and other supplies	343	355
Semi finished goods	3 735	8 995
Prepayments to suppliers	1 232	843
Total	**5.863**	**11.571**

Semi-finished products mainly include solar facilities in the process of completion which have not yet been sold at 31 December 2014 Until they are sold, finished facilities generate energy in accordance with the regime described in Note 1

Those finished facilities which the Group intends to maintain in order to gain income from energy sales rather than sell immediately, are recorded under property, plant and equipment in the consolidated balance sheet at 31 December 31, 2014 (Note 8)

Goods purchased for resale basically includes photovoltaic materials which are pending installation or sale

At 2014 year end, the Group is constructing a photovoltaic park in Mountmill (UK) which is expected to be completed in 2015 At 2014 year end, the Group company,OPDE UK, Ltd, has made several prepayments to suppliers amounting to EUR 1 217 thousand which have been materialized during the first quarter of 2015

At 2013 year end, the Group recorded a photovoltaic park in Bishop (UK) which was under construction Construction was completed in 2014 and the park has been sold

The Group has taken out a number of insurance policies to cover risks relating to inventories The coverage provided by these policies is considered to be sufficient

At 31 December 2014, under "Raw materials" the Group has recorded a provision amounting to EUR 482 thousand against possible impairment (EUR 461 thousand in 2013) The changes or losses under this item for 2014 and 2013 are as follows (thousands of euros)

Year 2014

	Opening balance	Impairment	Reversal	Application	Closing balance
Impairment of goods for resale	461	21	-	-	482
Total	**461**	**21**	-	-	**482**

Year 2013

	Opening balance	Impairment	Reversal	Application	Closing balance
Impairment of goods for resale	1 766	739	(1 430)	(614)	461
Total	**1.766**	**739**	**(1.430)**	**(614)**	**461**

Inventories associated with guarantees

At 31 December 2014 and 2013, there are no commitments to arrange guarantees in rem over photovoltaic parks

16 Equity

16.1 Capital

At 31 December 2012 share capital of the Parent Company consisted of 301,200 fully subscribed and paid shares with a par value of EUR10 each

At 31 December 2012, the number of shares held by the Parent Company's shareholders was as follows

	Number of shares	% Interest held
Aldrovi, S L	89 356	29,66%
Marearoja Internacional, S L	89 356	29,66%
Ríos & Enrique, S L (Nota1)	89 356	29,66%
Jalasa Ingeniería, S L	33 132	11%
	301.200	**100%**

After the reduction in capital described in Note 1, at 31 December 2014 and 2013 the share capital consists of 211,844 shares with a par value of EUR 10 each, which are fully subscribed and paid

Thus, at 31 December 2014 and 2013, the distribution of the shares held by the Parent Company's shareholders is as follows

	Number of shares	% Interest held
Aldrovi, S L	89 356	42,18%
Marearoja Internacional, S L	89 356	42,18%
Jalasa Ingeniería, S L	33 132	15,64%
	211 844	**100,00%**

16 2 Reserves

The breakdown of the figures in Reserves is as follows (thousands of euros)

	2014	2013
Legal reserve	602	602
Voluntary reserves	63 779	54 648
Total Parent Company Reserves	**64.381**	**55.250**
Reserves in Consolidated Companies	(7 517)	(5 115)
Total Consolidated Reserves	**(7.517)**	**(5.115)**
Total Reserves	**56.864**	**50.135**

Legal reserve

Under the Consolidated Spanish Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital Such reserve can be used to increase capital provided that the remaining reserve balance does not fall below

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10% of the increased share capital amount Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for that purpose

Within the consolidated companies reserves there are legal reserves totaling EUR 1 617 thousand at year end 2014 (EUR 1 617 thousand in 2013)

Special investment reserve

On December 31, 2013 via agreement at the General Extraordinary Shareholders Meeting, and having met the budgets required by regional Law 24/1996 of December 30 regarding corporate tax, the Shareholders unanimously agreed to transfer the special investment reserve to voluntary reserves

Voluntary reserves

In 2014, the General Shareholders Meeting agreed to distribute dividends amounting to EUR 2 800 thousand charged under "Voluntary Reserves", which at December 31, 2014 is fully paid

On September 23, 2013 at the Extraordinary and universal General Shareholders Meeting, it was unanimously agreed to offset negative results from previous years and distribute a dividend, for amounts totaling EUR 13 808 thousand and EUR 130 thousand respectively with a charge to the voluntary reserves

These are unrestricted

16 3 Minority Interests

The movement under the heading of minority interests of the Group for 2014 and 2013 is as follows (thousands of euros)

	2014	2013
Opening balance	**170**	**221**
Results	(56)	(207)
Changes in the consolidation scope		
- Subgroup OPDE Solare (Note 2 c)	912	-
Proinso Hellas	(250)	-
Other	-	156
Closing balance	**776**	**170**

A breakdown by balance of the minority interests of the Group according to the equity interest held in the following subsidiary companies is as follows

	2014	2013
Render Energías Renovables, S L	635	629
Proinso Hellas	-	250
Mecasolar Hellas	141	203
Subgroup OPDE Solare (Note 2 c)	-	(912)
	776	**170**

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17 Provisions and contingencies

The breakdown of the provisions in the consolidated balance sheet at year end 2014 and 2013 is as follows (thousands of euros)

	2014	2013
Long-term provisions		
Trade provisions (Note 5 14)	486	491
Tax provision	149	-
Provision for dismantling of parks (Notes 5 4 & 8)	1 922	1 444
Provision of bonuses (Note 22 3)	117	-
Other provisions	47	250
	2 721	**2.185**
Short-term provisions		
Tax provision	-	543
Other provisions	66	500
	66	**1 043**

Long-term provisions

In 2014 the Group has made a provision for EUR 117 thousand, charged under "External services" in the consolidated income statement for 2014 for personnel bonuses Similarly, it has made a provision of EUR 149 thousand, charged under "Taxes" in the consolidated income statement for 2014 as the best estimate made by the Directors in relation to the payment of taxes in Italy which the company will have to bear in the coming years In addition, a best estimate provision has been made for EUR 478 thousand relating to the dismantling of Italian and Spanish parks due to the introduction of new legislation in both countries (Note 1)

In 2013 the Group derecognized with a charge under "Long-term provisions – Provision for dismantling of parks" the provisions it held at the end of 2012 for the fixed assets of Almaraz 35, Piemonte Eguzki 1, Piemonte Eguzki 10 and Ribaforada 6 for an amount of EUR 0 3 million In addition it registered with a credit under the same heading the dismantling provision associated with the fixed assets of Elogia Trans Uno

In 2013 the Group reclassified with a charge to the item "Long-term provisions – Provision of bonuses" and a credit to the item "Payables to associated companies and related parties" In addition, the Group registered with a charge to "Other operating expense – External services" and a credit to "Payables to associated companies and related parties" an amount for EUR 140 thousand as the greater amount of the commitments undertaken

The Group offers warranties on its manufactured goods which range from 3 to 10 years The provision for warranties is established on the basis of the historical record of repairs

Short-term provisions

The exit from the consolidation scope of Proyectos integrales solares, S L U , has led to a reduction of EUR 163 thousand in short-term provisions (Note 1) In addition, the Group company Mecasolar U S A has reversed a provision amounting to EUR 251 thousand with a credit under "Excess provisions" in the consolidated balance sheet for 2014 after receiving payment of the amounts provisioned for in previous years which were for the costs of a park´s repairs which the company did not finally bear

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In 2012 the Group registered a charge to equity for a provision relating to the tax settlement for the construction of certain solar parks disposed of by the Group in previous years and for which the Group undertook the payment commitment of EUR 1 992 thousand, and recorded a credit under the heading "Short-term provisions" in the consolidated balance sheet at December 31, 2012 as well as the corresponding tax effect In 2012 and 2013 the Group applied EUR 274 thousand and EUR 549 thousand respectively from this provision Similarly, in 2013 the Group transferred EUR 600 thousand to the item "Other payables with Public Authorities" from the accompanying consolidated balance sheet which have been settled in 2014 (Note 20) In 2014 the Group has reversed the heading "Excess provisions" in the consolidated income statement for 2014 with a credit for EUR 543 thousand regarding taxes which have not been required by the Public Authorities

18 Payables (long and short-term)

18.1 Long-term financial liabilities

The balance under "Long-term payables" at year end 2014 and 2013 is as follows (in thousands of euros)

Year 2014

	Bank borrowings	Finance lease liabilities (Note 10)	Derivatives Note 13)	Other financial liabilities	Total
Creditors and payables	27 197	62 061	1 517	-	90 775
Total	**27.197**	**62.061**	**1.517**	**-**	**90.775**

Year 2013

	Bank borrowings	Finance lease liabilities (Note 10)	Derivatives Note 13)	Other financial liabilities	Total
Creditors and payables	42 655	65 344	334	1 020	109 353
Total	**42.655**	**65.344**	**334**	**1.020**	**109 353**

The breakdown of the items in "Long-term payables" by maturity is as follows (in thousands of euros)

Year 2014

	2016	2017	2018	2019	2020 and following	Total
Bank borrowings	1 353	1 448	1 544	1 577	21 275	27 197
Finance lease creditors (Note 10)	3 460	3 654	3 821	3 998	47 128	62 061
Derivatives (Note 13)	350	323	295	276	273	1 517
	5.163	**5.425**	**5.660**	**5.851**	**68.676**	**90.775**

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Year 2013

	2015	2016	2017	2018	2019 and following	Total
Bank borrowings	1 950	2 062	2 202	2 336	34 105	42 655
Finance lease creditors (Note 10)	3 294	3 439	3 604	3 771	51 236	65 344
Derivatives (Note 13)	276	186	101	32	(261)	334
Other financial liabilities	1 020	-	-	-	-	1 020
	6 540	**5 687**	**5.907**	**6 139**	**85.080**	**109.353**

At 31 December, 2014 the Group has taken out syndicated financing totaling EUR 42 763 thousand (EUR 44 495 thousand in 2013) with different financial entities to finance certain operating solar parks These contracts include a series of conditions and commitments undertaken by the Group, notably amongst others

- Maintaining stable income and expense,
- Maintaining certain ratios pledging payment of the debt and equity solvency,
- Maintaining reserves accounts for the payment of the debt,
- Other commitments which mainly affect the unrestricted availability of the cash generated by the parks and the availability of asset elements

At 31 December, 2014 one of the financial ratios of the three financing contracts has not been met, such that, according to the contracts, this is one of the causes for advance settlement In accordance with that which is laid out in the Official Gazette nº81/2010, consultation 6 of the ICAC regarding the classification of long term loans, given that the contract demands early settlement due to non-compliance with certain conditions, the Directors have reclassified to short-term the total amount of the amount owed which matures in a period of more than 12 months amounting to EUR 13 3 million, albeit, they consider that under no circumstances will the Banks require advance repayment of such amount

On July 28, 2014 Triodos Bank informed the Group that after the passing of new legislation (Note 3) indicating that the changes introduced have affected the base upon which the financing was granted, and for which they are susceptible to a cause of early maturity and/or the generation of the advance amortization commitments provided for in the contract Similarly, in virtue of this notification any payment charged to the financing accounts is blocked which is not related to the payment of essential operating and maintenance costs of the facilities On December 31, 2014 the bank has confirmed to the Group that it has not required the early repayment, either total or partial, as a consequence of the approval of the new legislation Consequently, the Directors have maintained the classifications of the bank borrowings based on the maturity dates initially established in the contracts, as they consider that the Group meets all the conditions and commitments undertaken in the syndicated loan, a and they consider that early settlement of the loan will not be required

18 2 Short-term financial liabilities

The balance for the accounts under " Short-term payables – Bank borrowings" at year end 2014 and 2013 is as follows (in thousands of euros)

	2014	2013
Bank borrowings	16 528	4 133
Documentary credits, imports and other	-	467
Other loans received	94	88
Accrued interest payable	407	422
Credit lines	4 158	7 855
	21.187	**12.965**

Loans received

This refers to the short-term part of various loans received from different banking entities to finance the construction of photovoltaic parks (Note 18 1) Interest is mainly accrued at variable market rates In addition there are loans received in previous years from financial entities for the deduction of tax receivables from the Regional Tax Office for VAT refunding and corporate tax refunds for 2013 On January 2, 2014 and January 30, 2014 these loans were cancelled

Credit lines and other

In 2014 a credit line has been opened in OPDE UK for the construction of three parks, of which EUR 4 2 million was available at year end 2014

At 31 December 2014 the credit lines limit amount to EUR 14 million (EUR 21 million in 2013), while the amount not used totals EUR 9 8 million (EUR 13 2 million in 2013) Interest accrues at market rates linked to Euribor

In addition the Group has a credit line, which includes confirming, amounting to EUR 5 million, of which the amount not used at December 31, 2014 is EUR 2 3 million

At 31 December 2014 the Group does not have any significant payable balances in foreign currency

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18 3 Information regarding payment deferrals to suppliers Additional Provision nº3 "Duty of disclosure" of the Law 15/2010, of July 5·

Set out below is the information required by Additional Provision Nº3 of the Act 15/2010 of July 5

	Payments made and outstanding at year end		Payments made and outstanding at year end	
	2014		2013	
	Amount	%	Amount	%
Payments made during maximum legal limit	24 245	92,44%	29 469	75,38%
Remaining payments	1 983	7,56%	9 622	24,62%
Total payments for the year	**26 228**	**100%**	**39.091**	**100%**
PMPE(*) (days) of payments	12	-	43	-
Deferrals exceeding maximum legal limit at year end	59	-	30	-
Average payment period	21	-	35	-

(*) Weighted average days past due

The data shown in the table above regarding payments to suppliers refers to those payments from consolidated Spanish group companies which by their nature have payables to suppliers of goods and services These amounts are included in the relative items under "Trade payables-Suppliers", "Trade payables-associate companies" and "Sundry payables" under current liabilities in the consolidated balance sheet

The weighted average days past due (PMPE) of payments is calculated as the ratio formed in the numerator by the sum of the products of each of the payments made to suppliers in the year which were deferred beyond their respective legally due times and the number of days by which the deferral exceeded the due date, and in the denominator by the total amount of the payments made in the year which were deferred beyond the legal due time

The maximum legal time applied to the Company according to Act 3/2004 of December 29, by which the measures combating late payment in trade operations were set up, and in accordance with the transitory dispositions set up by Act 15/2010 of July 5, is 30 days between January 1, 2014 and December 31, 2014, and was 60 days in 2013

The negotiations regarding the quality of the product is the main cause for the deferrals as they are time-consuming and the Company does not make payment until an agreement is reached with the supplier

19 Short-term accruals

Asset accruals mainly cover insurance company expense relating to tracker manufacturing warranties granted to final customers (generally 10 years), and to accruals relating to the maintenance of solar photovoltaic parks

Liability accruals mainly cover the amounts invoiced to final customers relating to the previously mentioned manufacturing warranties and to accruals relating to the maintenance of solar photovoltaic parks

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20 Public authorities and tax situation

The information regarding current balances with Public Authorities in the accompanying consolidated balance sheet at 31 December 2014 is as follows

20 1 Current balances with Public Authorities

Debtors balances

	2014	2013
Tax Authority debtor for VAT	5 623	5 408
Tax Authority debtor for corporate income tax	855	379
Other receivables	366	338
Total	**6.844**	**6.125**

Creditors balances

	2014	2013
Tax authority creditor for VAT	676	153
Tax Authority creditor for corporate income tax	1 996	752
Social Security authorities creditors	74	69
Other payables	179	828
Total	**2.925**	**1.802**

In 2013 the Group transferred EUR 600 thousand charged to the item "Long-term provisions – other provisions and with a credit to "Other payables with Public Authorities – other payables" as provision for the settlement of taxes associated with the construction of certain solar parks which have been paid in 2014

20.2 Reconciliation between the consolidated result and taxable base

The reconciliation between the consolidated result for the year and the taxable base for corporate income tax is set out below (in thousands of euros)

	2014	2013
Consolidated result for the year (before taxes)	8 690	15 223
Permanent differences	159	(12 057)
Temporary differences		
From consolidation adjustments	(13 629)	(6 419)
From individual companies	10 930	(5 547)
Taxable Base	**6.150**	**(8.800)**

Temporary and permanent adjustments mainly include adjustments derived from margins and adjustments relating to operations between Group companies and from adjustments relating to the portfolio Various companies of the group who have a similar tax address to the parent company in 2014 have taken the tax regime for fiscal consolidation contained in the Regional Law 24/1996 for corporate income tax, with OPDE Investment España as the parent company of the group

The Regional Law 29/2014 of December 24 regarding corporate tax establishes, amongst other matters, a tax reduction in corporate income tax to 25%, replacing the previous rate of 30% which was in force until December 31, 2014 This has led to expense totaling EUR 707 thousand in 2014

At 31 December 2014 there are available tax losses amounting to EUR 17 429 thousand (EUR 22 817 thousand in 2013) of which EUR 2 115 thousand (EUR 4 870 thousand in 2013) have been recognized based on expectations of recovery (Note 20 5) Tax losses mainly relate to fiscal loss in 2013 and 2012 whose application period is 15 and 14 years respectively

20 3 Reconciliation between the accounting result and corporate income tax

The reconciliation between the accounting result and Corporate Income Tax expense is as follows (in thousands of euros)

	2014	2013
Result before tax	**8.690**	**15.223**
Permanent differences	9	(12 057)
Tax rate applicable in each country	**2.740**	**997**
Deferred tax assets/liabilities (*)	266	4 355
Adjustment for previous years settlements	-	(91)
Other	-	60
Total	**3.006**	**5.321**

(*) Includes the effect of updating deferred tax assets and liabilities as a consequence of the change in the tax rate stated in Note 20 2

20 4 Breakdown of current and deferred tax

The breakdown of current and deferred tax is as follows (in thousands of euros)

	2014	**2013**
Current tax	2 156	1 552
Deferred tax	850	3 769
Total tax expense	**3.006**	**5 321**

20 5 Deferred tax assets

Deferred tax breaks down as follows

	Thousands of euros	
	2014	**2013**
Deferred tax assets:		
- Temporary differences and other	11 671	10 329
- Unused tax losses brought forward	529	1 461
	12 200	**11.790**

Deferred tax assets and liabilities are offset if at the time the Group has an enforceable right to offset the amounts recognized and intends to settle the net amount, or to realize the asset and settle the liability simultaneously

Deferred tax assets are recognized for tax loss carryforwards to the extent that the realization of the related tax benefit through future taxable profits of the Group is probable

At 31 December, 2014 there are tax deductions pending application totaling EUR 3 139 thousand (EUR 3 450 thousand in 2013)

20.6 Deferred tax liabilities

The breakdown of deferred taxes is as follows

	Thousands of euros	
	2014	**2013**
Deferred tax liabilities:		
- Temporary differences	(508)	(717)
	(508)	**(717)**

20.7 Tax inspection and years pending inspection

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been inspected by the tax authorities or until the four-year-statute-of-limitations period has expired At 2014 year end the Group companies have 2009 and onwards open for review for corporate tax and the last four years for the other main taxes applicable The Parent Company's Directors consider that the aforementioned taxes have been settled correctly and that, therefore, even if discrepancies arose with respect to its interpretation of current legislation in its tax treatment of transactions, any potential liabilities, should they arise, would not have a material effect on the accompanying financial statements

In the opinion of the Parent Company's Directors and its tax advisors, transfer prices are adequately supported and comply with the existing tax legislation It is estimated that there are no significant risks in this aspect of those resulting liabilities for future consideration for the Group

21 Income and expense

21 1 Revenue

Net turnover from the Group's ordinary activities may be analyzed geographically as follows

	%	
	2014	**2013**
Domestic	14%	54%
Foreign	86%	46%
	100%	**100%**

The breakdown of the net turnover for 2014 and 2013 by line of the activity is as follows

	%	
	2014	**2013**
Sale of photovoltaic materials	17%	26%
Assembly of trackers	1%	19%
Rendering of services – turnkey	56%	15%
Sale of energy and other	26%	40%
	100%	**100%**

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21 2 Procurement and supplies

The breakdown of "Supplies - Consumption of goods for resale and raw materials" for 2014is as follows (in thousands of euros)

	2014	2013
Purchases	19 494	28 261
Changes in inventories	(816)	3 565
Consumption of goods for resale and raw materials	**18.678**	**31 826**

21.3 Personnel costs

The breakdown of "Personnel costs" in the consolidated income statement for 2014 and 2013 is as follows (in thousands of euros)

	2014	2013
Wages, salaries and similar	3 417	3 950
Severance payments	372	220
Social security costs	758	951
Other	23	112
	4.570	**5 233**

As is indicated in Note 22 3, the Group has set up variable long-term remuneration agreements with certain employees based on reaching certain objectives

The average number of employees by category during the year was as follows

	N° Persons	
	2014	2013
Management	10	17
Qualified staff, specialists and admin	68	53
Sales staff	4	20
Skilled and unskilled workers	6	14
	88	**104**

The average number of special needs employees is 1 (1 in 2013), in the category of skilled and unskilled workers

The distribution by gender and category of the Group's personnel at year end is as follows

	2014			2013		
	Male	Female	Total	Male	Women	Total
Management	4	-	4	12	2	14
Qualified staff, specialists and admin	33	23	56	35	27	62
Sales staff	-	-	-	6	2	8
Skilled and unskilled workers	3	2	5	8	-	8
	40	**25**	**65**	**61**	**31**	**92**

21 4 Other operatıng expense

The headıng "External servıces" ın the consolıdated ıncome statement for 2014 and 2013 basıcally ıncludes transport costs for photovoltaıc materıals to poınt of sale, ınsurance premıums and ındependent professıonal servıces amongst others "
The Group has recorded on amount of EUR 370 thousand (EUR 397 thousand ın 2013) relatıng to charges on receıved lease payments (Note 10)

21 5 Impaırment and results on dısposals of fıxed assets

	Thousands of euros	
	2014	2013
Impairment:		
Property, plant and equıpment (Note 8)	169	963
Sub-total	**169**	**963**
Results on dısposals:		
Sales of companıes (Notes 1 & 8)	-	(18 537)
Sales of property (Notes 1 and 8)	-	(67)
Sales costs (Note 1)	-	1 660
Other (Notas 5 y 6)	(24)	(1 331)
Sub-total	**(24)**	**(18.275)**
Total	**145**	**(17.312)**

In 2014 the Group has receıved exceptıonal ıncome amountıng to EUR 251 thousand (EUR 667 thousand ın 2013) from the ınsurance company Reale for the accıdents and claıms whıch occurred ın the parks ın Greece ın 2013 and 2012 and for whıch the Group bore the repaır costs (Note 17)

22 Related-party transactıons and balances

22.1 Related-party transactıons

Related-party transactıons are detaıled below

Year 2014

	Renderıng of servıces	Non-core and other sundry ıncome	External servıces
Assocıates			
Renter Gestıones, S L	192	34	9
Proyectos Integrales Solares, S L	-	326	-
	192	**360**	**9**

Year 2013

	Renderıng of servıces	Non-core and other sundry ıncome	External servıces
Asocıadas			
Renter Gestıones, S L	1 170	2	(9)
	1 170	**2**	**(9)**

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Rendering of services mainly relates to the maintenance work carried out in the Almaraz park in Extremadura

Services received relate mainly to maintenance work carried out in photovoltaic parks

Transactions exist with companies related to the Directors relating to management services rendered in 2014, which total EUR 1 069 thousand (EUR 1 505 thousand in 2013) The breakdown is as follows (thousands of euros)

	2014	2013
Solintel M&P, S L (Nota 22 3)	819	324
Aldrovi, S L	72	172
Jalasa Ingeniería, S L	72	211
Marearoja Internacional, S L	72	182
Aste Consultores, S L	26	475
Agoranet 2000, S L	8	141
Total	**1.069**	**1.505**

Note 22 3 details the additional agreements made with certain members of the Governing Body and Directors of the parent company

22.2 Related-party balances

The breakdown of related-party balances at year end 2014 is as follows (in thousands of euros)

Year 2014

	Receivables and loans granted	Payables and loans received
Associates		
Renter Gestiones, S L	299	-
Related-parties		
Promso Hellas, S A	1	(38)
Proyectos Integrales Solares, S L (*)	863	(5)
Promso UK	11	-
Promso USA	-	(3)
Solintel M&P, S L	-	(507)
	1.174	**(553)**

(*) From this amount total, EUR 326 thousand are included under the heading " Trade – sales and services rendered" in the consolidated balance sheet for 2014 and EUR 527 thousand under "Investments in associates and related parties – Loans to companies" in the consolidated balance sheet for 2014

Year 2013

	Receivables and loans granted	Impairment of loans and receivables	Payables and loans received
Associates			
Renter Gestiones, S L	339	-	-
Related parties			
Proyectos y Montajes Eléctricos Riosur, S L	1 486	(1 485)	-
Solintel M&P, S L	-	-	(64)
Agoranet 2000, S L	-	-	(25)
	1.825	**(1.485)**	**(89)**

22.3 Remuneration of the governing body and senior management of the parent company

Remuneration of the governing body

The members of the Governing Body of the Parent Company have not accrued nor received any remuneration in 2014 and 2013 In addition, no advances, loans, pensions, retirement awards or special indemnities have been granted

In addition the Company has set up variable additional remuneration agreements with certain Directors of Grupo OPDE which are accruable on the basis of when one or various transactions take place which highlight an external assessment of the Group's shares, or of the Group s subsidiaries if an exchange of treasury shares or owned assets occurs through external securities or cash, including an increase in capital with share premium At December 31, 2014 the heading "Short-term payables to Group companies and associates" in the accompanying balance sheet records EUR 507 thousand which corresponds to the best estimate of the amount accrued in 2014 for the agreements mention above (Notes 22 1 & 22 2) In 2013 there were no accrued amounts for this concept
At December 31, 2014 the Group recorded a liability for EUR 2 138 thousand relating to commitments from previous years with certain directors of Grupo OPDE and related parties which has been paid in 2014

The Group has analyzed the governing bodies of the Group in 2014 and has taken the decision to only consider the Administrative Board as the Governing Body, as it is the Board which takes the most important business decisions and analyzes the decisions taken by the Company s managers The amounts accrued by companies related to the members of the Governing Body for these management services is detailed in Note 22 1 (there are no additional amounts accrued than those related parties stated and broken down in Note 22 1)

For information purposes Aldrovi, S L , Jalasa, S L and Marearoja, S L are companies related to three members of the Governing Body, and have rendered and billed their services to the Parent Company Mention is also made of the fact that Solintel M&P S L, Aste Consultores, S L , and Agoranet 2000, S L are companies related to two other members of the Governing Body All these companies render services to the Parent Company on the basis of signed agreements (See Note 22 1)

22.4 Information related to conflict of interest situations with Directors

At 2014 year end, neither the Joint Administrators of the Company nor persons related to them, in accordance with Article 231 of the Company Capital Act have notified the Shareholders Meeting of any conflict of interest situation, either direct or indirect, which they may have with the interests of the Company

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23 Environmental disclosures

In its overall operations the Group takes into account environmental protection laws ("environmental laws") The Group considers that it largely meets environmental regulations and has procedures in place designed to encourage and assure such compliance

The Group has taken the necessary measures to protect and improve the environment and to minimize environmental impact, if applicable, in compliance with current environmental legislation In 2014 and previous years, the Group has made no environmental investments and nor has it incurred expenses for the protection and improvement of the environment In addition, it has not considered it necessary to establish a provision for environmental liabilities and charges since there are no contingencies related to the environmental protection and improvement or environmental liabilities

24 Other information

24 1 Contingencies

Contingent liabilities

The Group has no contingent liabilities arising in the ordinary course of business which are expected to trigger significant liabilities

Bank guarantees

The Group has guarantees with third parties connected with solar facilities amounting to EUR 9 9 million (EUR 7 5 million in 2013) relating mainly to the guarantees on the provisional receipt of the photovoltaic facilities built and guarantees vis-á-vis municipal authorities for work to be carried out

24 2 Guarantees

i) Guarantees under sales contracts and completion of solar facilities (turn-key)

The Group guarantees the repair of any defects and flaws in the execution and termination of the construction works on the solar plants, provided that they are directly attributable to such works, for two years following the final delivery of the plant

The warranty borne by the Group with respect to the products and materials supplied for the construction of the plants will be made up of and limited to the warranty granted by the manufacturers of such materials Additionally, the Group offers an assembly warranty, although at the present date there is no experience concerning warranty expenses

ii) Warranty under contracts for sale of modules

The Group offers all customers a standard warranty certificate for photovoltaic modules which includes a warranty for material or manufacturing defects and a power guarantee

The Group guarantees that its materials and manufacturing are free of any defects that hinder normal operation in correct conditions of use, assembly and maintenance for the first two years for the modules, five years for electronic equipment and 10 years for the solar tracking system Otherwise, the Group undertakes to replace or repair the defective module

As from the date of sale of the modules, the Group guarantees minimum exit power in accordance with the contract's technical specifications

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At the year end the Group records no provisions for these warranties since there is no significant experience in this respect and taking into account that the warranties provided by the Group's part manufacturers would sufficiently cover any incident

24 3 Auditors fees

In 2014 auditors fees related to account auditing services and other services rendered by the auditor of the consolidated annual accounts of the Group, Deloitte, S L , and by companies belonging to the Deloitte network, as well as fees for services rendered on the individual annual accounts of consolidated companies and companies related by control, joint ownership or management The breakdown is as follows(in thousands of euros)

Year 2014

	Account auditing	Other services
Deloitte	96	143
Total	**96**	**143**

Year 2013

	Account auditing	Other services
Deloitte	110	93
Total	**110**	**93**

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24 4 Segmented information

Financial information of the Group by operating segment as at 31 December 2014 is as follows

	Thousands of euros					
Item	Sale of photovoltaic materials	Assembly of trackers	Rendering of services – turn-key	Sale of energy and other	Consolidation adjustments	Consolidated
Revenue						
- External clients	12 939	798	41 705	19 074	-	74 516
- Inter-segmental	1 191	427	1 375	-	(2 991)	2
Procurements	(12 825)	(662)	(24 213)	(261)	(4 167)	(42 128)
Personnel expense	(550)	(1 145)	(2 875)	-	-	(4 570)
Depreciation of fixed assets	(41)	(284)	(303)	(6 932)	1 630	(5 930)
Losses, impairment and changes in provisions						
- Current	(996)	239	(13 974)	(3 443)	7 157	(11 017)
- Non-current	51	244	514	(2 654)	2 551	706
Operating result	**(231)**	**(383)**	**2.229**	**5.784**	**4.180**	**11.579**
Financial income	207	77	6 834	44	(3 844)	3 318
Financial expense	(192)	(7)	(5 510)	(9 503)	9 005	(6 207)
Result of continued operations	**(216)**	**(313)**	**3.553**	**(3.675)**	**9.341**	**8.690**
Pre-tax result	**(216)**	**(313)**	**3 553**	**(3.675)**	**9 341**	**8 690**
Segment assets		3 579	189 049	176 354	(171 313)	197 669
Segment liabilities		2 229	64 126	165 761	(98 565)	133 551
Net cash flows of activities (*)						
- Operating	334	318	(37)	5 111	(228)	5 498
- Investing	-	-	9 100	-	1 637	10 737
- Financing	(6 941)	(840)	(4 540)	(4 121)	2 196	(14 246)

(*) The net cash flows in each segment only include the most representative company in the segment

The information recorded in each of the segments relates to the results of the Group companies which develop such activities

In accordance with existing legislation, transactions between Group companies are carried out at market prices

Sales by the Group in Spain total EUR 10 647 thousand (EUR 29 752 thousand in 2013), in the European Union they total EUR 63 871 thousand (EUR 15 646 thousand in 2013) and in the rest of the world they total EUR 0 thousand (EUR 9 716 thousand in 2013)

In the segment "Sale of photovoltaic materials", the 30 most significant clients make up approximately 82% (63% in 2013) of the income of the business unit In the segment "Rendering of services - turn-key", the clients are very fragmented

In 2014 the sales in the segment "Sale of energy" have basically been carried out through two agents, which represent 9% and 14% respectively of net revenue in 2014

Annexes I and II detail the Subsidiary companies included in the consolidation scope, both group and associates

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Annex I- Subsidiaries and associate companies at December 31, 2014

Name and location	Activity	Shareholding % par value	Group company holder	Auditor
OPDE Participaciones Industriales, S L. (Fustiñana, Navarra)	Promotion and development of companies	100%	OPDE Investment España, S L	-
Otras Producciones de Energía Fotovoltaica, S L - (Navarra)	Manufacture and sale of solar trackers	100%	OPDE Investment España, S L	Deloitte
P V Integral Management, S L (España)	Rendering of services	100%	OPDE Participaciones Industriales, S L.	-
Eólica la Lora, S L - (Navarra) Includes 25 SPVs for energy sale	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L.	Deloitte
Mecanizados Solares, S L - (Navarra)	Manufacture and sale of solar trackers	100%	OPDE Investment España, S L	Deloitte
Grupo Solar Basico Delta 2, S L - (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	Deloitte
OPDE Extremadura, S L - (Navarra)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Participaciones Industriales, S L	-
OPDE India Solar 1 Private Ltd (India)	Promotion, manufacture and sale of photovoltaic facilities	100%	GSB Gamma 2, S L (99%) GSB Omega 2, S L (1%)	-
Cantillana Fotovoltaica, S L (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L.	Deloitte
Mecasolar US, Llc (USA)	Promotion, manufacture and sale of photovoltaic facilities	100%	Mecanizados Solares, S L	-
Promociones Fotovoltaicas Juglans, S.L. (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	Deloitte
Promociones Fotovoltaicas Juniperus, S L (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L.	Deloitte
Promociones Fotovoltaicas Laurus, S L. (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L.	Deloitte
Promociones Fotovoltaicas Pinus, S L. (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L.	Deloitte
Elogia Trans Uno, S L U (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L.	Deloitte
Ribaforada 10 S r l - (Turin, Italy)	Sale of energy	100%	OPDE Investment España, S L	-
Mecasolar Hellas, A E. - (Greece)	Promotion, manufacture and sale of photovoltaic facilities	70%	Mecanizados Solares, S L	Other
Sociedad Ibérica de Generación de Energía Fotovoltaica XVI (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L.	-
Grupo Valsingula, S L - (Navarra) Includes 230 companies without activity	Operating of photovoltaic parks	100%	OPDE Investment España, S L	-
Sociedad Ibérica de Generación de Energía Fotovoltaica XVII (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Ribaforada 7 S r l - (Turin, Italy)	Sale of energy	100%	OPDE Investment España, S L	-
Render Energias Renovables, S A (Cáceres)	Promotion, manufacture and sale of photovoltaic facilities	51%	OPDE Investment España, S L	-
Opde Levante, S L - (Valencia)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Participaciones Industriales, S L	-
OPDE Solare, S r l - (Italy)	Promotion, manufacture and sale of photovoltaic facilities	60%	OPDE Italy, S r l	-
OPDE Puglia, S r L - (Italy)	Sale of energy	60%	OPDE Solare, S r l	-

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Name and location	Activity	Shareholding % par value	Group company holder	Auditor
Solare Puglia, S r l - (Italy)	Sale of energy	60%	OPDE Solare, S r l	-
OPDE Solare, S r l - (Italy)	Promotion, manufacture and sale of photovoltaic facilities	40%	Opde Investment, S L	-
OPDE Puglia, S r l - (Italy)	Sale of energy	40%	Opde Investment, S L.	-
Solare Puglia, S r l - (Italy)	Sale of energy	40%	Opde Investment, S L	-
Opde Hellas, E P E - (Greece)	Promotion, manufacture and sale of photovoltaic facilities	90%	OPDE Investment España, S L	-
Almaraz Fotovoltaica XXXIV, S L (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Ribaforada 3 S r l - (Turin, Italy)	Sale of energy	100%	OPDE Investment España, S L.	-
Piemonte Eguzki 2 S r l - (Milán, Italy)	Sale of energy	100%	OPDE Investment España, S L	-
Antigali 1, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 9, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 6, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 7, S r L (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
OPDE Italy, S r l - (Italy)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Investment España, S L	Deloitte
Chi Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L. (50%)	-
Epsilon Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Iota Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Kappa Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Lambda Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Omicron Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Psi Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Rho Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Tau Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Theta Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-

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Name and location	Activity	Shareholding % par value	Shareholding Group company holder	Auditor
Almaraz Fotovoltaica XXXIX, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L	-
Almaraz Fotovoltaica XXXVIII, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L	-
Proyectos y Montajes Electricos Riosur, S.L. (Badajoz)	Promotion, manufacture and sale of photovoltaic facilities	40%	OPDE Investment España, S.L	-
Tordesillas Solar F V 11, S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 12, S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 13, S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 14,S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 15, S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 16, S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 17, S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 18 ,S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 19, S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Tordesillas Solar F V 20, S L - (Beniparrel, Valencia)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Almaraz Fotovoltaica XL, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L	-
Almaraz Fotovoltaica XLI, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L	-
Aragonesa de Iniciativas Sostenibles III, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Investment España, S L	-
Turolense de Iniciativas Sostenibles IV, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Investment España, S L	-
GSB Gamma 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
GSB Iota 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
GSB Kappa 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
GSB Lambda 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
GSB Omicron 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Gamma Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Kappa 2, S L (50%) GSB Iota 2, S L (50%)	-
Garambullo Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Lambda 2, S L (50%) GSB Omicron 2, S.L (50%)	-
GSB Omega 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Lambda Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Lambda 2, S L (50%) GSB Omicron 2, S.L (50%)	-
Rho Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Kappa 2, S L (50%) GSB Iota 2, S L (50%)	-

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Name and location	Activity	Shareholding % par value	Group company holder	Auditor
Theta Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Kappa 2, S L (50%) GSB Iota 2, S L (50%)	-
Renter Gestiones, S L (Navarra)	Promotion, manufacture and sale of photovoltaic facilities	24%	Opde Extremadura, S L	-
Opde O&M, S L - (Navarra)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Participaciones Industriales, S L	-
OPDE Investment US Corp (USA)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Investment España, S L	-
OPDE USA, L L C - (USA)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Investment España, S L	-
INVERSIONES SOLARES DEL ALTIPLANO, S R L DE C V (Mexico)	Promotion of parks	100%	Aragonesa de Iniciativas sostenibles S L (50%) Turolense de Inversiones Sostenibles S L (50%)	-
ELECTRICIDAD FOTOVOLTAICA ARGENTUM, S R L DE C V (Mexico)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) GSB Omicron 2 S L (50%)	-
ENERGÍA SOLAR DE PONIENTE, S R L DE C V (Italy)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) GSB Iota 2 S L (50%)	-
INFRAESTRUCTURA ENERGÉTICA DEL NORTE S R L DE C V (Italy)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) GSB Kappa 2 S L (50%)	-
INVERSIONES Y PROMOCIONES SOLARES DEL CENTRO, S R L DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) GSB lambda 2 S L (50%)	-
SOLEIL FOTOVOLTAICA, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 11 S L (50%)	-
INFRAESTRUCTURA ENERGÉTICA DEL OESTE, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 12 S L (50%)	-
PROMOCIONES SOLARES MW, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 13 S L (50%)	-
PROMOCION FOTOVOLTAICA VALLADOLID, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 14 S L (50%)	-
SOLAR DE LA SIERRA, S A P I DE C V (Mexico)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 15 S L (50%)	-
ENERGÍA FOTOVOLTAICA MIRAFLORES, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 16 S L (50%)	-
OPDE BRASIL GENERACAO DE ENERGIA LTD (Brazil)	Promotion of parks	100%	OPDE Fotovoltaica SLU (99%) OPDE Investment España S L (1%)	-
ALPHA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
BETA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
GAMMA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
DELTA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
EPSILON SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-

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Name and location	Activity	Shareholding: % par value	Shareholding: Group company holder	Auditor
IOTA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
KAPPA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
LAMBDA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
Opde UK, limited (UK)	Park construction	100%	OPDE Participaciones Industriales S L	
Haymaker Mountmill, Limited (UK)	Park construction	100%	OPDE Participaciones Industriales, S L	
GAMMA SUN RENEWABLE ENERGY INDIA Ltd (India)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (99%) GSB Gamma 2 S L (1%)	-
OMEGA SUN RENEWABLE ENERGY INDIA Ltd (India)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (99%) GSB Omega 2 S L (1%)	-
GRUPO SOLAR BÁSICO BETA 1 S L (Spain)	Promotion of parks	100%	MECANIZADOS SOLARES S L	-
MECASOLAR ESPAÑA SL (Spain)	Promotion of parks	100%	MECANIZADOS SOLARES S L	-
Proyectos Integrales Solares, S L - (Navarra)	Puchase-sale of materials and other photovoltaic sector related activities	100%	OPDE Investment España, S L	Deloitte
Piemonte Eguzki 6 S r l - (Milán, Italy)	Sale of energy	100%	OPDE Investment España, S L	-
Proinso US, L L C - (USA)	Promotion, manufacture and sale of photovoltaic facilities	100%	Proyectos Integrales Solares, S L	-
Antigali 10, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 8, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 4, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 5, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Proinso Italy, S r L - (Italy)	Puchase-sale of materials and other photovoltaic sector related activities	100%	Proyectos Integrales Solares, S L	-
Proinso Deutschland GmbH (Germany)	Promotion, manufacture and sale of photovoltaic facilities	100%	Proyectos Integrales Solares, S L	-
Proinso UK Ltd (UK)	Promotion, manufacture and sale of photovoltaic facilities	100%	Proyectos Integrales Solares, S L	-

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Annex II – Subsidiary and associate companies at December 31, 2013

Name and location	Activity	% par value	Group company holder	Auditor
OPDE Participaciones Industriales, S L (Fustiñana, Navarra)	Promotion and development of companies	100%	OPDE Investment España, S L (72,25%) Otras Producciones de Energía Fotovoltaica, S L (27,75%)	-
Otras Producciones de Energía Fotovoltaica, S L - (Navarra)	Manufacture and sale of solar trackers	100%	OPDE Investment España, S L	Deloitte
Eólica la Lora, S L - (Navarra) Includes 25 SPVs sale of energy	Operating of photovoltaic parks	100%	OPDEParticipaciones Industriales, S L	Deloitte
Mecanizados Solares, S L - (Navarra)	Manufacture and sale of solar trackers	100%	OPDE Investment España, S L	Deloitte
Grupo Solar Básico Delta 2, S L - (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	Deloitte
Opde Extremadura, S L - (Badajoz)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Participaciones Industriales, S L	-
OPDE India Solar 1 Private Ltd (India)	Promotion, manufacture and sale of photovoltaic facilities	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Cantillana Fotovoltaica, S L (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Mecasolar US, Llc (USA)	Promotion, manufacture and sale of photovoltaic facilities	100%	Mecanizados Solares, S L	-
Proyectos Integrales Solares, S L - (Navarra)	Puchase-sale of materials and other photovoltaic sector related activities	100%	OPDE Investment España, S L	Deloitte
Promociones Fotovoltaicas Juglans, S.L (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	Deloitte
Promociones Fotovoltaicas Juniperus, S.L (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	Deloitte
Promociones Fotovoltaicas Laurus, S L (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	Deloitte
Promociones Fotovoltaicas Pinus, S L (Fustiñana, Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	Deloitte
Elogia Trans Uno, S L.U (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Ribaforada 10 S r l - (Turín, Italy)	Sale of energy	100%	OPDE Investment España, S L	-
Mecasolar Hellas, A E - (Greece)	Promotion, manufacture and sale of photovoltaic facilities	70%	Mecanizados Solares, S L	Other
Sociedad Ibérica de Generación de Energía Fotovoltaica XVI (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Grupo Valsingula, S L - (Navarra) Includes 266 without activity	Operating of photovoltaic parks	100%	OPDE Investment España, S L	-
Sociedad Ibérica de Generación de Energia Fotovoltaica XVII (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Ribaforada 7 S r l - (Turin, Italy)	Sale of energy	100%	OPDE Investment España, S L	-
Render Energías Renovables, S A. (Cáceres)	Promotion, manufacture and sale of photovoltaic facilities	51%	OPDE Investment España, S L	-
Opde Levante, S L - (Valencia)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Participaciones Industriales, S L	-
Proinso Hellas, A E - (Greece)	Promotion, manufacture and sale of photovoltaic facilities	70%	Proyectos Integrales Solares, S L	-
Piemonte Eguzki 6 S r l - (Milan, Italy)	Sale of energy	100%	OPDE Investment España, S L	-

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Name and location	Activity	% par value	Group company holder	Auditor
Proinso US, L L C - (USA)	Promotion, manufacture and sale of photovoltaic facilities	100%	Proyectos Integrales Solares, S L	-
OPDE Solare, S r l - (Italy)	Promotion, manufacture and sale of photovoltaic facilities	60%	OPDE Italy, S r l	-
Opde Hellas, E P E - (Greece)	Promotion, manufacture and sale of photovoltaic facilities	90%	OPDE Investment España, S L	-
Almaraz Fotovoltaica XXXIV, S L (Navarra)	Sale of energy	100%	OPDE Participaciones Industriales, S L	-
Ribaforada 3 S r l - (Turin, Italy)	Sale of energy	100%	OPDE Investment España, S L	-
Piemonte Eguzki 2 S r l - (Milán, Italy)	Sale of energy	100%	OPDE Investment España, S L	-
Antigali 1, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 10, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 9, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 6, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 7, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 8, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 4, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Antigali 5, S r l (Italy)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Proinso Italy, S r l - (Italy)	Puchase-sale of materials and other photovoltaic sector related activities	100%	Proyectos Integrales Solares, S L	-
OPDE Italy, S r l - (Italy)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Investment España, S L	Deloitte
OPDE Puglia, S r l - (Italy)	Promotion, manufacture and sale of photovoltaic facilities	60%	OPDE Solare, S r l	-
Solare Puglia, S r l - (Italy)	Promotion, manufacture and sale of photovoltaic facilities	60%	OPDE Solare, S r l	-
Chi Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Epsilon Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Iota Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Kappa Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Lambda Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Omicron Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-

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Name and location	Activity	% par value	Group company holder	Auditor
Psi Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Rho Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Tau Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Theta Güneş Enerjisi Elektrik Uretim Ve Ticaret Limited Şirketi (Turkey)	Promotion of parks	100%	GSB Gamma 2, S L (50%) GSB Omega 2, S L (50%)	-
Almaraz Fotovoltaica XXXIX, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L	-
Almaraz Fotovoltaica XXXVIII, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L	-
Proyectos y Montajes Electricos Riosur, S L (Badajoz)	Promotion, manufacture and sale of photovoltaic facilities	40%	OPDE Investment España, S L	-
Tordesillas Solar F V 11, S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 12, S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 13, S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 14,S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 15, S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 16, S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 17, S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 18 ,S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 19, S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Tordesillas Solar F V 20, S L - (Benipairel, Valencia)	Sale of energy	100%	OPDE Investment España, S L	-
Almaraz Fotovoltaica XL, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L	-
Almaraz Fotovoltaica XLI, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Participaciones Industriales, S L	-
Aragonesa de Iniciativas Sostenibles III, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Investment España, S L	-
Turolense de Iniciativas Sostenibles IV, S L (Navarra)	Operating of photovoltaic parks	100%	OPDE Investment España, S L	-
GSB Gamma 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
GSB Iota 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
GSB Kappa 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
GSB Lambda 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
GSB Omicron 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L	-
Gamma Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Kappa 2, S L (50%) GSB Iota 2, S.L (50%)	-
Garambullo Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Lambda 2, S L (50%) GSB Omicron 2, S L (50%)	-

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Name and location	Activity	% par value	Group company holder	Auditor
GSB Omega 2, S L (Navarra)	Promotion of parks	100%	OPDE Participaciones Industriales, S L.	-
Lambda Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Lambda 2, S L (50%) GSB Omicron 2, S L (50%)	-
Rho Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Kappa 2, S L (50%) GSB Iota 2, S L (50%)	-
Theta Solar S De Rl De Cv (Mexico)	Promotion of parks	100%	GSB Kappa 2, S L (50%) GSB Iota 2, S L (50%)	-
Renter Gestiones, S L (Navarra)	Promotion, manufacture and sale of photovoltaic facilities	24%	Opde Extremadura, S L	-
OPDE Investment US Corp (USA)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Investment España, S L	-
OPDE USA, L L C - (USA)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Investment España, S L	-
Proinso Deutschland GmbH (Germany)	Promotion, manufacture and sale of photovoltaic facilities	100%	Proyectos Integrales Solares, S L	-
Proinso UK Ltd (UK)	Promotion, manufacture and sale of photovoltaic facilities	100%	Proyectos Integrales Solares, S L	-
Opde O&M , S L - (Navarra)	Promotion, manufacture and sale of photovoltaic facilities	100%	OPDE Participaciones Industriales, S L	-
INVERSIONES SOLARES DEL ALTIPLANO, S R L DE C V (México)	Promotion of parks	100%	Aragonesa de Iniciativas sostenibles S L (50%) Turolense de Inversiones Sostenibles S L (50%)	-
ELECTRICIDAD FOTOVOLTAICA ARGENTUM, S R L DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) GSB Omicron 2 S L (50%)	-
ENERGÍA SOLAR DE PONIENTE, S R L DE C V (Mexico)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) GSB Iota 2 S L (50%)	-
INFRAESTRUCTURA ENERGÉTICA DEL NORTE S R L DE C V (Mexico)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) GSB Kappa 2 S L (50%)	-
INVERSIONES Y PROMOCIONES SOLARES DEL CENTRO, S R L DE C V (Mexico)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) GSB lambda 2 S L (50%)	-
SOLEIL FOTOVOLTAICA, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 11 S L (50%)	-
INFRAESTRUCTURA ENERGÉTICA DEL OESTE, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 12 S L (50%)	-
PROMOCIONES SOLARES MW, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 13 S L (50%)	-
PROMOCION FOTOVOLTAICA VALLADOLID, S.A.P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 14 S L (50%)	-
SOLAR DE LA SIERRA, S.A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 15 S L (50%)	-

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Name and location	Activity	% par value	Group company holder	Auditor
ENERGÍA FOTOVOLTAICA MIRAFLORES, S A P I DE C V (México)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (50%) Tordesillas Solar FV 16 S L (50%)	-
OPDE BRASIL GENERACAO DE ENERGIA LTD (Brazil)	Promotion of parks	100%	OPDE Fotovoltaica SLU (99%) OPDE Investment España S L (1%)	-
ALPHA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
BETA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
GAMMA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
DELTA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
EPSILON SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
IOTA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
KAPPA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
LAMBDA SOLAR LIMITED (UK)	Promotion of parks	100%	OPDE Participaciones Industriales S L	-
GAMMA SUN RENEWABLE ENERGY INDIA Ltd (India)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (99%) GSB Gamma 2 S L (1%)	-
OMEGA SUN RENEWABLE ENERGY INDIA Ltd (India)	Promotion of parks	100%	OPDE' Participaciones Industriales S L (99%) GSB Omega 2 S L (1%)	-
GRUPO SOLAR BÁSICO BETA 1 S L (Spain)	Promotion of parks	100%	MECANIZADOS SOLARES S L	-
MECASOLAR ESPAÑA SL (Spain)	Promotion of parks	100%	MECANIZADOS SOLARES S L	-

Grupo Opde

DIRECTORS REPORT FOR CONSOLIDATED FINANCIAL STATEMENTS 2014

1 Group financial situation and evolution of business

The consolidated net equity of Grupo OPDE (OPDE Investment España, S L and subsidiaries) (the Group) at 2014 year end amounts to EUR 64 118 thousand, which is an increase of EUR 1 919 thousand with respect to the previous year

This increase is mainly due to the profit for the year of EUR 5 684, offset by the distribution of EUR 2 800 thousand in dividends in 2014 by the parent company of the Group, Opde Investment España, S L and the spin-off Proyectos Integrales Solares, S L and its subsidiaries (Grupo Proinso) which accounted for approx EUR 1 200 thousand

Working capital is positive and amounts to EUR 16 046 thousand at year end 2014 (27 544 at year end 2013)

After the exit of Grupo Proinso on October 17, 2014 the Group activity focuses on the following business design and manufacture of trackers, rendering of maintenance services for photovoltaic parks, construction and promotion of solar parks and energy production

2 Profit for the year 2014

Profit for the year stands at EUR 5 684 thousand compared to a profit of EUR 9 902 thousand in 2013 The decrease in profit is mainly due to the fact that in 2013 Rios & Enrique exited the shareholding of the Group which meant the sale of three photovoltaic parks in Italy and one in Spain (a total power of 7,4 MW)

Excluding this effect, the activity of the Group has increased in 2014 with respect to 2013, as in 2014 the Group constructed and sold a photovoltaic park in the United Kingdom (Bishop 12 MW) as well as recording a degree of completion of 87 7% for another two turn-key photovoltaic parks sold (Oaklands and Natewood), also in the United Kingdom, which once completed will have a total power of 15 83 MW Finally, at the end of 2014 the Group had started construction of a fourth photovoltaic park in the United Kingdom Mount Mill (12 MW)

In addition, in 2014 the Group purchased the remaining shares in the Italian company Opde Solare SL from the two minority shareholders The company indirectly holds the operating of 5 photovoltaic parks in the south of Italy, which have a total power of 4 78MW

Thus, at December 31, 2014 the Group owns operating photovoltaic parks which have a total power of 41 MW (36MW at December 31, 2013)

3 Risks, uncertainties and foreseeable evolution of business

The most significant risks and uncertainties are related to the regulatory framework of the sector, which is not favorable at all to the construction and promotion of parks in Spain, and to a lesser extent in Italy

Nevertheless, in Spain in June 2014 legislation which regulates and defines the legal and economic model for electrical energy production using renewable energy sources as well as setting the remuneration parameters for photovoltaic facilities was passed

The Group continues to look for business opportunities in other countries, in particular Mexico, the USA and Chile as well developing and constructing in the United Kingdom

4 Environment

The Group complies with current environmental legislation

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5. Personnel

The Group ends the year with 65 employees (92 employees at the previous year end)

6 Other

The Group has not used significant resources in matters of research and development

The Company holds no treasury shares and has not traded in treasury shares during the year

Currently, the Group uses financial instruments two swaps in relation to the Project Finance of the photovoltaic park in Ablitas (Navarre) Their amounts and effect are reflected in the Group s financial statements

The Average Payment Period of the Group in 2014 has been 21 days, which is less than the 30 days legal maximum

There has been no significant event after year end 2014