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*Iberdrola Renovables ended 2007 with 7,704 MW of installed power and a portfolio of projects totalling more than 42,000 MW, consolidating its worldwide leadership**

IBERDROLA RENOVBLES ACQUIRES RIGHTS OVER A 1,600 MW PORTFOLIO OF WIND PROJECTS IN ROMANIA

- **With this transaction, the Company reinforces its presence in Eastern Europe, where it has facilities and projects in Poland, Hungary, and Estonia**
- **IBERDROLA RENOVBLES, which now has 1,370 MW of capacity under construction, plans to bring 2,000 MW a year into service between 2008 and 2010, with a view to reaching the end of the reference period with a total installed power of 13,600 MW**

IBERDROLA RENOVBLES has signed a contract with Eolica Dobrogea (Schweiz) AG, a company belonging to the Swiss engineering group NEK and the Romanian company Rokura, to acquire a portfolio of approximately 50 wind projects totalling around 1,600 megawatts (MW), located in the Dobrogea region in eastern Romania. The price may be between 200 and 300 million euros, depending on the sites eventually acquired.

The 50 projects include approximately 800 wind farm installation sites, which are in various phases of development. The first farms are expected to start operating in 2009.

Under the terms of the agreement, Eolica Dobrogea (Schweiz) AG will be responsible for developing the projects, including planning and obtaining construction permits. Once the promotion phase is completed, the wind farms will be built and operated by IBERDROLA RENOVBLES, which will then have a leadership position on the Romanian renewable energy market.



With this transaction, the Company reinforces its presence in Eastern Europe, an extremely attractive area for implementing its international growth strategy, and where it already has projects in Poland, Hungary, and Estonia. Specifically, IBERDROLA RENEWABLES has 105 MW operating in Poland, and is building two facilities in Hungary which will be brought into service this year. The Company is also developing the largest wind farm in Estonia, which will have an installed power of 150 MW and will be located in the municipality of Luganuse.

Furthermore, with the acquisition of rights over 1,600 MW of wind power under development in Romania, IBERDROLA RENEWABLES has expanded its portfolio of projects, which now totals more than 43,500 MW worldwide.

World leader in wind energy by installed power

At the end of 2007 IBERDROLA RENEWABLES reached an installed power of 7,704 MW, representing an increase of 74% over the figure of 4,434 MW at the end of 2006. Of this capacity, 7,362 MW relates to wind and 342 MW to minihydraulic plants.

The Company, which over the past year has consolidated its leadership position at the head of the worldwide wind energy sector in terms of installed power, now has 4,571 MW of capacity in Spain, 14.4% more than at the end of 2006, with 4,229 MW wind-related.

In addition, the IBERDROLA subsidiary has multiplied sevenfold the installed power outside Spain, which is up from 440 MW at the end of 2006 to 3,134 MW for the past year. Of this capacity, 2,145 MW are located in the United States**, mainly thanks to the contribution of the subsidiary PPM Energy, and 382 MW in the United Kingdom, courtesy of ScottishPower.

The distribution by country of the remaining 607 MW, almost all in Europe, is as follows: Greece contributes 218 MW of power; France, 126 MW; Poland, 105 MW; Germany, 60 MW; Portugal, 50 MW, and Brazil, 49 MW. Furthermore, at the end of 2007 IBERDROLA RENEWABLES had a portfolio of projects totalling 42,053 MW, a figure 2.3 times greater than the 18,431 MW with which it ended the previous year. This represents an excellent foundation for future growth. More than half of the IBERDROLA subsidiary's projects are now located in the United States (21,991 MW of wind energy).

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Spain accounts for 17% of the total (6,397 MW of wind and 809 MW through other renewable energies such as biomass or solar), with a contribution of 13% from the UK (5,412 MW of wind) and 18% from the rest of the world (7,346 MW of wind and 98 MW through other renewable technologies).

In this regard, it is worth noting that the Company's Strategic Plan provides for the investment of 8,600 billion euros between 2008 and 2010 in order to install 2,000 MW a year and reach 13,600 MW by the end of the reference period. IBERDROLA RENOVBLES is already building capacity of 1,370 MW.

Furthermore, during 2007*** the Company achieved production of 14,708 million kWh, representing an increase of 87% over the 7,867 million kWh generated in the previous year. Of this total, 12,545 million kWh were produced from wind, 541 kWh from minihydraulic, and 0.3 kWh million from other technologies (mainly solar).

*Source: New Energy Finance (May 2007)

**Includes 606 MW belonging to a third party under an energy sale contract

***According to preliminary pro-forma data. Includes 1,621 million kWh generated by 606 MW of capacity owned by a third party under an energy sale contract

IMPORTANT INFORMATION

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