

## 08/09/2010

### IGNACIO GALÁN BRIEFS THE ROMANIAN MINISTER OF FINANCE ON IBERDROLA'S PROJECTS IN THE COUNTRY

Chairman of IBERDROLA meets Ion Arition in Bucharest to discuss energy plans

The company intends to commission 1,500 MW of wind power in Romania, where it is also taking part in the Cernavoda nuclear project

IBERDROLA is studying various business opportunities in Eastern Europe, where it has interests in Poland, Hungary, Estonia and Bulgaria

The Chairman of IBERDROLA, Ignacio Galán, met the Romanian Minister of Finance, Ion Arition, in Bucharest today, to brief him on the company's main projects in the country, which focus on wind and nuclear energy.

Ignacio Galán highlighted the license obtained from the Romanian power grid operator (Transelectrica) to set up 1,500 MW of wind power, following the agreement recently entered into by IBERDROLA RENOVBLES and the company Eolica Dobrogea (in which the Swiss engineering group NEK Umwelttechnik AG and the Romanian companies C-Tech Srl. and Rokura Srl have holdings).

The expected wind power will enable the company to generate enough electricity for around one million homes, avoiding the emission of 2.6 million tonnes of CO<sub>2</sub> per year. The project includes the commissioning of 50 wind farms in the Dobrogea region, with building scheduled for between 2011 and 2017.

IBERDROLA RENOVBLES, which opened an office in Bucharest in 2009, plans to start work this year on the country's first wind farm, Mihai Viteazu, due to come on stream in January 2011 with a capacity of 80 MW.

Along with other major European utility companies (Nuclearelectrica, Enel, RWE, Electrabel, CEZ and Arcelor/Mittal), IBERDROLA is also taking part in the consortium to develop units 3 and 4 of the Cernavoda nuclear project. Its subsidiary, IBERDROLA Ingeniería, is also participating in the construction of this plant.

The Cernavoda nuclear plant is designed to accommodate five CANDU model reactors of Canadian design. Units 1 and 2 have already been built and commissioned. Together, they produce 18% of the total electricity generated in Romania. Units 3 and 4, each of which will have a capacity of 720 MW, will be similar in design to unit 2.

Finally, this year IBERDROLA obtained the trading license to operate in the Romanian electricity market, granted by the country's Energy Regulation Office (ANRE). Thanks to its crossborder interconnections, Romania offers the company the opportunity to perform trading operations with Hungary and Greece, in the latter case via Bulgaria.

#### Benchmark company in Eastern Europe

Geographical diversification is one of IBERDROLA's main competitive advantages. Its international strategy focuses on markets with favourable regulatory systems and high growth potential, basically the United States and Europe. In this context, the company is developing projects and studying investment opportunities in Eastern Europe.

IBERDROLA RENOVBLES already has commercially operational wind farms in Poland and Hungary and projects underway in Estonia and Bulgaria. It is also performing wind measurements in Russia. Its subsidiary, which has a project portfolio amounting to around 4,500 MW, has in recent years become the leading company in the sector in this geographical region.

Eastern Europe is also a strategic region for IBERDROLA Ingeniería, which has in recent years been awarded thermal gas generation, nuclear, renewable and grid contracts to the value of almost 900 million euros.

The most important project carried out by IBERDROLA Ingeniería was in Latvia, where it built a 420 MW combined cycle thermal power plant, completed in June of last year. The company is currently building another 440 MW combined cycle plant in Lithuania and also operates in Hungary, Bulgaria, Slovakia and Poland, as well as Romania.

#### IMPORTANT INFORMATION

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TAGS: international, wind power, renewables, engineering, gas, renewable energy.

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