

To the Spanish Stock Exchange Commission

Valencia, January 26, 2010

Subject: Employees' benefit system

Dear Sirs,

Iberdrola Renovables, S.A. ("Iberdrola Renovables" or the "Company"), as provided under article 82 of Law 24/1988 of July 28, on the securities market, hereby makes the following public notice:

On the date hereof, the Board of Directors of the Company has agreed to offer its employees the possibility of receiving part of their variable compensation corresponding to fiscal year 2009 in Iberdrola Renovables' shares, up to amount of 12.000 euros. These shares will be delivered between February and March 2010.

This employee share ownership programme forms part of the Company's general compensation policy, according to which employees may opt to receive part of their annual variable compensation in Iberdrola Renovables' shares, up to amount of 12.000 euros. The maximum number of Iberdrola Renovables' shares to be assigned to each employee will be calculated by dividing 12,000 euros by the closing share price of Iberdrola Renovables' shares on the date the variable compensation is due to be paid.

All Iberdrola Renovables' employees resident in Spain and employees of the Company's wholly-owned Spanish subsidiaries are eligible for the employee ownership plan. Eligible employees may opt to receive a portion of their variable compensation either in cash or in Company's shares (within a range from 25% to 100%). This plan therefore facilitates the target of increasing employee and management participation in the Company's shareholder ranks.

Yours faithfully,

IBERDROLA RENOVABLES, S.A.
El Secretario del Consejo

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IMPORTANT INFORMATION

This communication does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange. The securities issued by Iberdrola Renovables, S.A. may not be sold in the United States of America, absent registration or an exemption from registration under the US Securities Act.

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