

To the National Securities Market Commission

Madrid, February 21, 2011

Subject: Resolutions adopted by the Board of Directors: formulation of the Annual Accounts, proposed allocation of profits and employees' benefit system

Dear Sirs,

Iberdrola Renovables, S.A. (hereinafter "**Iberdrola Renovables**" or the "**Company**"), as provided under the 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 Iberdrola Renovables has unanimously agreed, among others that are not inconsistent therewith, the following resolutions:

- (i) To formulate the Annual Financial Statements (Balance Sheet, Profit and Loss Statement, Statement of Changes in Shareholder's Equity, Statement of Cash Flow and Notes), the management report and the proposal for the allocation of the profits of the Company as well as the consolidated Annual Financial Statements (Balance Sheet, Profit and Loss Statement, Statement of Changes in Shareholder's Equity, Statement of Cash Flow and Notes) and the consolidated management report of the Company and its controlled companies for fiscal year 2010. The proposed allocation of profits comprises the payment of a dividend of 2.5 cents of Euro gross per share, which means the maintenance of last years' dividend.
- (ii) To offer its employees the possibility of receiving part of their variable compensation corresponding to fiscal year 2010 in Iberdrola Renovables' shares, up to amount of 12,000 Euros.

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 paid.

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All Iberdrola Renewable's 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 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 shares of Iberdrola Renovables, S.A. may not be sold in the United States of America, except pursuant to an effective registration statement under the Securities Act or pursuant to a valid exemption from registration.

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