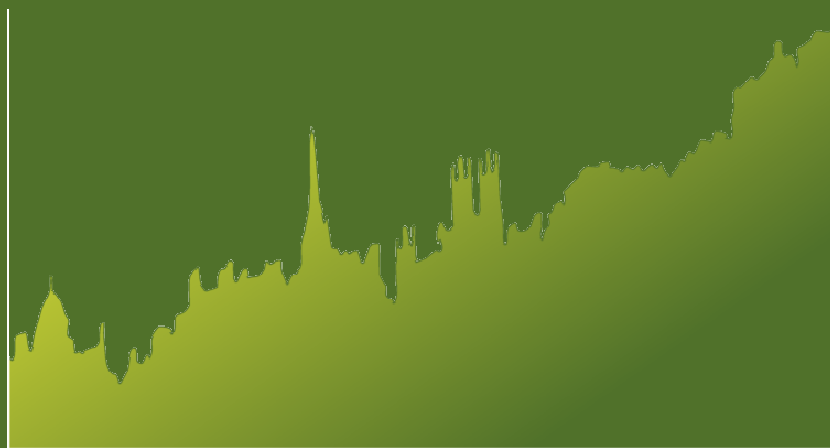




IBERDROLA
RENOVABLES

Investors'
Day 2008

Gleneagles, Scotland



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IBERDROLA
RENOVABLES

**Investors'
Day 2008**

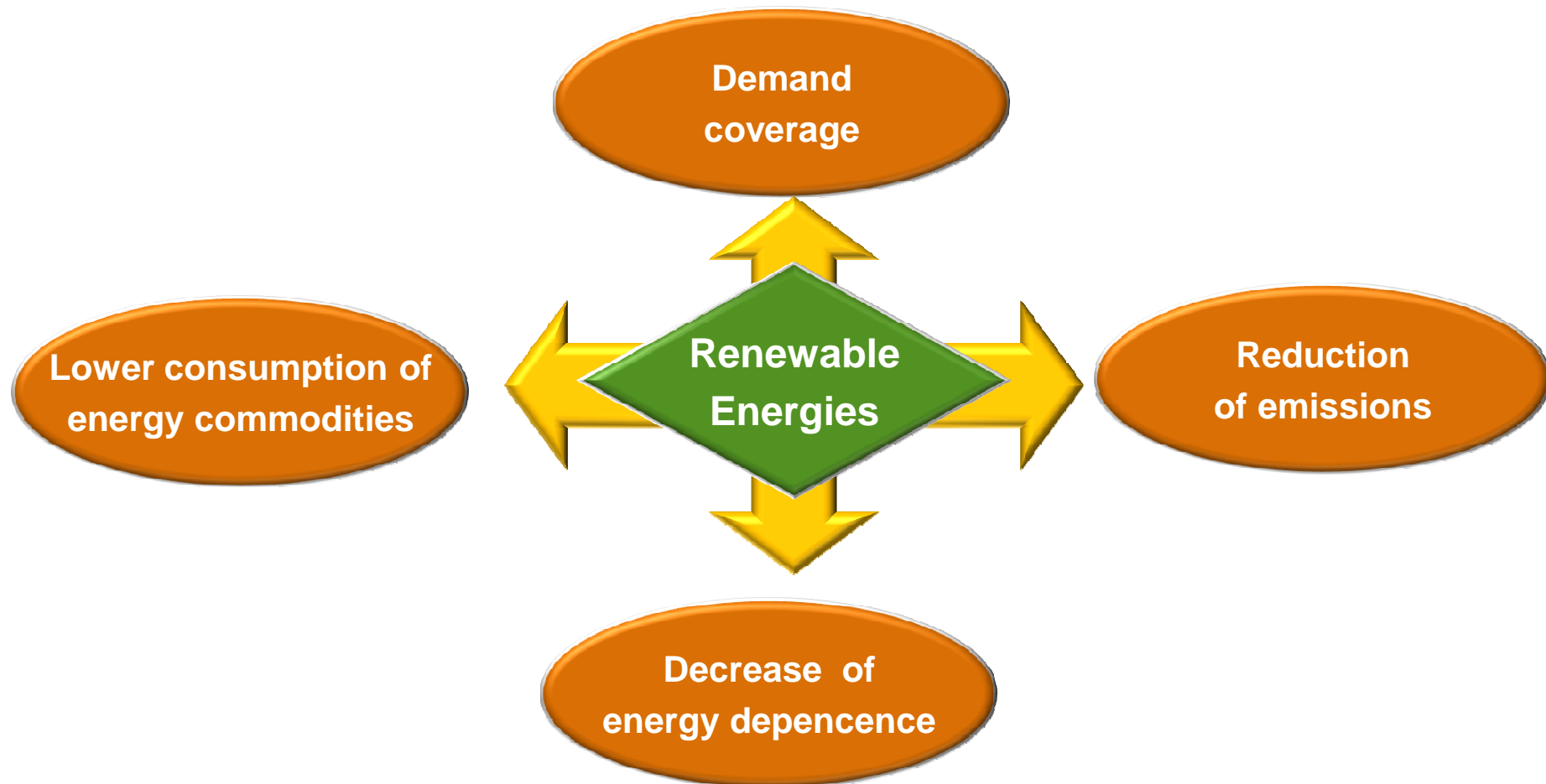
Gleneagles, Scotland



Strategic Plan 2008-2012: Highlights

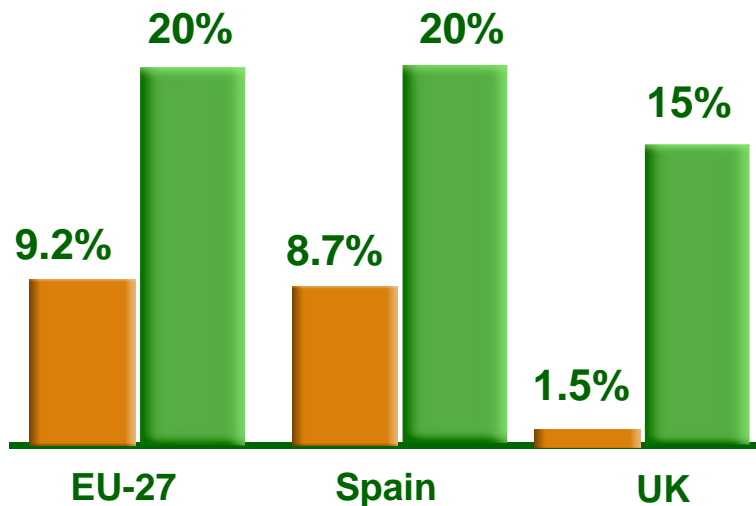
Ignacio Galán, Chairman
Gleneagles, July 3rd 2008

Renewable energies will play a decisive role for the solution of the main energy policy issues on a global scale



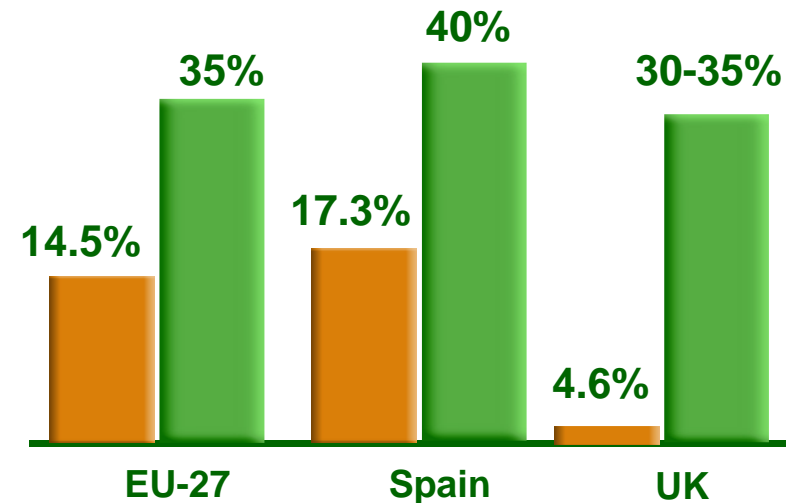
Social awareness is increasing in Europe...

*Europe: Renewables as %
of energy consumption*



■ 2006 share ■ 2020 target

*Europe: Renewables a %
of electricity consumption*

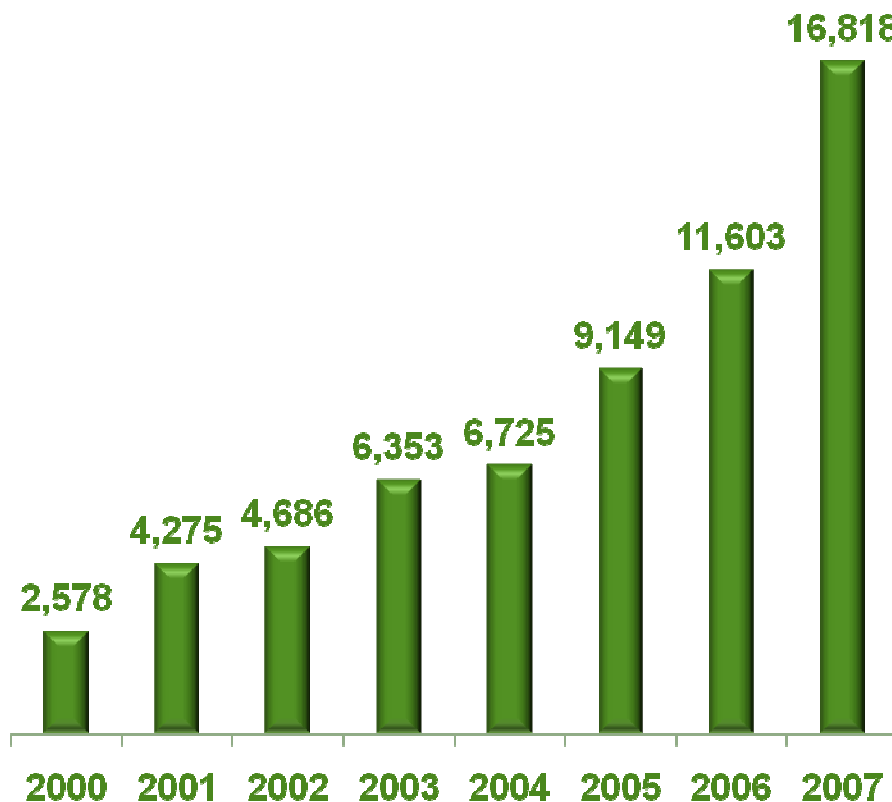


■ 2006 share ■ 2020 target

Renewable Energies

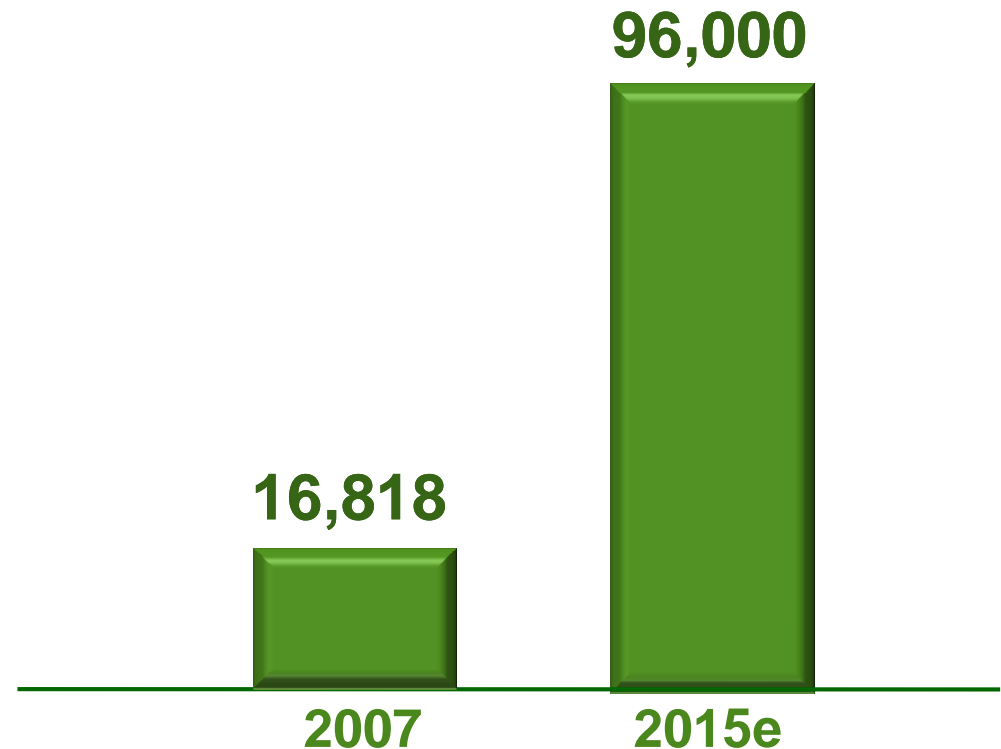
...and in the US: ~100,000 MW of wind energy by 2015

*Increase in capacity
2000-2007 (MW)*



Source: AWEA, BTM

*Increase in capacity
2007-2015e* (MW)*



Iberdrola Renovables: Strengths



Iberdrola Renovables is uniquely positioned ...

**Largest renewable energy company worldwide:
8,000 MW in operation**

**Track record of own development of capacity:
851 MW built up in H1 2008**

Management team , know-how and lower costs

Diversified presence in the highest growth markets

Iberdrola Renewables: Strengths



...to create value in current environment...

Project pipeline that guarantees the build up of more than 2,000 MW annually for 7 years

Over 1,600 MW already under construction

Turbine needs covered until 2012: 10,000 MW assured

Sound financial situation: Capability to invest in growth

Strategic Vision 2008-2012

... with a clear strategy focused on profitable growth

**Focus on core
businesses and geographies...**

**Wind energy with increasing
presence in solar thermal**

**Maintaining diversified geographical
presence, with focus on the US**

**... with continuous improvement
of management capabilities**

Excellence in operations

**Management of regulatory
environment**

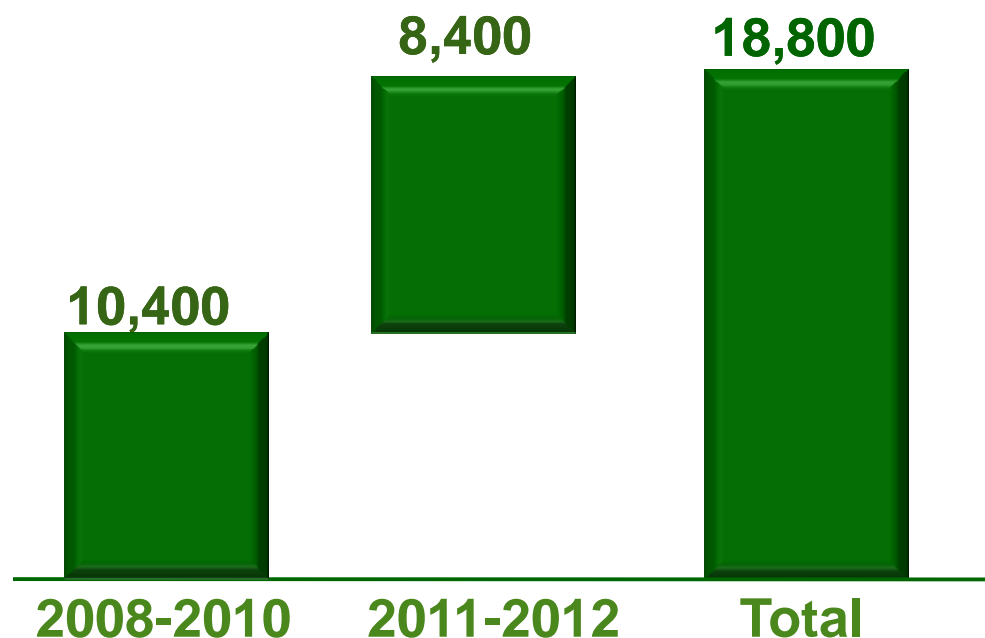
Optimisation of financial structure

Strategic Plan 2008-2012 Investments

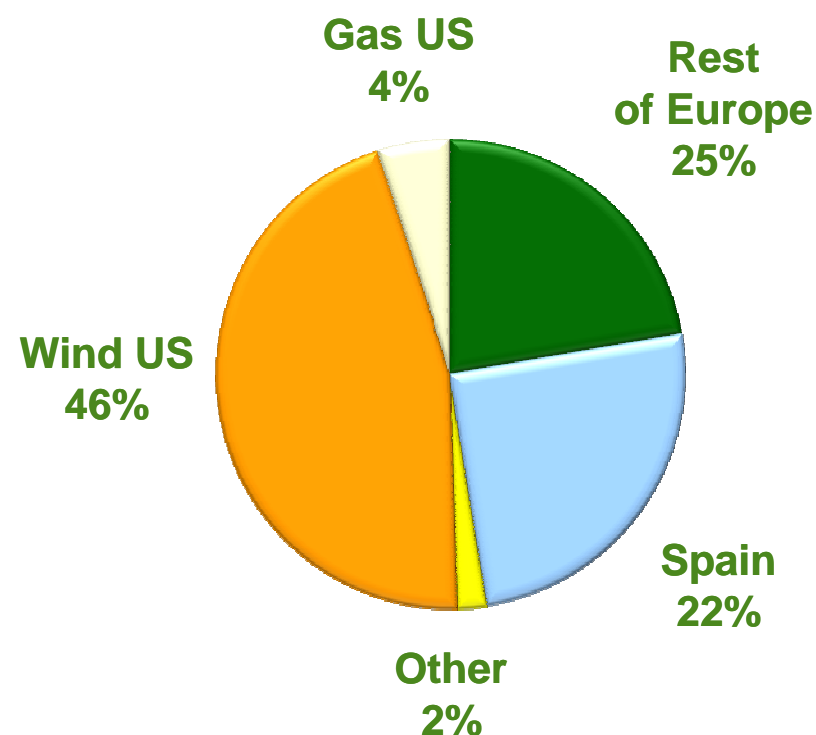
**Total investment of Eur 18.800 MM
in the period 2008-2012...**

Investments (Eur MM)

■ Renewables ■ Gas



Geographical breakdown



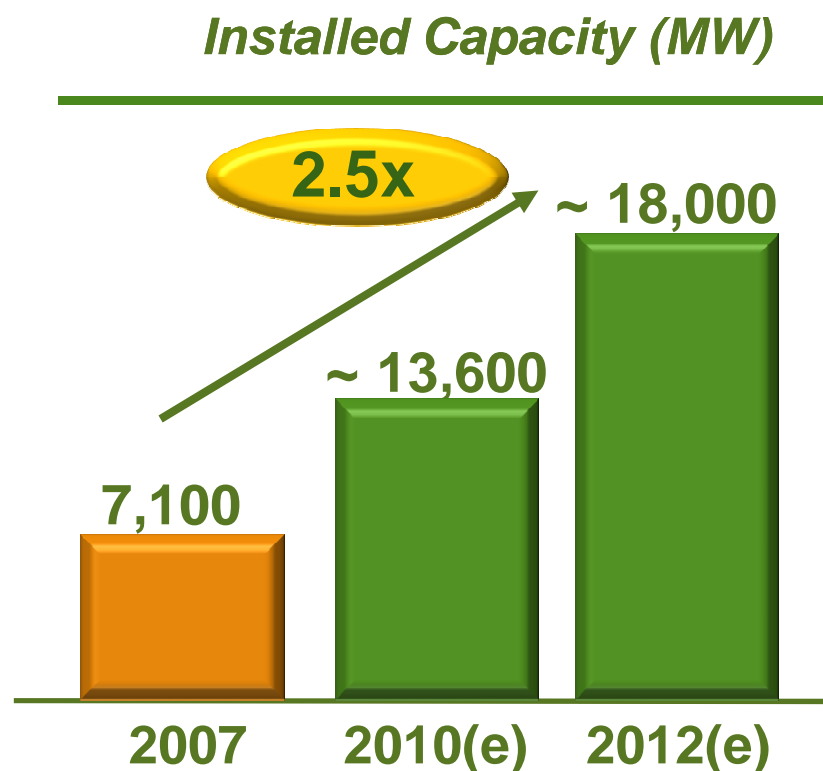
... based on Europe and the US and

Strategic Plan 2008-2012

Installed capacity and production



Final installed capacity to multiply by 2.5x...



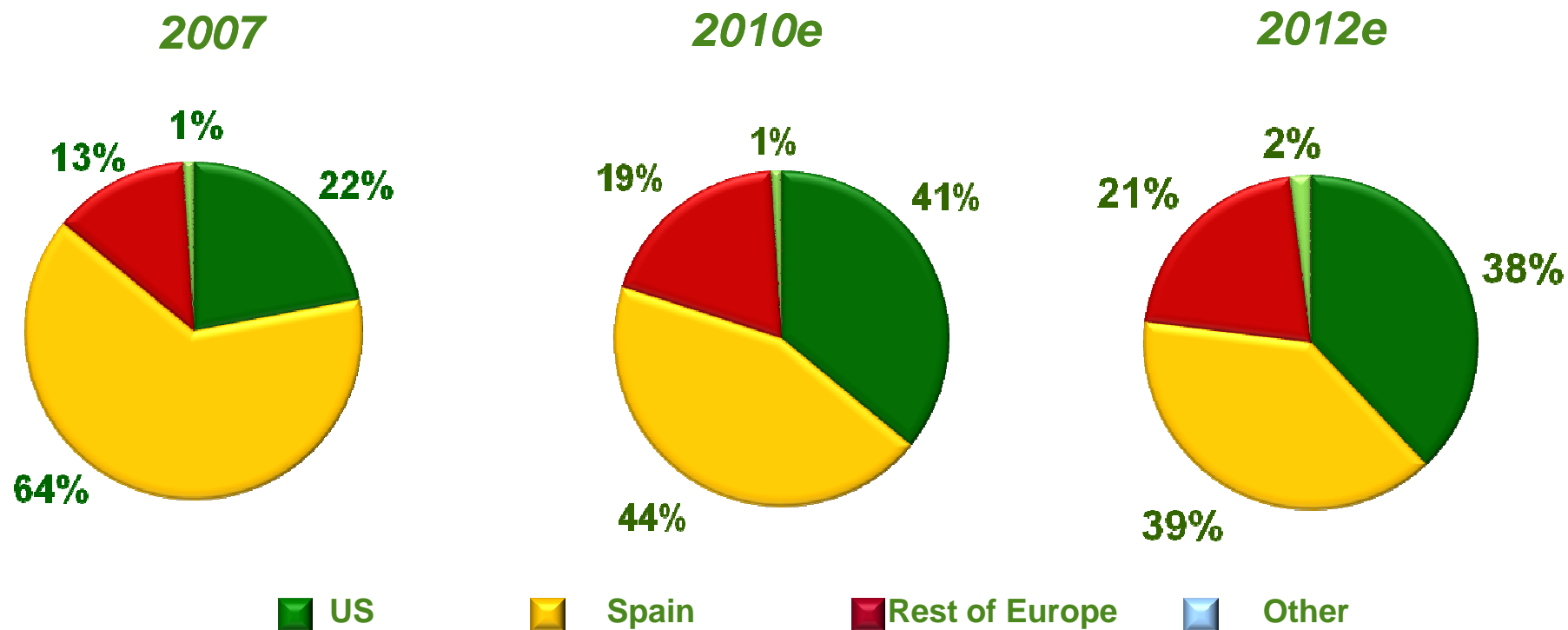
... with a four-fold increase production to exceed 42,000 GWh

Strategic Plan 2008-2012

Installed capacity

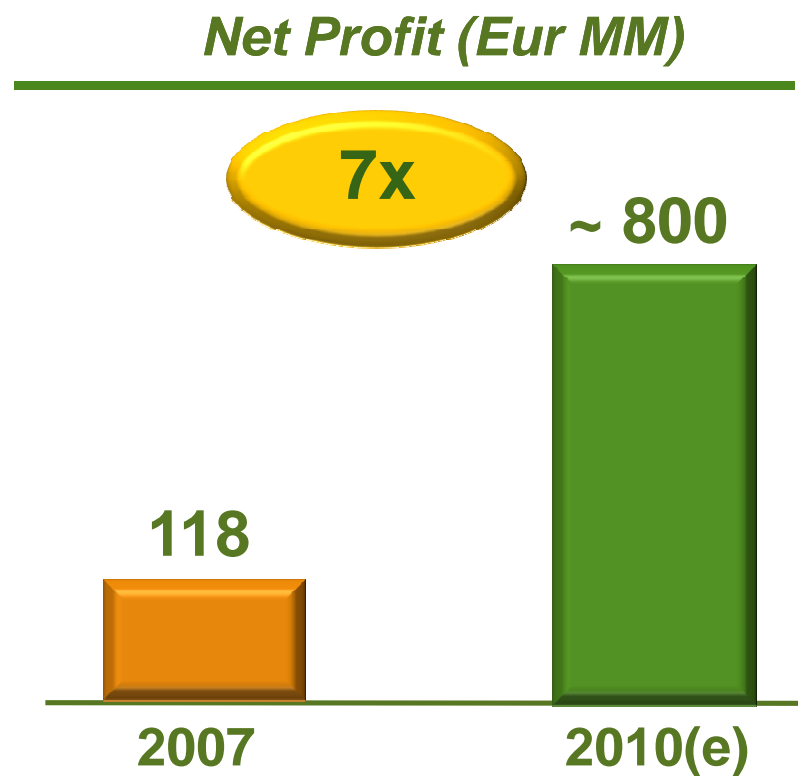
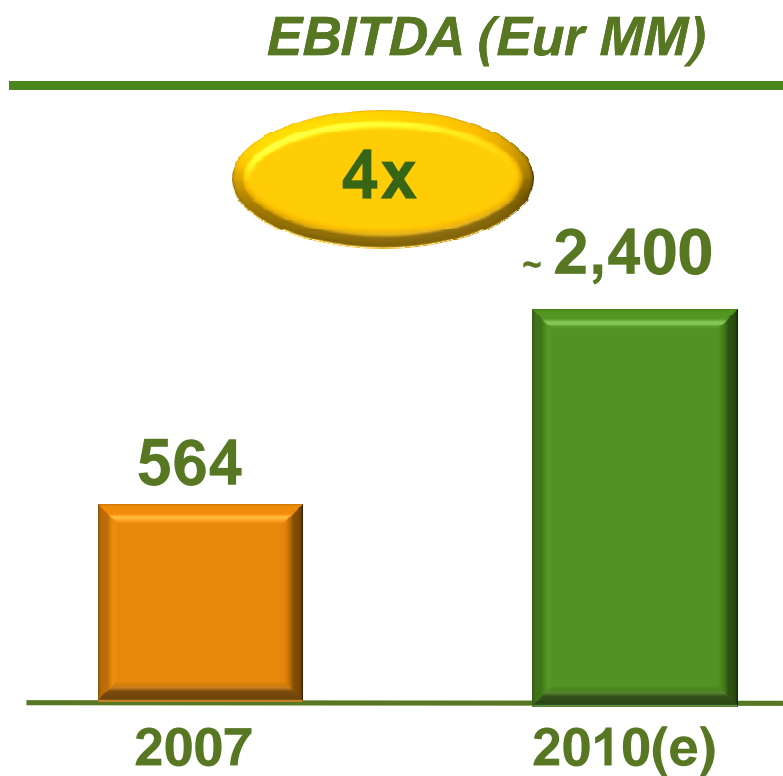
Increasing geographical diversification

Capacity – Geographical breakdown



Strategic Plan 2008-2012 Results

2008-2010: EBITDA 4x and Net Profit 7x



Strategic Plan 2008-2012 Results



...that will continue until 2012

EBITDA 2012 (e)

~ Eur 3,400 MM

Net Profit 2012 (e)

~ Eur 1,000 MM

Pay-out

**Gradual increase
from 25% to 50%**

Leverage

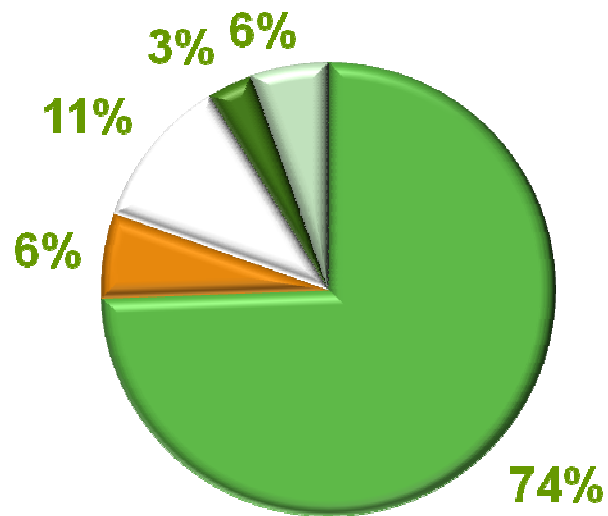
< 50%

**Increasing dividends
preserving financial strength**

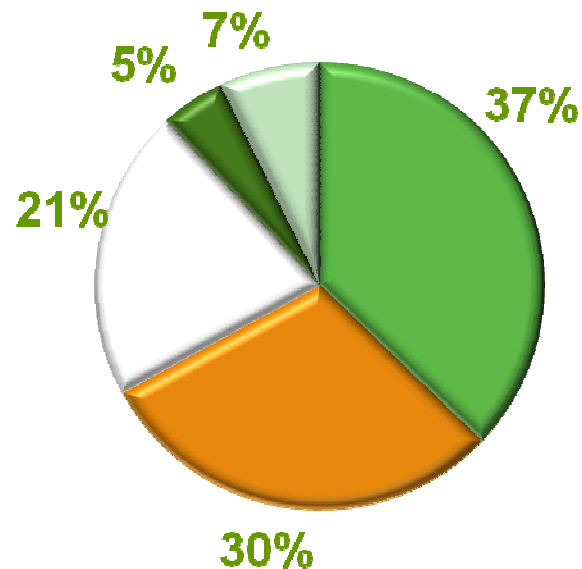
Strategic Plan 2008-2012 Results

Balanced contribution to results

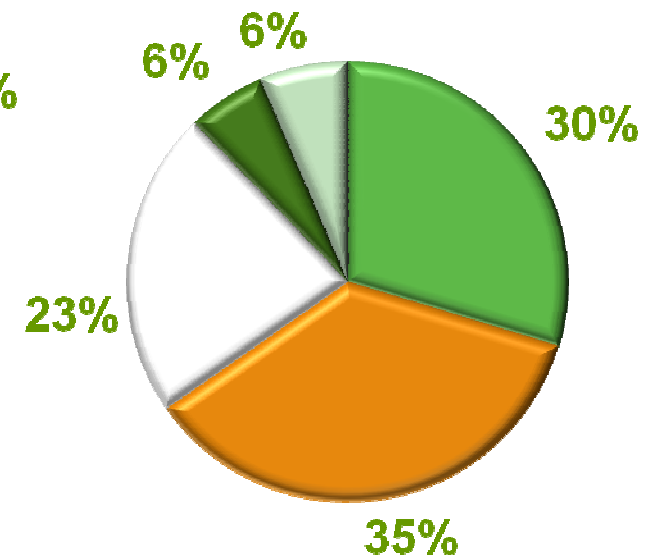
EBITDA 2007



EBITDA 2010e



EBITDA 2012e

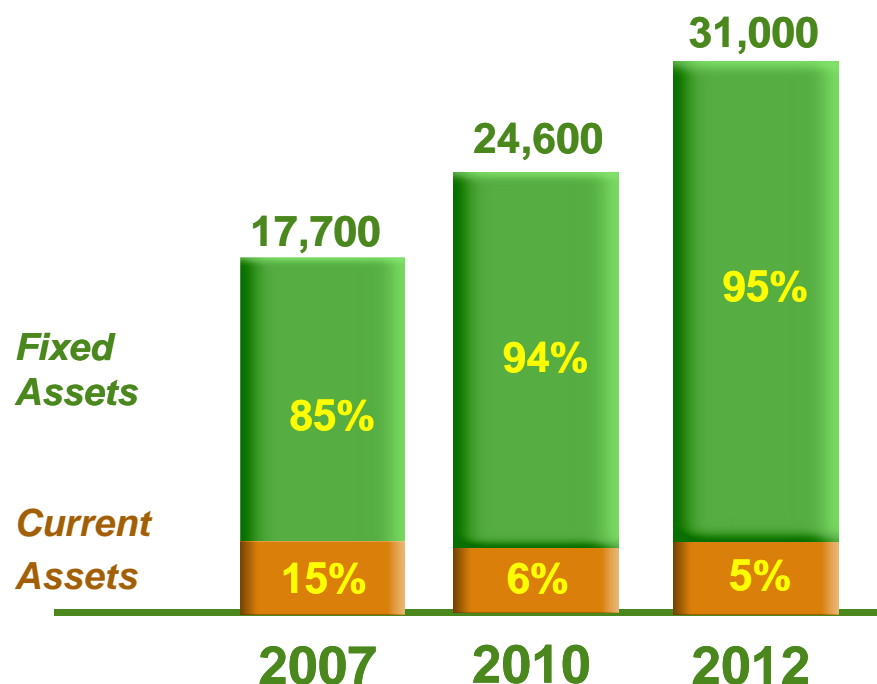


■ Spain ■ Wind US ■ Rest of Europe ■ Gas Storage ■ Other

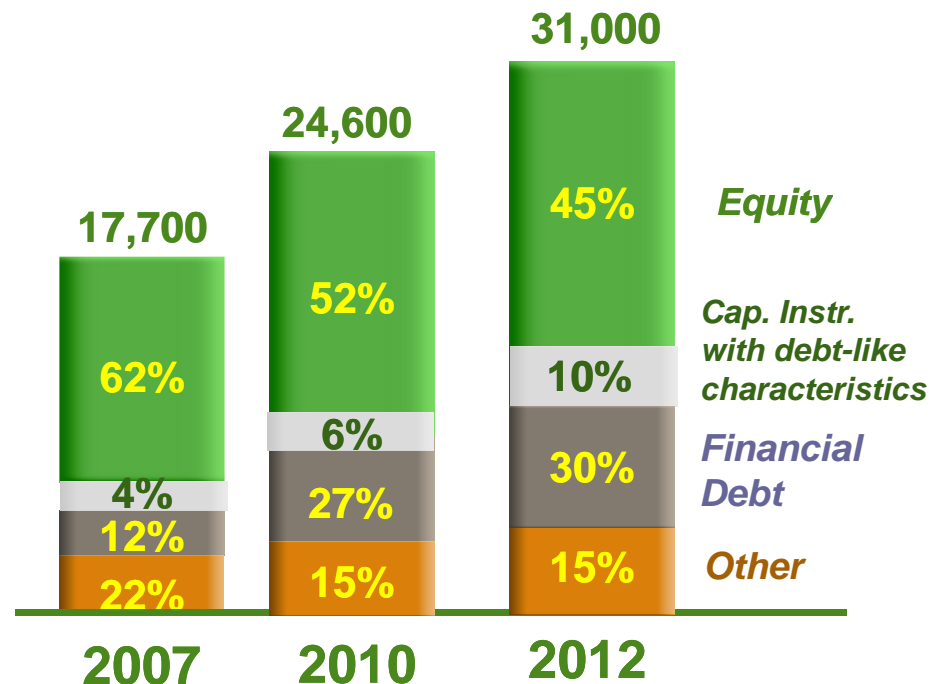
Balance Sheet

**Total Assets increase by 75%
maintaining a leverage below 50%**

Assets (Eur MM)



Equity and Liabilities (Eur MM)



**Eur ~9 Bn of cash flow and Eur ~7 Bn of Debt
to finance investments and dividends**

2008 Outlook First Half Estimate



Growth trends are already perceived in H1 2008...

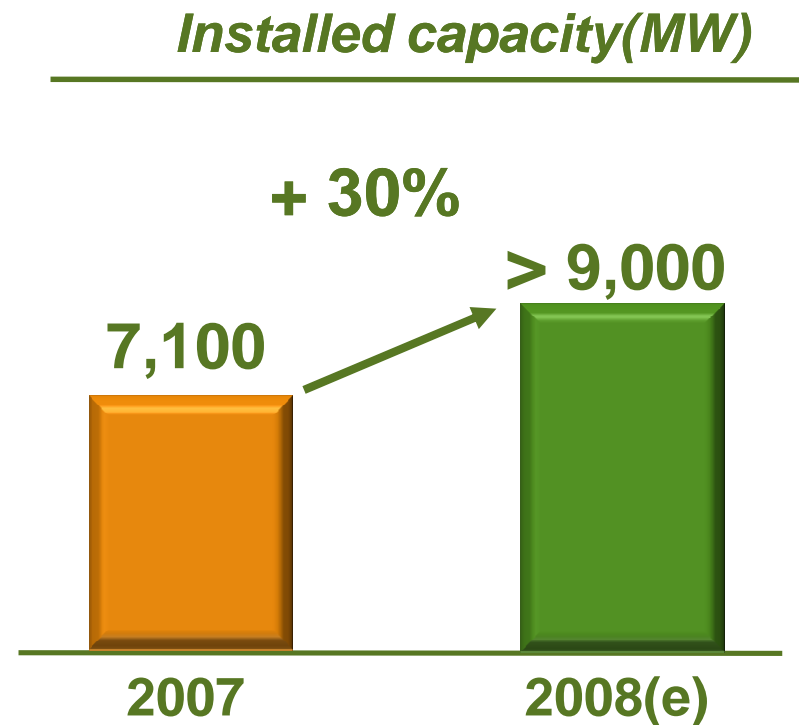
Installed capacity: ~ 8,000 MW

EBITDA H1(e): Eur 570 MM = FY 2007 EBITDA

Net Profit H1(e): Eur 170 MM Eur = 1.5 times FY 2007 Net Profit

2008 Outlook Full Year Estimate

...and will accelerate along the year...



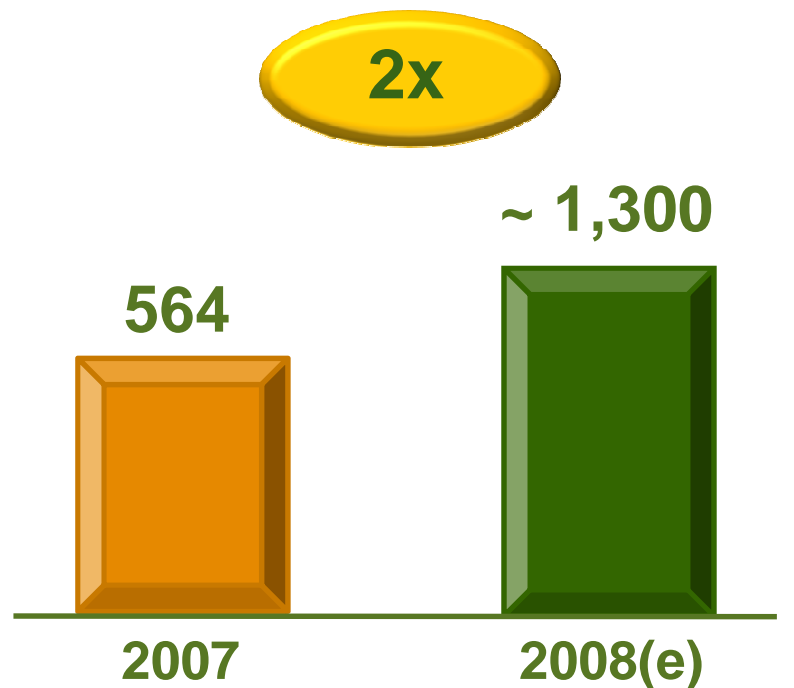
... with installed capacity increasing
in size and diversification

2008 Outlook Full Year Estimate

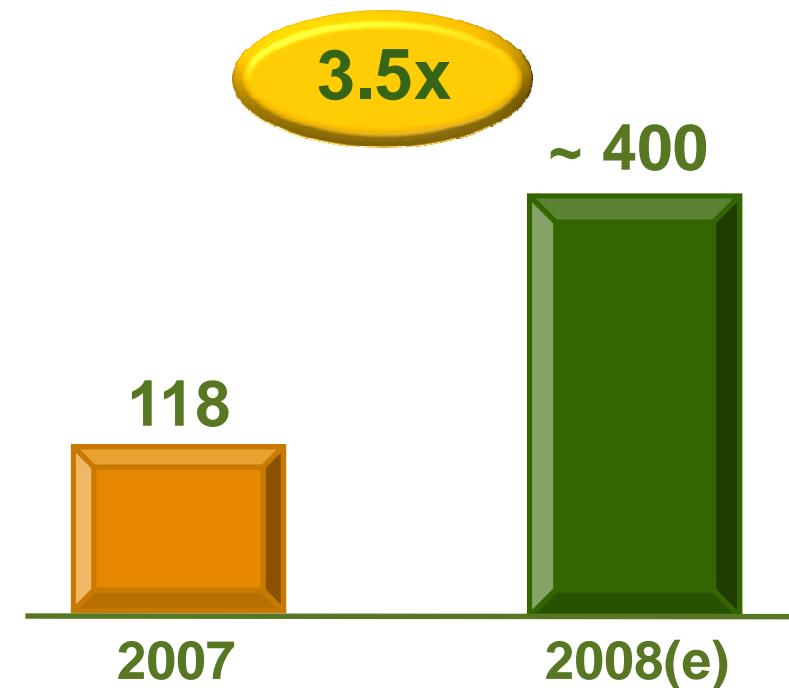


FY 2008e results to reflect the Company's good prospects

EBITDA (Eur MM)



Net Profit (Eur MM)



Conclusion



**Net Profit 2012e to growth eight-fold vs 2007,
to Eur 1,000 MM**

Investment of 18,800 MM Eur ...

... to reach a installed capacity of 18,000 MW...

**... and obtain an EBITDA
of around Eur 3.400 MM in 2012e...**

**... with an increasing dividend payment
to reach 50% by 2012**