

Valencia, 30 May 2011

**To the National Securities Market Commission**

**Re: Resolutions adopted at the General Shareholders' Meeting of Iberdrola Renovables, S.A.**

Dear Sirs,

We hereby inform you that the shareholders acting at the General Shareholders' Meeting of Iberdrola Renovables, S.A. ("**Iberdrola Renovables**" or the "**Company**"), held upon first call, as of the date hereof, have approved each and every one of the resolutions submitted to their vote included in the Agenda that was communicated to you by means of a price sensitive information notice dated 13 April 2011 (entry registry number 2011/142,244), in the terms of the documentation sent and made available to the shareholders as of the date of publication of the call to meeting on 15 April 2011.

Such resolutions are the following:

**I. Resolutions relating to the annual financial statements, the management of the Company, and the re-election of the Company's auditor**

The shareholders acting at the General Shareholders' Meeting have approved the individual annual financial statements of Iberdrola Renovables and the consolidated annual financial statements of Iberdrola Renovables and its subsidiaries for fiscal year 2010, the individual management report of the Company and the consolidated management report with its subsidiaries, as well as the corporate management and the activities of the Board of Directors during such fiscal year 2010.

Likewise, the shareholders acting at the General Shareholders' Meeting have approved the re-election of "Ernst & Young, S.L." as auditor of the Company and of its consolidated group for fiscal year 2011, including the authorization in favor of the Board of Directors to enter into the respective services agreement with "Ernst & Young, S.L.".

**II. Resolution relating to shareholder compensation from the income for the fiscal year 2010**

The shareholders acting at the General Shareholders' Meeting have approved the application of profits proposed by the Board of Directors, which includes the payment of a dividend for the fiscal year 2010, for the gross amount of 2.5 euro cents per share

with the right to receive it.

### **III. Resolutions relating to the composition of the Board of Directors and express authorizations requested for the Board of Directors**

The shareholders acting at the General Shareholders' Meeting have approved the ratification of the interim appointment of Mr. Aurelio Izquierdo Gómez to fill a vacancy made after the holding of the last General Shareholders' Meeting, as external proprietary Director.

The shareholders acting at the General Shareholders' Meeting have approved likewise the authorization in favor of the Board of Directors to create and fund associations and foundations, up to the annual aggregate amount of three (3) million Euros and for a maximum period that will expire on the date of the General Shareholders' Meeting at which, if appropriate, the annual financial statements for fiscal year 2011 are approved.

### **IV. Resolutions relating to the merger by absorption between Iberdrola, S.A. and Iberdrola Renovables and the distribution of an extraordinary dividend**

Additionally, the shareholders acting at the General Shareholders' Meeting have approved the common terms of the merger by absorption between Iberdrola, S.A. (as absorbing company) and Iberdrola Renovables (as absorbed company), as well as the merger balance sheet and the merger between both companies through the absorption of the latter by the former, causing the termination without liquidation of the Company and the transfer *en bloc* and as a whole of all its assets to the absorbing company.

The merger is carried out in accordance with the provisions of the above referred common terms of the merger, which were approved by the Board of Directors of both companies at their respective meetings held on 22 March 2011 and registered with the Commercial Registries of Biscay and Valencia on 25 and 29 March 2011, respectively. The complete text of the common terms of the merger was sent to you by means of a price sensitive information notice dated 14 April 2011 (entry registry number 2011/142,271) and, likewise, has been made available to the public on the corporate website of the Company ([www.iberdrolarenovables.es](http://www.iberdrolarenovables.es)).

The exchange ratio has been determined based on the actual value of the corporate assets of Iberdrola, S.A. and Iberdrola Renovables and will be 0.30275322 shares of Iberdrola, S.A., each having a par value of seventy-five Euro cents (0.75) per share, for each share of Iberdrola Renovables each having a par value of fifty Euro cents (0.50) per share.

The shareholders acting at the General Shareholders' Meeting have provided acquiescence, as it may be deemed necessary, to the proposed resolutions of the Board of Directors of Iberdrola, S.A., which were approved by the shareholders of Iberdrola, S.A. at the General Shareholders' Meeting of the company held on 27 May related to (i) a fully-paid increase in the share capital for the free-of-charge allocation of new shares, (ii) several authorizations in favor of the Board of Directors to increase the share capital and to issue debentures (including those convertible into shares), bonds, preferred stock and notes, as well as (iii) those related to the amendments of the By-Laws and the Regulations for the General Shareholders' Meeting of Iberdrola, S.A. To that effect, it is

also informed that the General Shareholders' Meeting of Iberdrola, S.A. has not approved the share capital increase linked to the merger –since all the shares that will be delivered to the shareholders of Iberdrola Renovables to cover the merger exchange will be shares held as treasury stock of Iberdrola, S.A.– and therefore the provision of acquiescence to this resolution has not been necessary.

Likewise, the shareholders acting at the General Shareholders' Meeting of Iberdrola Renovables have approved the distribution of share premium reserve for the gross amount of 1.20 Euros per share with the right to receive it.

#### **V. Resolution relating to general matters**

Additionally, the shareholders acting at the General Shareholders' Meeting have resolved to authorize the Board of Directors, which may delegate such powers to any one or more of the Executive Committee, the Chairman of the Board of Directors, Mr. José Ignacio Sánchez Galán, the Chief Executive Officer, Mr. Xabier Viteri Solaun, and the Secretary of the Board of Directors, Mr. Santiago Martínez Garrido, to formalize and execute all resolutions adopted by the shareholders at the General Shareholders' Meeting, for conversion thereof into a public instrument, and for the interpretation, correction and supplementation thereof or further elaboration thereon until the required registrations have been carried out.

#### **VI. Consultative vote**

Lastly, the *“Report on the director compensation policy of Iberdrola Renovables, S.A. for the current fiscal year (2011) and the application of the compensation policy in effect during the prior fiscal year (2010)”* has been submitted to the consultative vote of the shareholders acting at the General Shareholders' Meeting, being supported by a large majority of the shareholders present in person or by proxy at the General Shareholders' Meeting.

In addition, shareholders have been informed that, not later than 30 June 2011, an attendance bonus in the gross amount of 0.0035 Euro per share will be paid to the shares present in person or by proxy at this General Shareholders' Meeting, as decided by the Board of Directors in its meeting held on 13 April 2011.

Please be advised of all of the foregoing for such purposes as may be appropriate.

Yours truly,

Secretary of the Board of Directors

## **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 any securities. The shares of Iberdrola Renovables, S.A. may not be offered or 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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