



**IBERDROLA
RENOVABLES**



2009 Results Presentation

February 23rd 2010

Legal Notice



DISCLAIMER

This document has been prepared by Iberdrola Renovables, S.A. exclusively for its use regarding the presentation of financial results of the 2009 fiscal year. As a consequence thereof, this document may not be disclosed or published, nor used by any other person or entity, for any other reason without the express and prior written consent of Iberdrola Renovables, S.A. Iberdrola Renovables, S.A. does not assume liability for this document if used for different purposes thereof.

The information and all statements contained in this document have not been verified by independent third parties; therefore no express or implied warranty is made as to the impartiality, accuracy, completeness or correctness of the information or the opinions and statements expressed herein. Neither Iberdrola Renovables, S.A., its subsidiaries or any entity within Iberdrola Group or subsidiaries, or any company participated by Iberdrola Renovables, S.A., assume liability of any kind, whether for negligence or any other reason, for any damage or loss arising from any use of this [document or its contents.

The Information contained in this [document about the price at which securities issued by Iberdrola Renovables, S.A. have been bought or sold in the past or about the yield on securities issued by Iberdrola Renovables, S.A. cannot be relied upon as a guide to future performance. Neither this document nor any part of it constitutes a contract, nor may it be used for incorporation into or construction of any contract or agreement.

IMPORTANT INFORMATION

This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Act (Act 24/1988, of 28 July), Royal Decree Act 5/2005, of 11 March, and/or Royal Decree 1310/2005, of 4 November, and its implementing regulations.

In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities, nor a request for any vote or approval in any other jurisdiction. Particularly, this document does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities in the United States of America. 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.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking information and statements about Iberdrola Renovables, S.A. These forward looking statements relate to financial projections and estimates and their underlying assumptions, statements regarding plans, targets and expectations with respect to future operations, capital expenditures, synergies, products and services, and statements regarding future performance. Forward-looking statements are statements that are not historical facts and are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates” and similar expressions.

Although Iberdrola Renovables, S.A. believes that the expectations reflected in such forward-looking statements are reasonable, investors and shareholders in Iberdrola Renovables, S.A. are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Iberdrola Renovables, S.A., that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the public documents sent by Iberdrola Renovables, S.A. to the Comisión Nacional del Mercado de Valores (the Spanish securities regulator, or the CNMV for its initials in Spanish).

The forward-looking statements are no guarantee whatsoever of future results and have not been reviewed by the auditors of Iberdrola, Renovables S.A. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date they were made. All oral or written forward-looking statements attributable to Iberdrola, Renovables S.A. or any of its board members, directors, officers, employees or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements included herein are based on information available on the date hereof. Except as required by applicable law, Iberdrola, S.A. does not undertake any obligation to publicly update or revise any forward-looking statements, even in the event of new information being published or new events occurring.



Highlights

Business performance

Results

Conclusions and 2010 outlook



EBITDA increases by 11.8% to Eur 1,325.3 MM

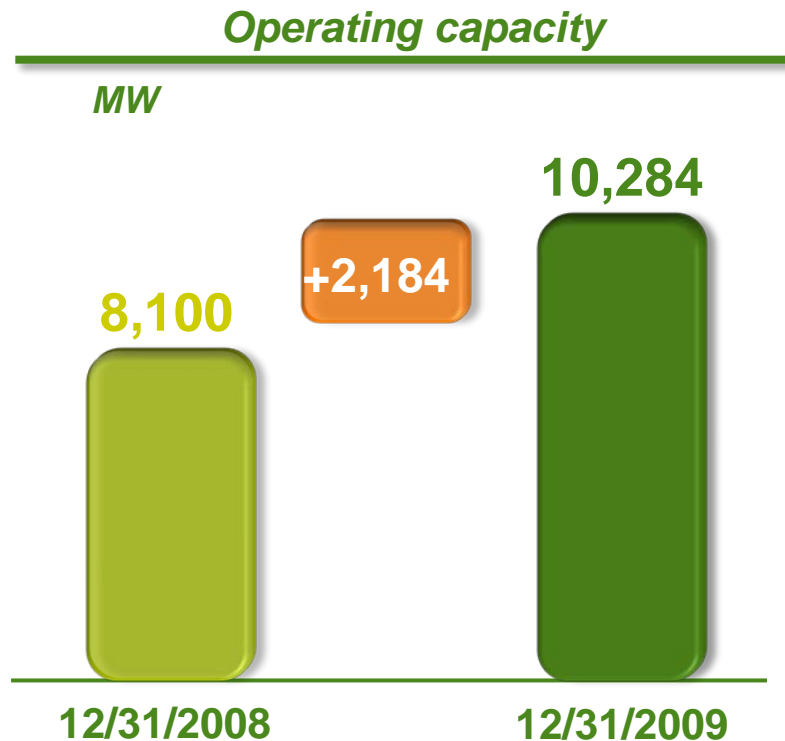
**Operating capacity has increased by 2,184 MW
reaching 10,284 MW**

**PPAs already 90%
of the MW currently under construction in the US**

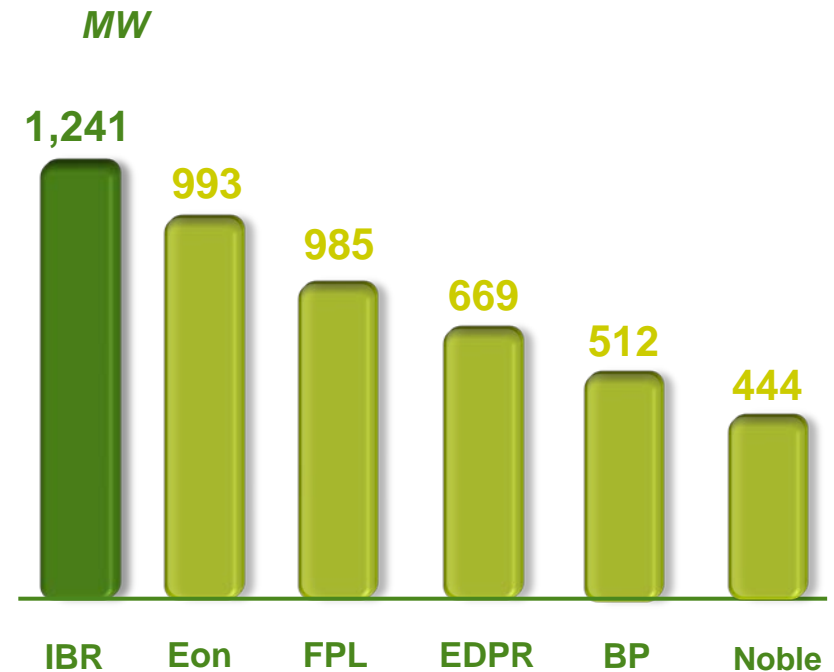
**Allocation of 7,200 MW offshore in Round 3
consolidates UK leadership**

**\$577 MM cash grant received,
after investing \$1,565 MM in the US**

Operating capacity increases 2,184 MW (+27%)...



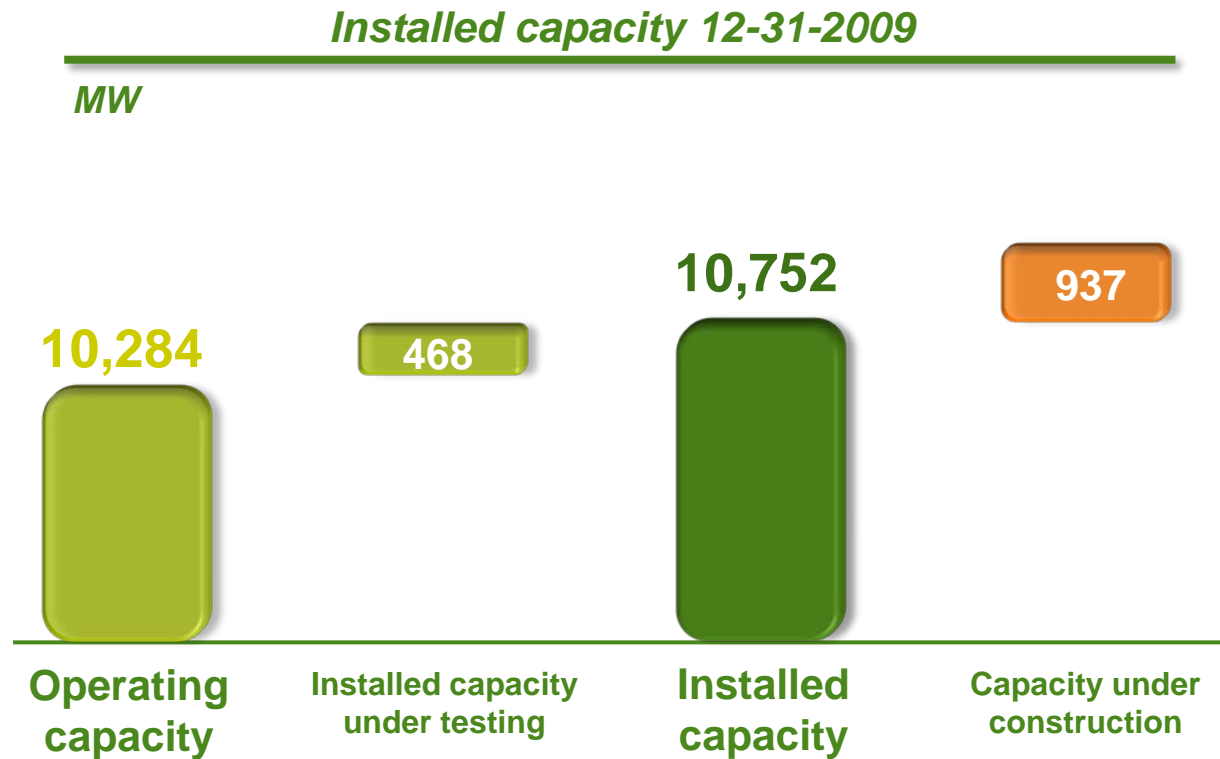
2009 operating capacity growth in the US (source AWEA)*



... making IBR the top growing company in the US



Installed capacity reaches 10,752 MW...



... with 937 MW under construction



EBITDA increases by 11.8%...

Production exceeds 21.4 TWh

**Prices increasing in the international business
and stabilized in Spain**

Improving cost efficiency per MW by 16.4%

... boosted by international business growth



Cash flow generation supports investment effort...

FFO* increases by 15.6%, to Eur 1,007.6 MM

Net investment of the period reaches Eur 2,057.3 MM

Financial net debt reaches Eur 3,736.5 MM

**... maintaining a solid financial position:
leverage** of 24.7%**

* FFO= Net income + Amortizations – Equity income – Results from non recurrent assets.

** Leverage= Net financial debt/ (Equity + Net financial debt).



Highlights

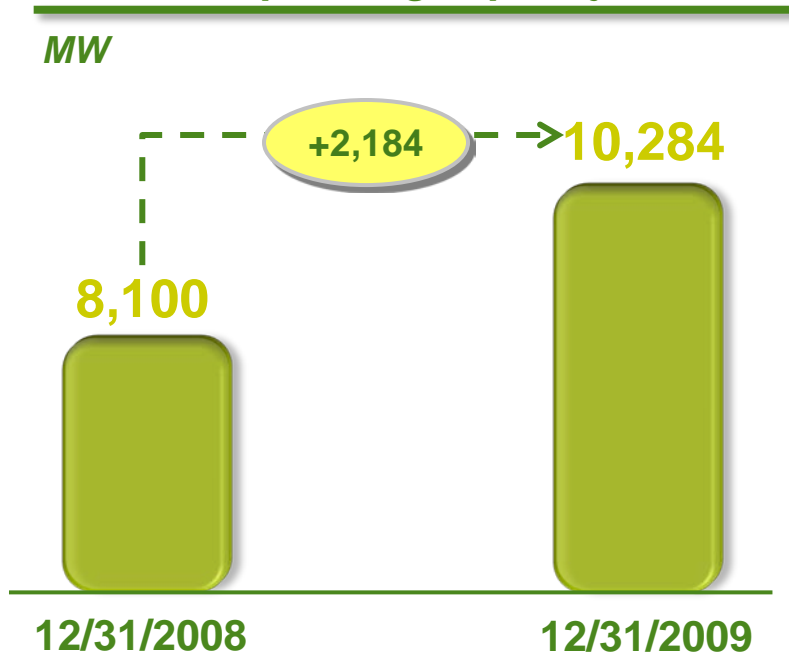
Business performance

Results

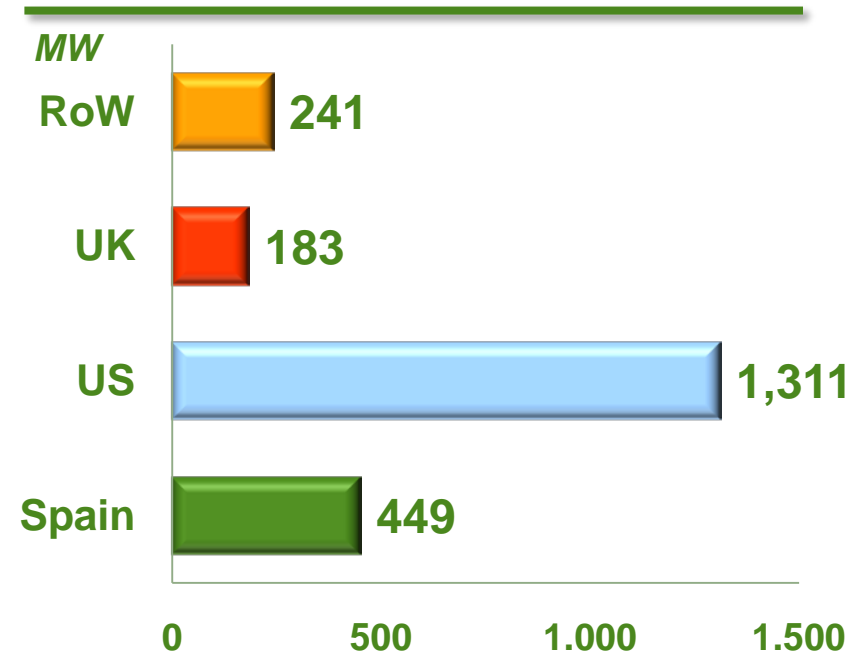
Conclusions and 2010 outlook

Operating capacity reaches 10,284 MW (+27%)...

Operating capacity



Operating capacity breakdown

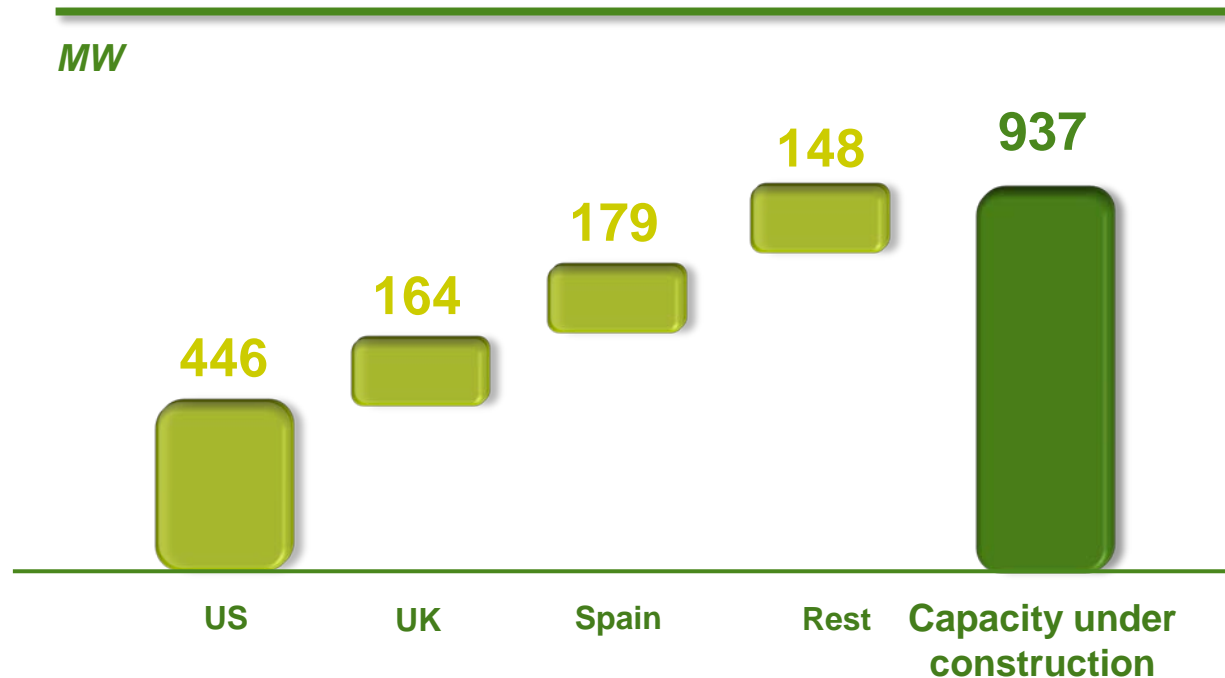


**... leading the US market,
the country that represents more than 50% of IBR growth**



Capacity under construction amounts to 937 MW...

Capacity under construction breakdown by region



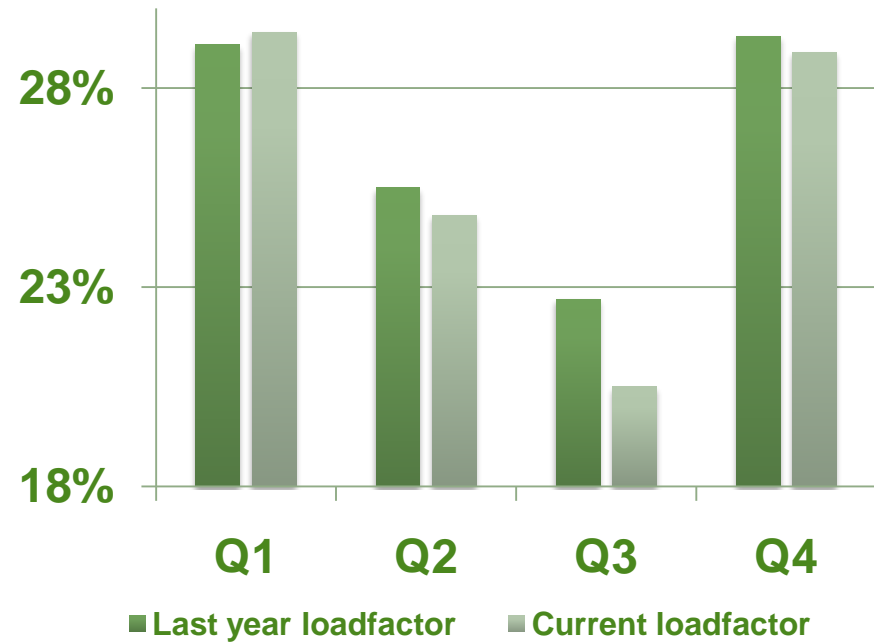
... with 446 MW in the US



Average loadfactor of 25.8%...

	Loadfactor
Wind US	30.1%
Wind UK	27.1%
Wind Spain	24.1%
Wind RoW	22.5%
Minihydro	18.9%
TOTAL AVER.	25.8%

Wind resource quarterly seasonality



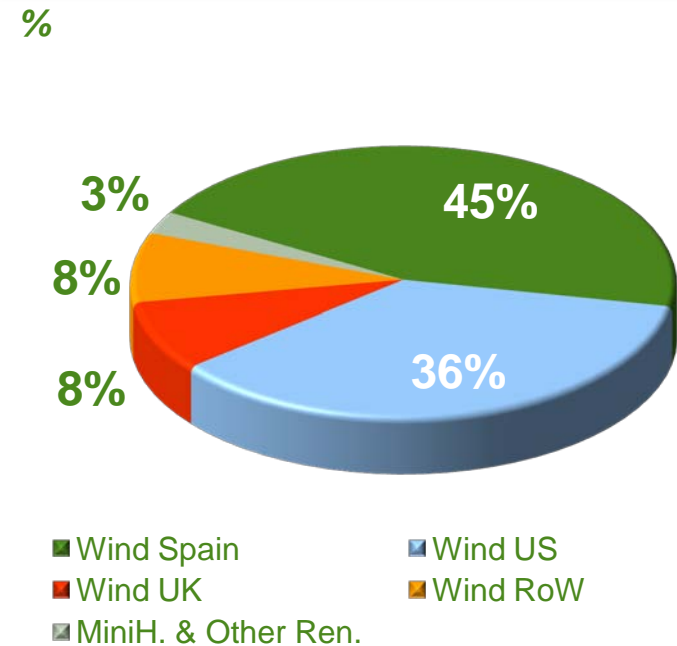
... affected by US weather conditions in 2H 2009

Production reaches 21,490 GWh (+26.4%)...

Renewable production Q4 2009

GWh	Q4 '09	vs. Q408	% vs. Q408
Wind US	7,731	+2,322	+42.9%
Wind UK	1,764	+537	+43.8%
Wind Spain	9,628	+1,123	+13.2%
Wind RoW	1,786	+465	+35.2%
MinH. & Other	581	+45	+8.4%
TOTAL	21,490	+4,492	+26.4%

Geographical breakdown

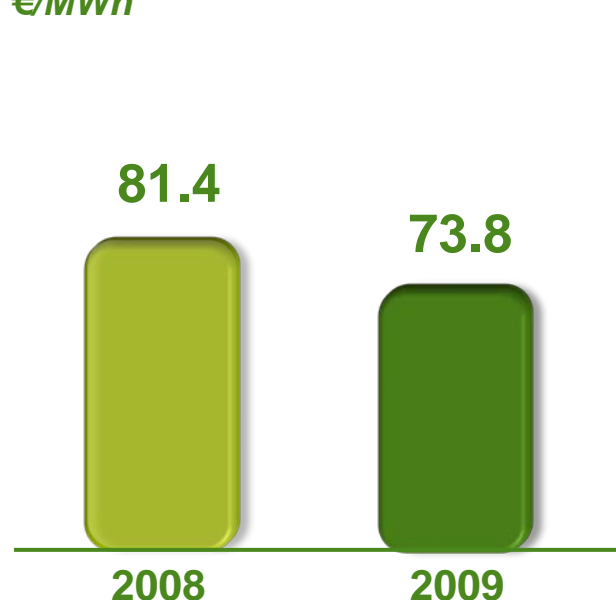


**... with a very significant growth in
US (+42.9%), UK (+43.8%), and RoW (+35.2%)**

International business prices increase, stabilizing in Spain thanks to the hedging...

Average renewable price

€/MWh



Prices in local currency

		Var %	Var. vs 2008	
US	↑	+1.1%	+0.7 \$/MWh	Long term PPAs
UK	↑	+19.4%	+17.4 £/MWh	2010 covered
RoW	↑	+9.8%	+7.8 €/MWh	Mainly feed in tariffs
SP	↓	-16.4%	-16.4 €/MWh	Medium term hedging

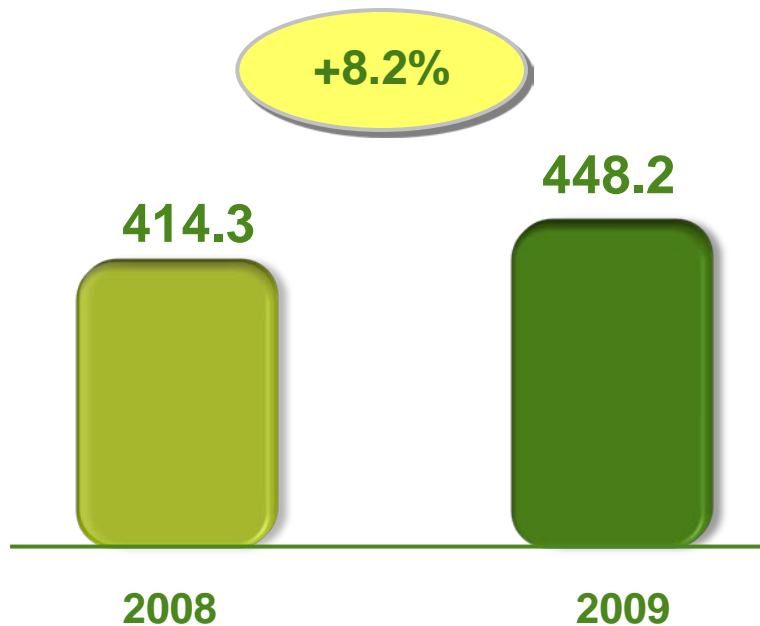
... and in the US, prices would have increased by 7.5% (+5.1 \$/MWh) in homogeneous terms (PTC)



Improving efficiency per MW by 16,4%...

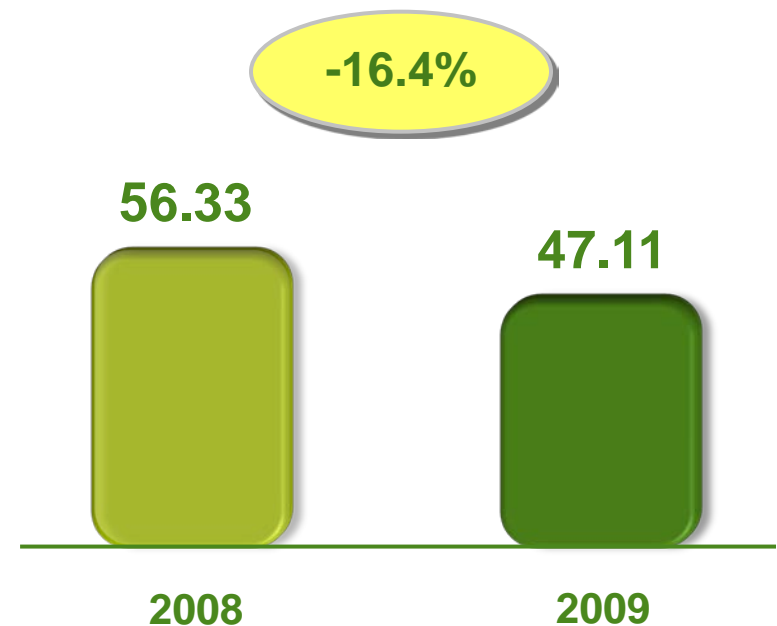
Net operating expenses*

Eur MM



OPEX per average operating MW

€/kW



... due to a lower increase in operating expenses (+8.2%)
than in operating capacity (+27%)



**Leadership in operating capacity in 2009
after investing \$1.565 MM in the US**

**\$577 MM
cash received in 2009...**

**... 33.7%
of the total**

LIST OF GRANTS ALLOCATION*

Iberdrola Renovables	\$577,188,170	33.7%
E.ON	\$277,548,437	16.2%
First Wind Energy	\$178,004,264	10.4%
Eurus Energy Holdings	\$121,903,306	7.1%
Enel SpA	\$99,900,326	5.8%
EDPR (Horizon Wind Energy)	\$91,390,497	5.3%
EverPower Wind Holdings	\$74,648,828	4.4%
Otros	\$292,589,859	17.1%
TOTAL	\$1,713,173,687	

Grants mechanism provides visibility to US growth through 2012

90% of the capacity under construction is covered by PPA

400 MW of 2010 projects already closed

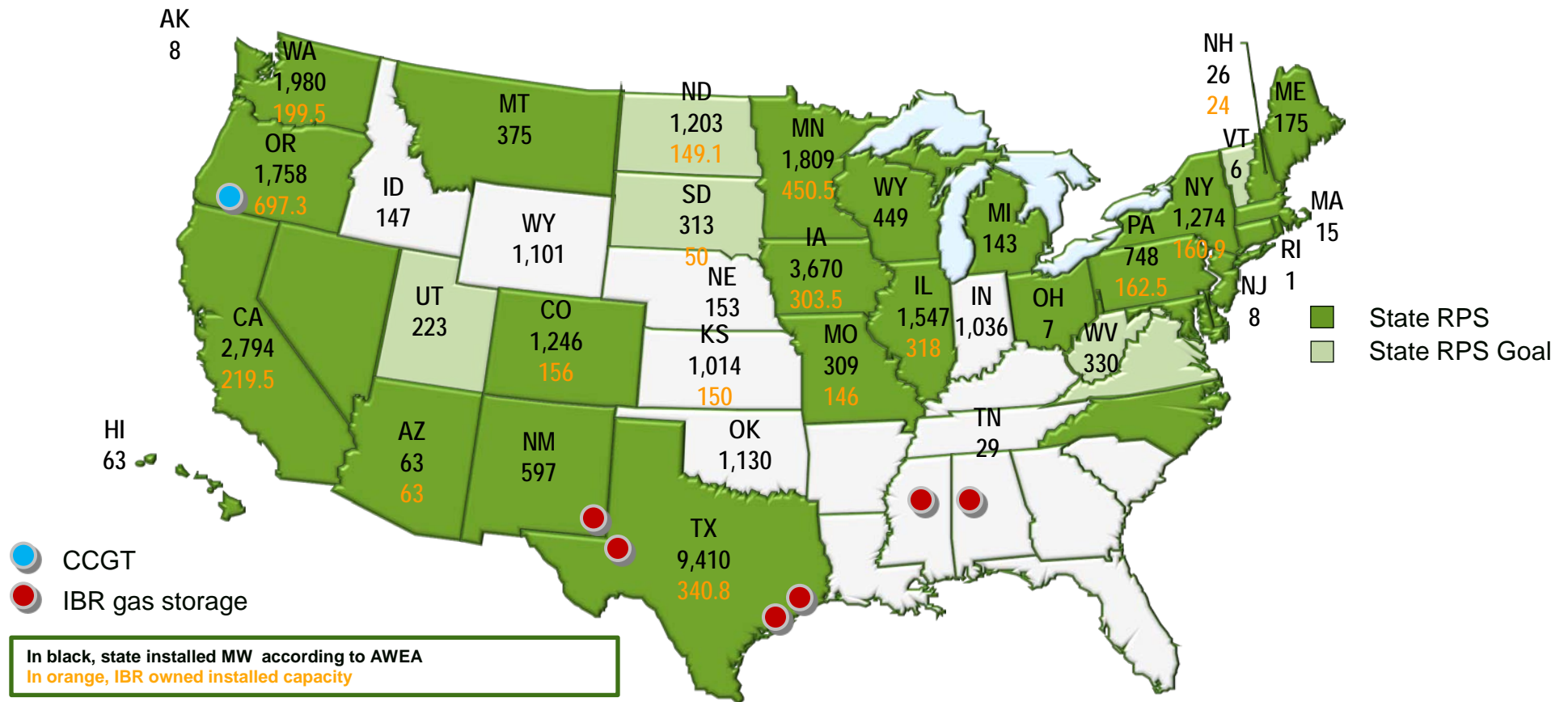
<u>Windfarm</u>	<u>PPA MW</u>	<u>Location</u>	<u>Selling to</u>
Star Point	50 MW	Oregon	California
Big Horn II	50 MW	Washington	California
Cayuga Ridge	300 MW	Illinois	Tennessee

Continuous price improvement* (>5%)

US: Regional diversification



The most regionally diversified company in the US, with operating assets in 23 states, all with RPS* requirements...



... which has contributed to the leadership in 2009 in installed capacity

* Ex Kansas.

Potential of 7,200 MW in the area awarded to Iberdrola Renewables and Vattenfall JV...



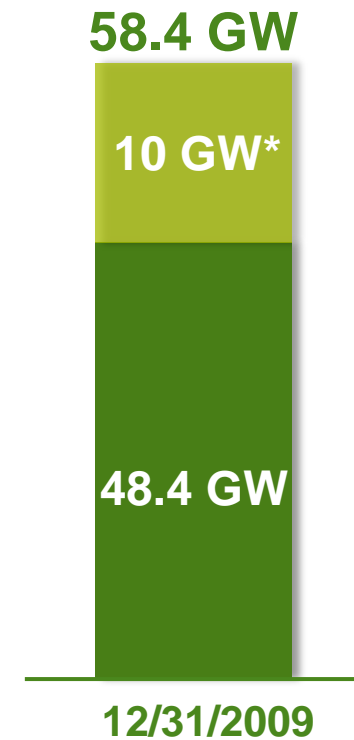
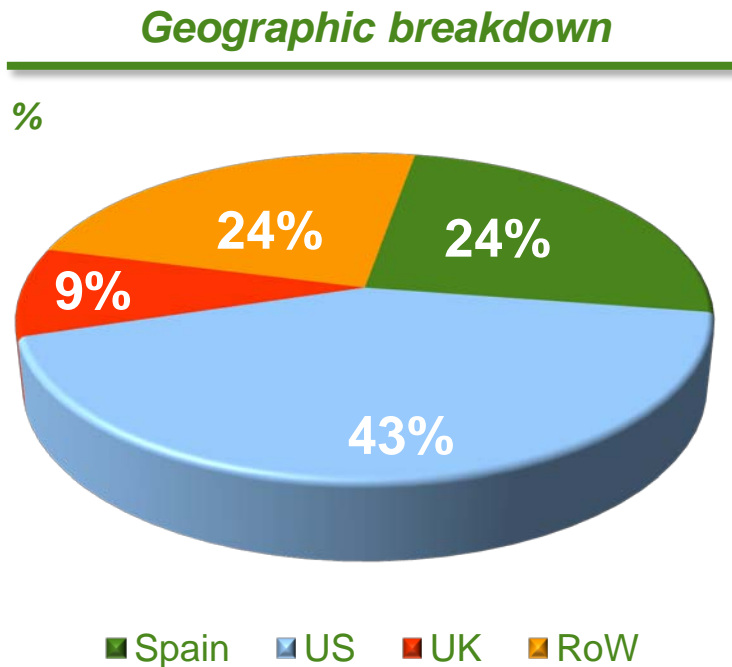
Depth:
97% <45m, 50% <35m

**Close to the coast, thus reducing
Capex and Opex costs**

**Likelihood to start construction
after 2015**

**... and projects under development in other European regions:
Germany, France and Spain with an additional 2,500 MW**

Pipeline increases by 3.3 GW in 12 months...



... reaching a total figure of 58.4 GW,* excluding “Round 3” MW

Strong foundation in a complex environment...

More assets
in operation



Recurrent cash flow generation

More
pipeline



Enables profitable growth

Better
prices



US PPA position closed, with 2009 prices (+7.5%)
and hedging in Spain

Better
management



Improving efficiency by 16.4%

... to continue with a strategy of profitable growth



Highlights

Business performance

Results

Conclusions and 2010 outlook

EBITDA increases by 11.8% to Eur 1,325.3 MM...

<i>Eur MM</i>	2009	2008	Δ Eur MM	Δ %
Revenues	2,009.1	2,030.3	-21.2	-1.0%
Gross margin	1,815.5	1,621.2	+194.3	+12.0%
NOE & taxes	-490.2	-435.7	-54.5	+12.5%
EBITDA	1,325.3	1,185.5	+139.8	+11.8%
Amortizations	-639.6	-475.9	-163.7	+34.4%
Financial results	-170.5	-121.8	-48.7	+39.9%
EBT	518.3	582.3	-64.0	-11.0%
Corporate tax	-141.4	-184.9	+43.5	-23.5%
Minorities	-5.8	-7.2	-1.4	-19.4%
Net income	371.1	390.2	-19.1	-4.9%

... and net income reaches Eur 371.1 MM

Normalized EBITDA growth (PTC), would have increased by 14.1%

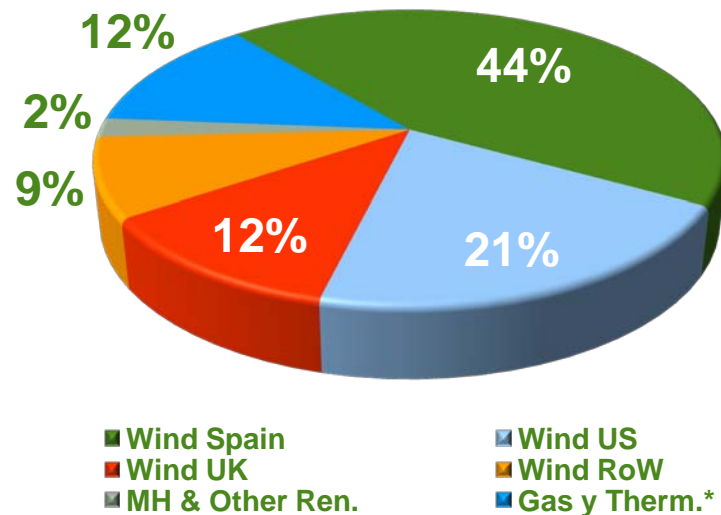
Eur MM

	Reported 2009	Grants Effect	Normalized 2009	Normalized Growth
Gross margin	1,815.5	-26.8	1,842.3	13.6%
EBITDA	1,325.3	-26.8	1,352.1	14.1%
Amortiz.	-639.6	+15.3	-654.9	37.6%
EBIT	685.7	-11.4	697.1	-1.7%

Gross margin amounts to Eur 1,815.5 MM...

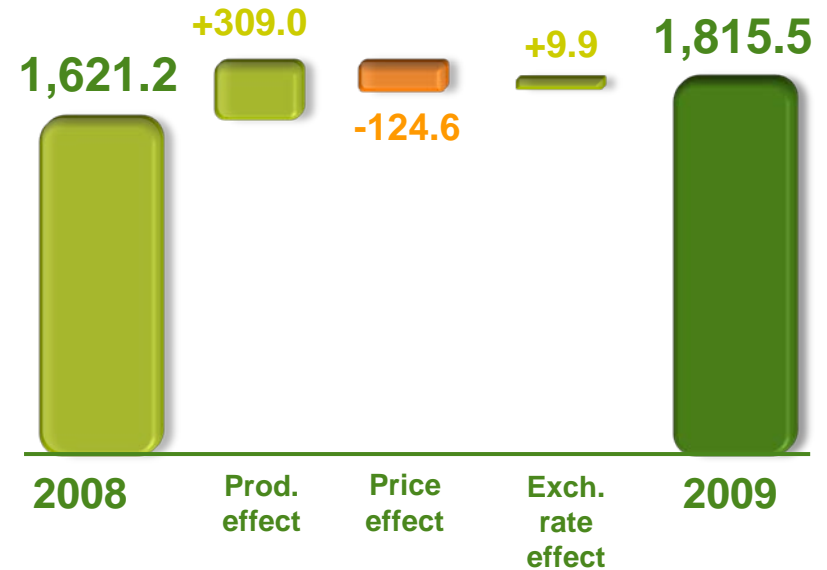
Gross margin breakdown by business

Eur MM



Gross margin effects

Eur MM

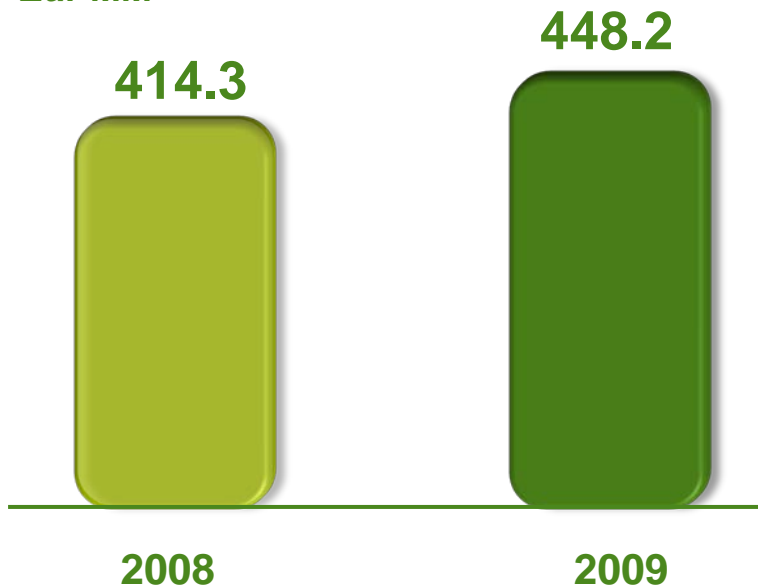


... and the contribution of the international business rises from 45% (2008) to 54% (2009)

**Control in net operating expenses,
which increase 16% less than operating capacity...**

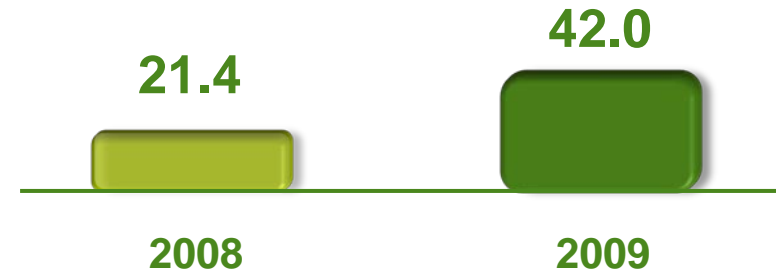
Net operating expenses

Eur MM



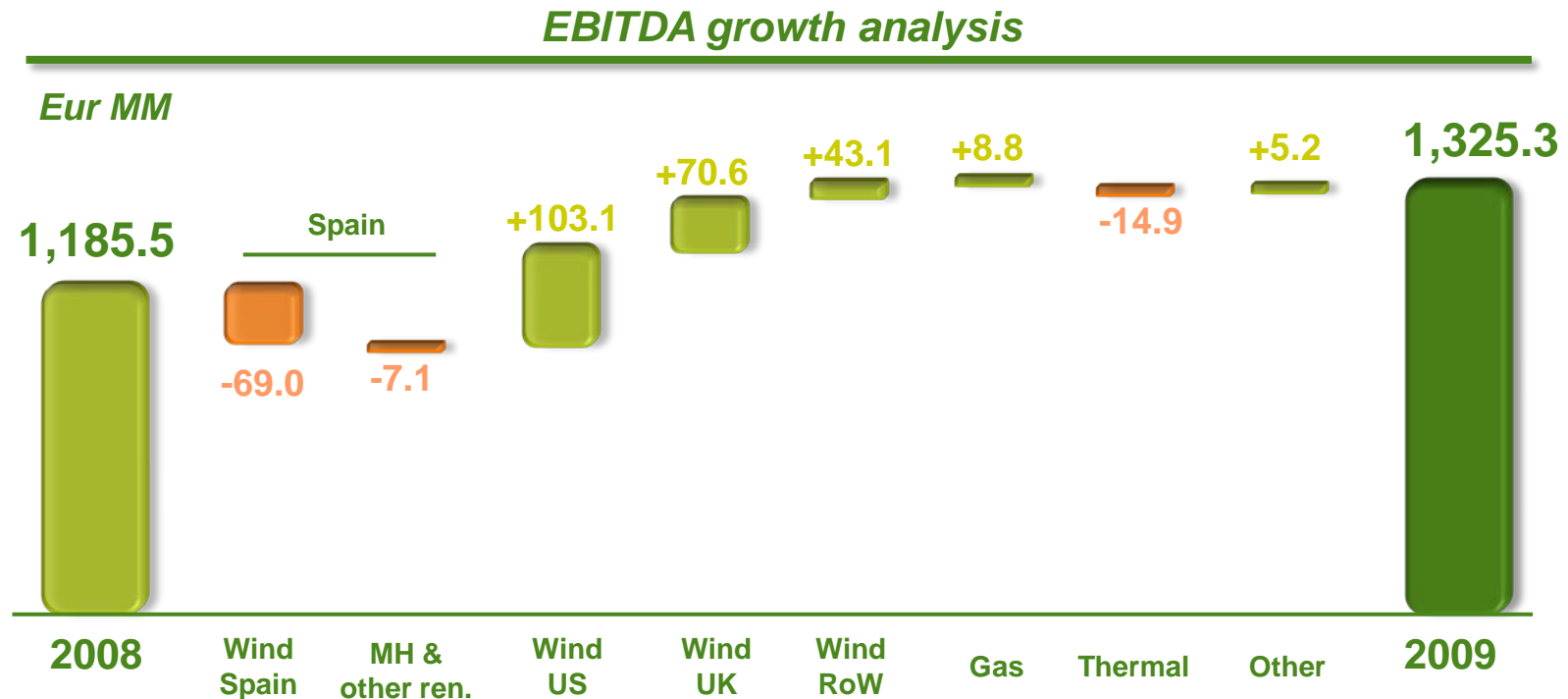
Taxes

Eur MM



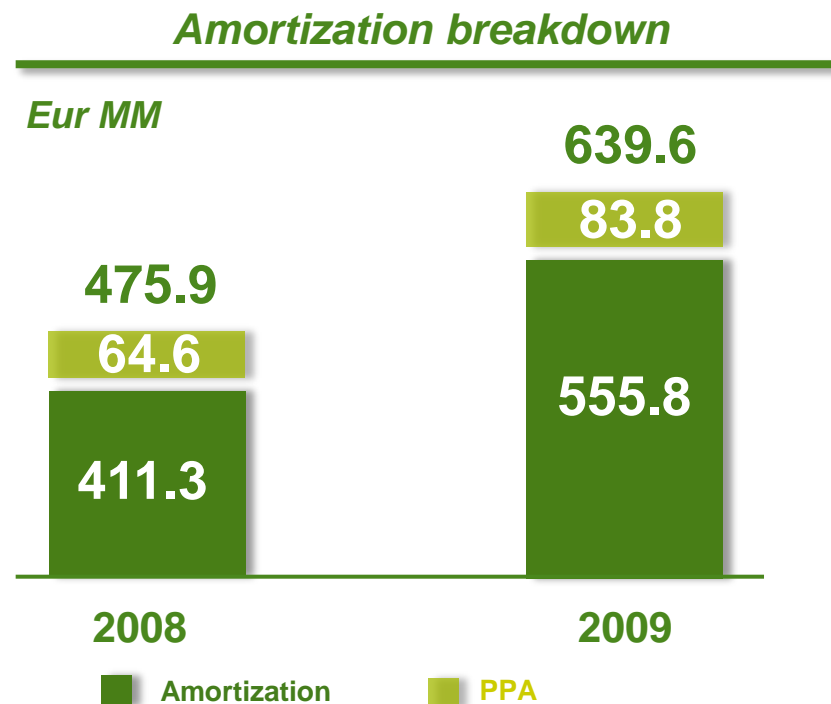
... in spite of the increase in taxes due to a positive one-off in 2008

EBITDA reaches Eur 1,325.3 MM...



... based on the higher international business growth, which contributed an additional Eur 215.9 MM EBITDA in 2009

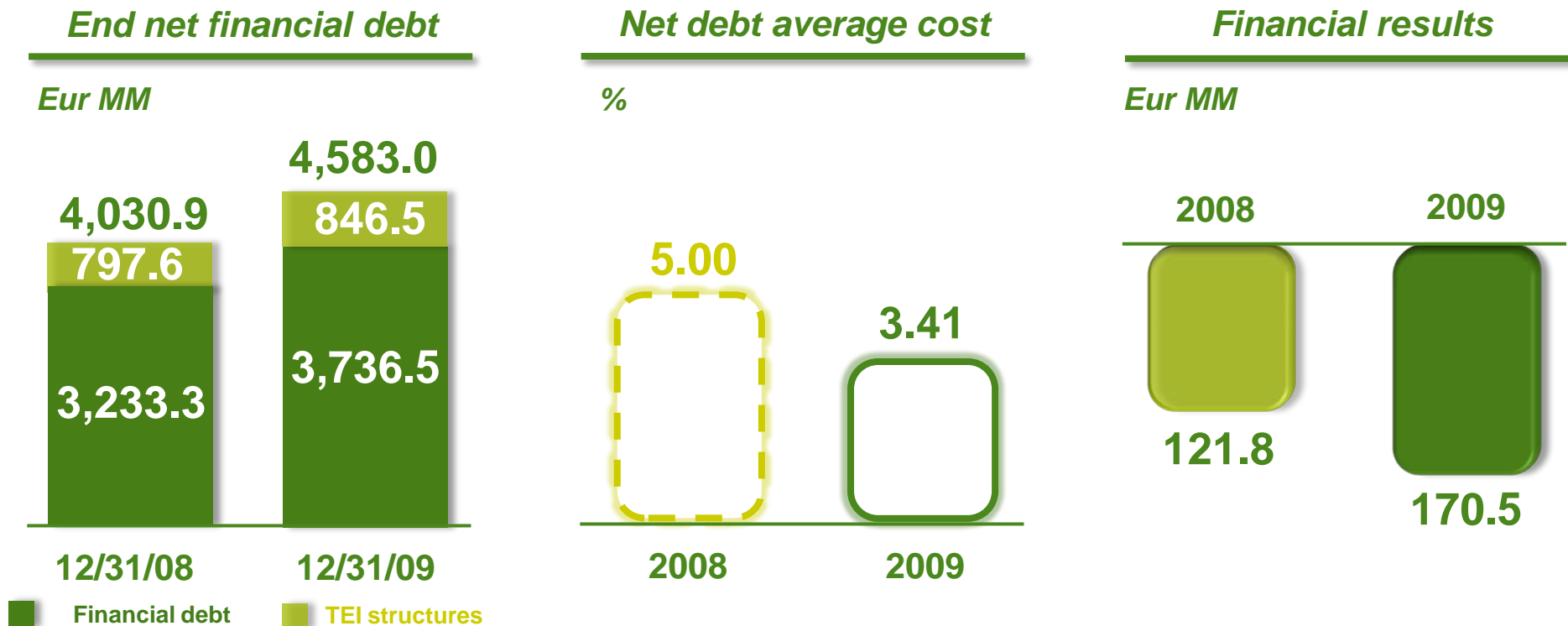
Amortization increases by 34.4%...



... due to the increase in average operating capacity



**Financial expenses increase by Eur 48.7 MM,
due to the increase in the average debt...**

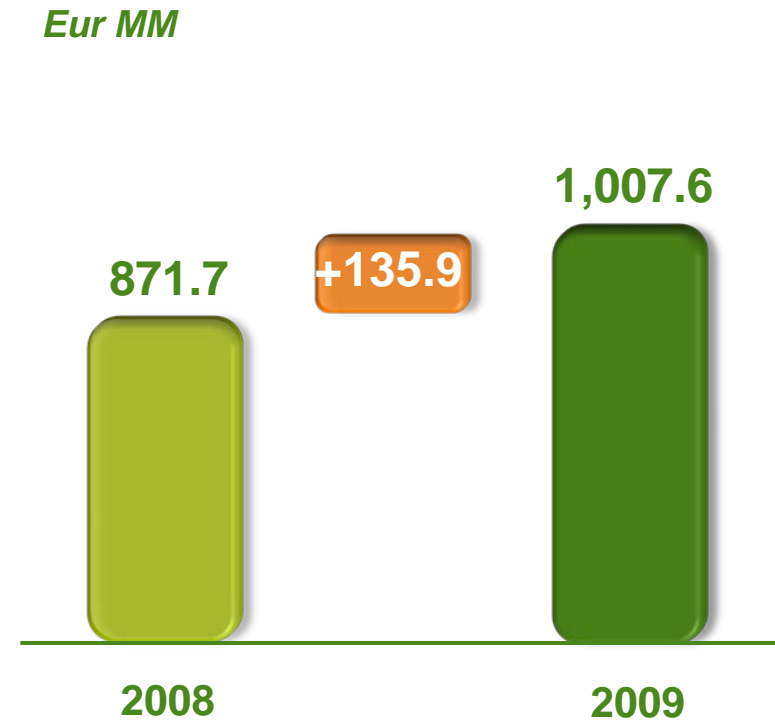
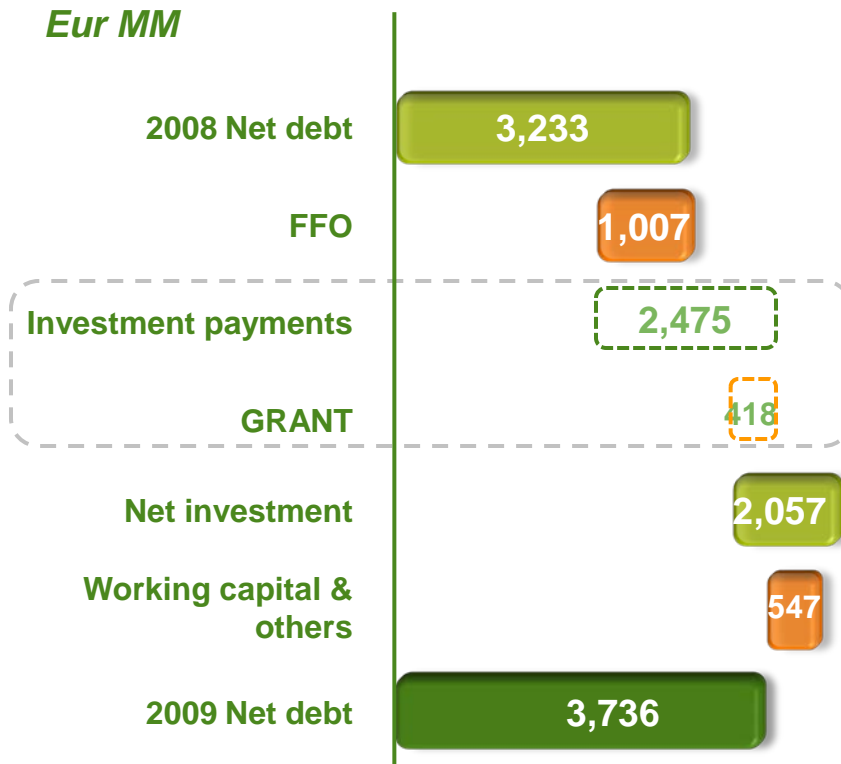


**... and the cost of financial debt decreases to 3.41%;
4.17% including TEI structures**

FFO* increases by 15.5%, to Eur 1,007.6 MM...

Net financial debt analysis

FFO*



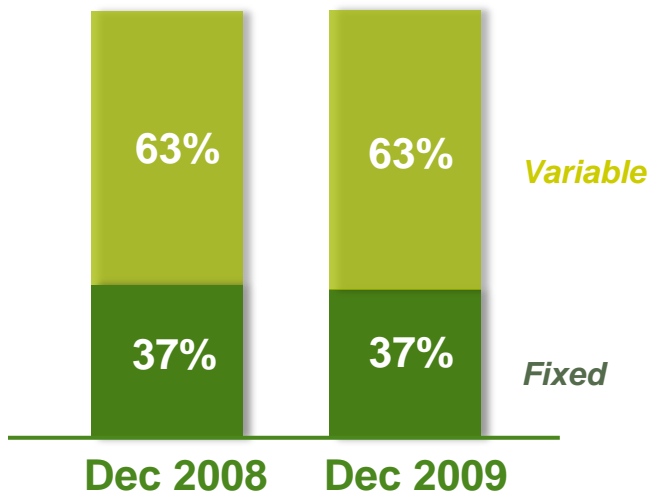
... financing around half of the net investments in 2009



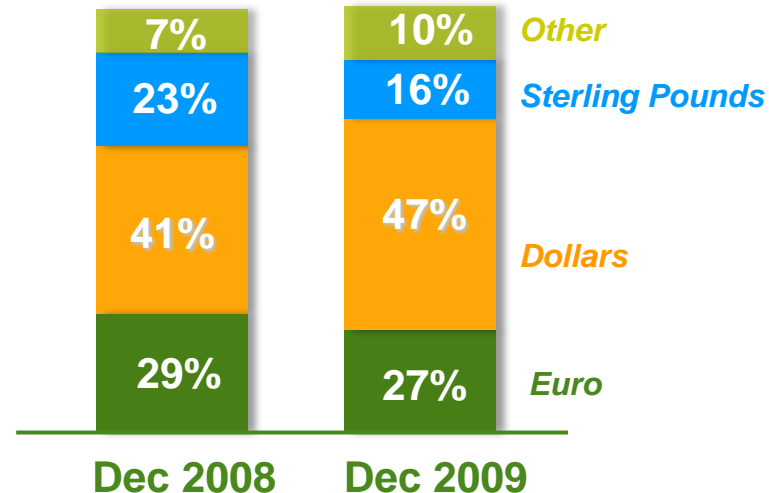
Financial strength, total assets of Eur 21,537 MM...

Gross debt structure

Interest type structure



Currency structure



... with leverage of 24.7%*



Highlights

Business performance

Results

Conclusions and 2010 outlook

In spite of a complex environment, 2009 has shown the consolidation of the company's strategy...

2,184 MW commissioned

Production increase by 26.4% to 21.4 TWh

**US leadership:
over \$577 MM cash grants received**

Improving cost efficiency per MW of 16.4%

**... reaching an EBITDA increase of 11.8%
and FFO* over Eur 1,000 MM**



**In 2010, IBR presents a strong visibility
in the key business factors...**

Reaffirming our target of 12,500 MW of installed capacity

Over 90% of the estimated production has prices already assured

We will continue improving efficiency

**Around \$1,500 MM investment in the US
will allow us to obtain grants of around \$430 MM**

... and estimating around 20% growth in operating results



**IBERDROLA
RENOVABLES**

**IBERDROLA
RENOVABLES**

2009 Results Presentation

Bloomberg:	IBR SM
Reuters:	IBR.MC
ADR:	IRVDY