

To the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*)

Valencia, January 13, 2010

Subject: Joint development of wind projects in Eastern Europe by IBERDROLA RENOVBABLES and the European Bank for Reconstruction and Development (EBRD)

Dear Sirs,

Iberdrola Renovables, S.A. (“IBERDROLA RENOVBABLES” 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:

The boards of directors of IBERDROLA RENOVBABLES and the European Bank for Reconstruction and Development (“EBRD”) have agreed to jointly develop wind projects in Eastern Europe.

This venture, which is subject to negotiation and signing of final documentation, is expected to be completed in the coming weeks. It will be implemented through the acquisition by the EBRD (subscribing the relevant capital increases) of 25% of the share capital of the subsidiaries of IBERDROLA RENOVBABLES in Poland (Iberdrola Renewables Polska Sp. z.o.o.) and Hungary (Iberdrola Renovables Magyarország Kft).

Total investment of the EBRD is expected to amount to EUR 125,000,000. From this total, an amount of Polish zlotys (PLN) equivalent to EUR 75,000,000 will be invested in the Polish subsidiary of IBERDROLA RENOVBABLES and an amount of Hungarian forints (HUF) equivalent to EUR 50,000,000 will be invested in the Hungarian subsidiary of IBERDROLA RENOVBABLES. These subsidiaries are currently developing a total of 309 megawatts of wind energy projects, of which 211 are already operational and 98 are under construction.

Sincerely,

IBERDROLA RENOVBABLES, S.A.
La Secretaria General y del Consejo

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

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.

FORWARD-LOOKING STATEMENTS

This communication contains forward-looking information and statements about Iberdrola Renovables, S.A. Such statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives 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 holders of Iberdrola Renovables, S.A. shares 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, among others, those discussed or identified in the public documents sent by Iberdrola Renovables, S.A. to the Comisión Nacional del Mercado de Valores.

Forward-looking statements are not guarantees of future performance and they 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 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 to Iberdrola Renovables, S.A. on the date hereof. Except as required by applicable law, Iberdrola Renovables, S.A. does not undertake any obligation to publicly update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise.

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