

CENTURY OLD DEDICATION TO HYDROELECTRICITY

IBERDROLA's commitment to hydro-electricity dates back to the company's origins more than 100 years ago, and it today has around 10,000 MW in installed capacity or nearly 25% of the Group total. It operates 225 hydro power stations in Spain, the United Kingdom, Brazil and the United States.

The Company's involvement in hydroelectricity reflects the fact that it is 100% renewable, with no emissions to the atmosphere, it reduces external dependence on energy and is able to meet demand in real time.

IBERDROLA, in the context of its strategy based on generation that least affects the environment, is working to revive use of hydro technology, especially pumping stations¹, with major projects in Spain, Portugal and Brazil which will be operational before 2018.

The company is building four hydro plants in Spain: La Muela II, which will start operations in 2012 and make the Cortes-La Muela complex on the Jucar river one of the largest pump storage projects in Europe; and the Sil Basin, San Esteban II, San Pedro II and Santa Cristina plants, this last-mentioned also being a pump storage project.

In Portugal, IBERDROLA was a year ago awarded a project to build the Alto Tâmega hydroelectricity complex which, with new dams and power stations - two of them pump storage - will accumulate a total capacity of 1,200 MW. This project will serve to complete exploitation of the Duero Basin and increase hydro capacity in the country by 25%. In Brazil, through its associated company Neoenergia, it is developing new hydro installations.

More information in www.iberdrola.es.

¹ Pumping stations, today a priority for IBERDROLA, operate as conventional hydroelectricity plants in peak demand hours, but during the night take advantage of the electricity generated to lift water from a lower dam to one higher up. These plants are noteworthy for their flexibility. Immediate availability and substantial power capacity.