



Julián Martínez-Simancas  
General secretary and secretary of the Board of Directors

Bilbao, December 21, 2011

To the National Securities Market Commission

**Re: Framework agreement between Iberdrola, S.A. and Gamesa Eólica, S.L. Unipersonal and replacement of the Framework contract for the supply of wind turbines**

Dear Sirs:

Pursuant to article 82 of Law 24/1988, of July 28, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we inform you that Iberdrola, S.A. (“**Iberdrola**”) and Gamesa Eólica, S.L. Unipersonal (“**Gamesa Eólica**”)<sup>1</sup> have entered today into a framework agreement for the supply and maintenance of wind turbines (the “**Framework Agreement**”).

Pursuant to the Framework Agreement, Iberdrola and Gamesa Eólica have made the following commitments:

- (i) Iberdrola undertakes to purchase from the Gamesa group a minimum megawatt share equivalent to 50% of the total fleet of onshore wind turbines that Iberdrola acquires for its Renewable Energy Business Unit while the Framework Agreement is in effect.

This commitment will be in force between January 1, 2013 and December 31, 2022 or the date on which the number of megawatts acquired by the Iberdrola group to the Gamesa group under the Framework Agreement reaches 3,800, whichever comes first.

- (ii) Iberdrola and Gamesa Eólica will collaborate closely in new opportunities regarding the offshore wind business.
- (iii) Iberdrola and Gamesa Eólica will collaborate in the field of maintenance services to enable Gamesa Eólica to become the reference company of Iberdrola in the maintenance of wind farms. In particular, it has been agreed:
  - a. To establish new areas of study and analysis in the provision of maintenance services by Gamesa to Iberdrola, in particular, the provision of maintenance

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<sup>1</sup> A subsidiary of Gamesa Corporación Tecnológica, S.A.



services in the United States of America, the sale and installation of reliability improvements on wind turbines or the extension of their life and the conversion and updating of wind turbines models.

- b. The extension of the current maintenance services, in the following terms:
  - i. To award Gamesa Eólica the maintenance services of 503 megawatts of power of G5x and G4x out-of-guaranty wind turbines for wind farms situated in Cuenca and Albacete, for a period of 3 years.
  - ii. To hire from Gamesa, for a period of 3 years from January 1, 2012, the maintenance services of 584 G47 wind turbines (380 megawatts) and 1,018 G5x wind turbines (865.3 megawatts), which are presently subject to the operation and maintenance contract dated January 1, 2009, which expires on December 31, 2011.
  - iii. To extend the life of the operation and maintenance contract with regard to the maintenance of out-of-warranty 1,156 G8x (2,312 megawatts) in wind farms in Spain and Portugal for an additional period of 1 year, until December 31, 2012.

The Framework Agreement replaces the framework contract for the supply of wind turbines for wind farms entered into by and between Iberdrola Renovables, S.A. and Gamesa Eólica on June 13, 2008, which was the object of a notice of significant event (*hecho relevante*) filed by Iberdrola Renovables, S.A. on that same date with official registry number 94,513 (the “**Framework Contract**”)<sup>2</sup>. Notwithstanding the foregoing, the rights and obligations resulting from the Framework Contract with regard to the supplies existing prior to the Framework Agreement, including the planning for the year 2012 of 503 megawatts, will remain in full force and effect.

Yours sincerely,

The general secretary and secretary of the Board of Directors

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<sup>2</sup> Iberdrola acquired all the rights and obligations of Iberdrola Renovables, S.A. by universal succession — including, among others, those resulting from the Framework Contract— as a consequence of the registration with the Mercantile Registry of Vizcaya of the public deed of merger between Iberdrola (as absorbing company) and Iberdrola Renovables, S.A. (as absorbed company), granted on July 5, 2011 before Mr. Miguel Ruiz-Gallardón García de la Rasilla, Notary of Madrid, under number 3,401 of his records, which was subject to a notice of significant event delivered on July 8, 2011 (registry number 147,260).

## **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, 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 exception from registration.

This communication contains forward-looking information and statements about Iberdrola, S.A., including 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, S.A. believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of Iberdrola, 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, 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, S.A. to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

Forward-looking statements are not guarantees of future performance. They have not been reviewed by the auditors of Iberdrola, 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 subsequent oral or written forward-looking statements attributable to Iberdrola, S.A. or any of its members, directors, officers, employees or any persons acting on its behalf are expressly qualified on its entirety by the cautionary statement above. All the forward looking statements included herein are based on information available to Iberdrola, S.A. 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, whether as a result of new information, future events or otherwise.

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