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## INFORMATIVE RELEASE

*Iberdrola to pay circa €98 million to Neoenergia for this takeover*

### **Iberdrola reaffirms its commitment to Brazil after agreeing to purchase remaining 50% of companies Força Eólica do Brasil 1 and 2**

- **This means the company will acquire sole control over two firms with an aggregate capacity of 288 MW at ten wind farms in operation in the states of Bahia and Rio Grande do Norte**

Iberdrola has entered into an agreement with Neoenergia to purchase 50% of the companies Força Eólica do Brasil (FEB) 1 and 2, to the value of about €98 million, in a deal that ratifies its commitment to Brazil and the renewables sector.

Iberdrola already had a 50% stake in the capital of these two Brazilian companies and this takeover will give it sole control over 288 megawatts (MW) of wind power facilities in operation in the states of Bahia and Rio Grande do Norte.

Given Iberdrola's 39% stake in Neoenergia, this transaction will not have a major impact on the Group's consolidated financial statements.

To be more specific, FEB 1 has five wind farms with a combined installed capacity of 150 MW: Calango I, IV and V, which have a capacity of 30 MW each and have been in operation since September 2013; and Caetité I and II, which also have a capacity of 30 MW each and were commissioned in October 2014 and March 2013, respectively.

FEB 2 has a further five wind farms with an aggregate capacity of 138 MW: Arizona I (28 MW, in operation since October 2013); Mel II (20 MW, in operation since February 2013); Calango II and III (both 30 MW and in operation since September 2013); and Caetité III (30 MW and in operation since March 2013).

The transaction is now awaiting approval from the Brazilian antitrust authority (CADE) and the banks providing the finance, BNDES and Banco do Brasil.



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Iberdrola and Neoenergia are still the owners, with a 50% stake, of Força Eólica do Brasil (FEB), a company with a portfolio of 1,500 MW in wind power projects in the country and which recently completed the construction of three other wind farms in the state of Rio Grande do Norte with an aggregate capacity of 84 MW: Calango VI (30 MW) and Santana I and II (30 MW and 24 MW, respectively).

### Rio Grande do Norte

Arizona I    Calango IV  
 Mel II        Calango V  
 Calango I  
 Calango II  
 Calango III



### Bahia

- Caetite I
- Caetite II
- Caetite III

FEB is currently building a further three renewable facilities with an aggregate capacity of 94.5 MW in the state of Paraíba: the Lagoa I and II wind farms, each with a capacity of 31.5 MW, which are expected to be commissioned in October of this year, and the Canoas wind farm, which also has a capacity of 31.5 MW and is due to be commissioned at the same time.

### **IBERDROLA, benchmark in Brazil**

IBERDROLA has been operating in Brazil since the year 1997, via its 39% stake in the Neoenergia holding, where its local partners are Banco do Brasil (12%) and Previ (49%). It closed the deal to acquire the Elektro distribution company in 2011.

IBERDROLA has also become the leading electricity distribution company in Brazil in terms of the number of customers, with a total of 13.4 million users at the end of 2016, to whom it distributed over 62,700 gigawatt hours (GWh).

IBERDROLA also has a major presence in the area of electricity generation in this country: it ended last year with a capacity of 1,247 MW, mostly provided by hydroelectric power plants (764 MW) and wind farms (246 MW), producing over 3,900 GWh in 2016.

