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## **COMP/M.4517 – Iberdrola/ScottishPower**

### **SECTION 1.2**

#### **Description of the concentration**

On November 27<sup>th</sup>, 2006 The Boards of IBERDROLA S.A. (hereinafter IBERDROLA, including its group of companies) and Scottish Power plc (hereinafter SCOTTISHPOWER, including its group of companies) agreed to take the appropriate steps in order to complete the acquisition by IBERDROLA of sole control over SCOTTISHPOWER.

The proposed transaction is intended to be implemented by way of a Court sanctioned scheme of arrangement under section 425 of the UK Companies Act 1985, which involves an application by SCOTTISHPOWER to the Court to sanction the scheme and confirm the cancellation of all SCOTTISHPOWER shares, in consideration for which SCOTTISHPOWER shareholders will receive cash and new IBERDROLA shares.

IBERDROLA is a Spanish energy group which generates almost 80% of its revenues in Spain. IBERDROLA is predominantly active in the Spanish electricity sector (generation, distribution and supply) and has an increasing role in the Spanish gas markets. Outside Spain, the vast majority of IBERDROLA's revenues are generated in Latin America. As regards other EU countries, IBERDROLA has some minor interests in electricity generation activities including projects (primarily wind farms) in Greece, Portugal, Germany, France, Poland and the UK (where it has minor wind farm projects to become operational in the coming years); in electricity supply activities in Portugal; and in trading activities in Spain, Portugal, France, Belgium, The Netherlands, Austria, Switzerland, Italy and Germany.

SCOTTISHPOWER generates almost 90% of its revenues in the UK where it is active in the generation and wholesale supply of electricity; the transmission and distribution of electricity; the supply of electricity and gas to homes and businesses; and associated energy management activities (in connection with which it also operates gas storage facilities). Outside the UK, SCOTTISHPOWER also has activities in the US, Canada and, to a very modest extent, in the Republic of Ireland.