



Julián Martínez-Simancas
General Secretary and Secretary to the Board of Directors

Bilbao, 16 December 2015

To the National Securities Market Commission

Subject: Integration of UIL Holdings Corporation in the Iberdrola group: fulfilment of the conditions precedent

Dear Sirs,

Pursuant to article 228 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) and related provisions, and further to the notice of significant event dated 26 February 2015 (with official registry number 219,086), we hereby inform you that all the conditions precedent to which the integration agreement of UIL Holdings Corporation ("UIL") in the Iberdrola group was subject have been complied with. The integration will be carried out by means of the merger by absorption of UIL by a wholly owned subsidiary of Iberdrola USA Inc.

The consummation of the integration is expected to take place today and it is anticipated that the shares of Iberdrola USA, Inc., which will change its corporate name to Avangrid, Inc., will start trading on the New York Stock Exchange (NYSE: AGR) tomorrow, 17 December 2015.

This information is provided to you for the appropriate purposes.

Yours faithfully,

General Secretary and Secretary to the Board of Directors

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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 *Comisión Nacional del Mercado de Valores*.

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