



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

Bilbao, 26 June 2014

To the National Securities Market Commission

Re: Consummation of the sale of the shareholding interest of Iberdrola, S.A. in the Belgian company “NNB Development Company, S.A.”

Dear Sirs,

Pursuant to article 82 of Law 24/1988 of 28 July on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, and in connection with our notice of significant event dated 23 December 2013 (official record number 197,457), we hereby notify you that today the sale of the shareholding interest of Iberdrola, S.A. in the Belgian company NNB Development Company, S.A. (representing 50% of its share capital) to the English company Advance Energy UK Limited, a subsidiary of the Japanese company Toshiba Corporation (the “**Transaction**”), has been consummated.

The sale price for this shareholding interest amounts to, approximately, GBP 86 million (equivalent to approximately EUR 107 million¹). This amount may be subject to post-closing adjustments customary in transactions of this nature.

The Transaction has generated estimated consolidated gross profits of approximately EUR 95 million.

This information is provided to you for the appropriate purposes.

Yours faithfully,

General Secretary and Secretary to the Board of Directors

¹ Reference exchange rate of EUR 1 = GBP 0.80225, published by the European Central Bank on 25 June 2014.

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 exemption 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 *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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