



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

Bilbao, 12 February 2014

**To the National Securities Market Commission**

**Re: Sale of shareholding interest in EDP - Energias de Portugal, 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 (*comunicación de hecho relevante*) of yesterday 11 February 2014 (official registry number 200,314), we hereby inform you that Iberdrola Energía, S.A., a fully owned subsidiary of Iberdrola, S.A. (“**Iberdrola**” or the “**Company**”), has sold 72,360,357 shares of EDP - Energias de Portugal, S.A. (“**EDP**”) representing 1.979% of its share capital, through an off-market transaction executed today amongst qualified and institutional investors in an accelerated bookbuilding process carried out by UBS Limited.

The total consideration for the transaction amounted to €209,845,035.30, being the sale price of €2.90 for each share of EDP. The gross consolidated capital gains generated by this sale amount to €42.08 million.

Additionally, on the trading day of 11 February 2014, 4,312,000 EDP shares, representing 0.118% of its share capital, were sold at an average price of €2.873 per share. The gross consolidated capital gains generated by this sale amount to €2.4 million.

As stated in yesterday’s notices of significant event (official registry numbers 200,283 and 200,284), it is envisaged that Iberdrola Energía will sell the rest of its shareholding interest in EDP, that is, approximately 2.9% of its share capital, pursuant to derivatives contracts already executed, the last maturity of which is 7 May 2014.

Iberdrola will duly inform the market when such derivative transactions have been consummated and it has cancelled all its indirect shareholding in EDP<sup>1</sup>.

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<sup>1</sup> Shareholding interest held by Iberdrola Energía.

This information is provided to you for the appropriate purposes.

Yours faithfully,

General Secretary and Secretary to the Board of Directors

## 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 *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.

This announcement is for information purposes only and does not constitute an offer to sell or the solicitation of an offer to buy any securities and the offer of the EDP shares does not constitute a public offering in any jurisdiction, including Portugal. Release, publication or distribution of this announcement is forbidden in any country where it would violate applicable laws and regulations.