



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 Iberdrola Energía, S.A. Unipersonal's direct shareholding in the Brazilian company Itapebi Geração de Energia, 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, we hereby notify you that Iberdrola Energía, S.A. Unipersonal, a wholly-owned subsidiary of Iberdrola, S.A. (“**Iberdrola**”) has sold to Termopernambuco, S.A., a wholly-owned subsidiary of Neoenergia, S.A. (“**Neoenergia**”)<sup>1</sup>, its entire direct shareholding in the Brazilian company Itapebi Geração de Energia, S.A. (“**Itapebi**”), that is, 5,650,000 shares representing 22.6% of its share capital, pursuant to a share purchase agreement that was executed yesterday (the “**Transaction**”).

The sale price for this shareholding is BRL 325.19 million (equivalent to approximately EUR 98.86 million<sup>2</sup>).

The Transaction is part of the process of acquisition by Neoenergia of its shareholders' respective direct shareholdings in Itapebi. As a consequence of this process, Iberdrola will retain an indirect shareholding in Itapebi of 39% of its share capital.

This information is provided to you for the appropriate purposes.

Yours faithfully,

General Secretary and Secretary to the Board of Directors

<sup>1</sup> A company in which Iberdrola holds a 39% stake (through Iberdrola Energía, S.A. Unipersonal).

<sup>2</sup> Reference exchange rate of EUR 1 = BRL 3.2895, published by the European Central Bank on 11 February 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.

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