



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

Bilbao, March 22, 2013

To the National Securities Market Commission

Re: Resolutions of the General Shareholders' Meeting and the Board of Directors

Dear Sirs:

We hereby inform you of the resolutions approved by the shareholders acting at the General Shareholders' Meeting and by the Board of Directors of Iberdrola, S.A. ("**Iberdrola**" or the "**Company**") on the date hereof:

I. Resolutions of the General Shareholders' Meeting

The shareholders acting at the General Shareholders' Meeting of the Company held upon first call have approved each and every one of the resolutions submitted to their vote included in the agenda in the terms of the documentation made available to the shareholders that was communicated to you by means of the price sensitive information notices dated February 14 and 19, 2013 (under registry numbers 182,215 and 182,421, respectively) and March 5, 2013 (under registry number 183,313). Such resolutions are the following:

1.- Resolutions relating to the annual financial statements, the management of the Company, and the re-election of the Company's auditor

The shareholders acting at the General Shareholders' Meeting have approved the annual financial statements for fiscal year 2012 of Iberdrola and of its consolidated group, the management reports of the Company and its consolidated group, as well as the corporate management and the activities of the Board of Directors during such fiscal year 2012.

Likewise, the shareholders acting at the General Shareholders' Meeting have approved the re-election of Ernst & Young, S.L. as auditor of the Company and of its consolidated group for fiscal year 2013.

2.- Resolutions relating to shareholder compensation

The shareholders acting at the General Shareholders' Meeting have approved the application of results proposed by the Board of Directors, which includes the payment of the dividend for the fiscal year ended 2012, in the gross amount of three Euro cents (0.030) per share, with the right to receive it.

In addition, the shareholders acting at the General Shareholders' Meeting have approved two fully-paid increases in the share capital by means of the issuance of new ordinary shares of the Company at a maximum reference market value of 883 and 1,021 million Euros,

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respectively, for the free-of-charge allocation of new shares to the shareholders of the Company.

These capital increases have been adopted for the purposes of offering all of the Company's shareholders, under its installments, newly-issued bonus shares or, ultimately, and through the transfer of the free-of-charge allocation rights that they receive for the shares they hold, the possibility to obtain equivalent value to that of the traditional dividend payments, without the Company's shareholder compensation policy being altered as a result.

3.- Resolutions relating to the composition of the Board of Directors and express authorizations and delegations requested for the Board of Directors

The shareholders acting at the General Shareholders' Meeting have approved the ratification on an interim basis of Mr. Manuel Lagares Gómez-Abascal as external proprietary director.

Moreover, the shareholders acting at the General Shareholders' Meeting have approved the authorization to the Board of Directors to create and fund associations, entities and foundations, up to the annual aggregate amount of 12 million Euros and for a maximum period that will expire on the date of the General Shareholders' Meeting at which the annual financial statements for fiscal year 2013 are approved.

4.- Resolutions relating to amendments of the By-Laws

Furthermore, the shareholders acting at the General Shareholders' Meeting have approved:

- The amendment of article 6 of the By-Laws as provided in article 497 of the Spanish Companies Law; and
- The amendment of articles 39, 42 and 43 of the By-Laws, to make technical improvements in the provisions governing the operation of the Board of Directors and the committees thereof.

The foregoing amendments will be published shortly in the Company's corporate website (www.iberdrola.com).

5.- Resolution relating to the share capital decrease

The General Shareholders Meeting have approved a reduction in share capital by means of the retirement of 87,936,576 treasury shares of Iberdrola representing 1.40 % of the share capital, and the acquisition of not more than 62,811,840 additional shares of Iberdrola, S.A. representing up to 1 % of the share capital through a buy-back programme for the retirement thereof.

6.- Resolution relating to general matters

Additionally, the shareholders acting at the General Shareholders' Meeting have resolved to authorize the Board of Directors, which may delegate such powers to any one or more of the Executive Committee, Mr. José Ignacio Sánchez Galán, Chairman & Chief Executive Officer, and Mr. Julián Martínez-Simancas Sánchez, General Secretary and Secretary of the Board of Directors, to formalize and execute all resolutions adopted by the shareholders at the General Shareholders' Meeting, for conversion thereof into a public

instrument, and for the interpretation, correction and supplementation thereof or further elaboration thereon until the required registrations have been carried out.

7.- Consultative vote on the *Annual director compensation report*

Lastly, the *Annual director compensation report* has been submitted to the consultative vote of the shareholders acting at the General Shareholders' Meeting, being supported by an ample majority of the shareholders present in person or by proxy at the General Shareholders' Meeting.

In addition, shareholders have been informed that the company expects to distribute within the month of April, 2013, the attendance premium in the gross amount of 0.005 Euro per share to the shares present in person or by proxy at this General Shareholders' Meeting, as approved by the Board of Directors in its resolution dated February 13, 2013.

II. Resolutions of the Board of Directors

On the other hand, we hereby inform you that the Board of Directors held as of the date hereof after the General Shareholders Meeting has approved the amendment of articles 23 and 24 of the Regulation of the Board of Directors in order to coordinate its content with the amendment of articles 42 and 43 of the By-Laws, approved by the General Shareholders Meeting and mentioned in paragraph I.4.- above.

Please be advised of all of the foregoing for such purposes as may be appropriate.

Yours truly,

General Secretary and Secretary of 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 exemption from registration.

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