



Julián Martínez-Simancas
Secretario general y del Consejo de Administración

Bilbao, May 8, 2012

To the National Securities Market Commission

Re: **Resolutions approved by the Board of Directors regarding the call for the General Shareholders' Meeting**

Dear Sirs,

We hereby advise you that, on the date hereof, the Board of Directors of Iberdrola, S.A. (the “**Company**”) has unanimously adopted, among others that are not inconsistent therewith, the following resolutions:

1. General Shareholders' Meeting call

- I.** To call for the General Shareholders' Meeting to be held on June 22 or 23, 2012, on first and second call, respectively, with the following agenda:

ITEMS RELATING TO THE ANNUAL FINANCIAL STATEMENTS, THE MANAGEMENT OF THE COMPANY AND RE-ELECTION OF THE COMPANY'S AUDITOR:

First.- Approval of the individual annual financial statements of the Company and of the annual financial statements consolidated with those of its subsidiaries for the fiscal year ended on December 31, 2011.

Second.- Approval of the individual management report of the Company and of the consolidated management report of the Company and its subsidiaries for the fiscal year ended on December 31, 2011.

Third.- Approval of the management activity and activities of the Board of Directors during the fiscal year ended on December 31, 2011.

Fourth.- Re-election of the auditor of the Company and its consolidated group for the fiscal year 2012.

ITEMS RELATING TO SHAREHOLDERS COMPENSATION:

Fifth.- Approval of the proposal for the allocation of profits/losses and the

distribution of dividends for the fiscal year ended on December 31, 2011.

Sixth.- Approval of an increase in share capital by means of a scrip issue at a maximum reference market value of two thousand and eighteen million Euros for the free-of-charge allocation of new shares to the shareholders of the Company. Offer to the shareholders for the acquisition of their free-of-charge allocation rights at a guaranteed price. Express provision for the possibility of an incomplete allocation. Application for admission of the shares issued to listing on the Bilbao, Madrid, Barcelona and Valencia Stock Exchanges, through the Automated Quotation System (*Sistema de Interconexión bursátil*). Delegation of powers to the Board of Directors, with the express powers of substitution, including the power to implement the capital increase by means of a scrip issue on one or, at most, two occasions (provided always that the reference market value shall not exceed one thousand and twelve million Euros in the first installment and one thousand and six million Euros in the second installment, if any) and the power to amend Article 5 of the By-Laws in each of the installments.

ITEMS RELATING TO THE COMPOSITION OF THE BOARD OF DIRECTORS AND EXPRESS AUTHORIZATIONS AND DELEGATIONS REQUESTED FOR THE BOARD OF DIRECTORS:

Seventh.- Ratification of the appointment, on an interim bases, and re-election and appointment of directors.

- a) Ratify the appointment of Mr. José Luis San Pedro Guerenabarrena, on an interim basis, as director, with the status of executive director.
- b) Ratify the appointment of Mr. Ángel Jesús Acebes Paniagua, on an interim basis, as director with the status of other external director.
- c) Re-elect Mr. Xabier de Irala Estévez as director, with the status of external proprietary director.
- d) Re-elect Mr. Iñigo Víctor de Oriol Ibarra as director, with the status of external independent director.
- e) Re-elect Ms. Inés Macho Stadler as director, with the status of external independent director.
- f) Re-elect Mr. Braulio Medel Cámara as director, with the status of external independent director.
- g) Re-elect Ms. Samantha Barber as director, with the status of external independent director.
- h) Appoint Mr. Francisco Pons Alcoy as director, with the status of external proprietary director.

In relation to Mr. San Pedro Guerenabarrena and Mr. Acebes Paniagua, provided their appointments approved by the Board of Directors of the Company, on an interim basis, are ratified by the General Shareholders' Meeting, their term of office will end on March 26, 2015 instead of on March 24, 2014, as provided in the significant event published on April 24, 2012 (with registry number 162,183).

Eighth.- Authorization to the Board of Directors, with the express power of substitution, for a term of five years, of the power to issue: (i) bonds or simple debentures and other fixed-income securities of a like nature (other than notes), as well as preferred stock, up to a maximum amount twenty billion Euros, and (b) notes up to a maximum amount at any given time, independently of the foregoing, of six billion Euros. Authorization for the Company to guarantee, within the limits set forth above, new issuances of securities by its subsidiaries. Revocation, to the extent of the unused amount, of the delegation granted by the shareholders for such purpose at the General Shareholders' Meeting of May 27, 2011.

Ninth.- Authorization to the Board of Directors, with the express power of substitution, to apply for the listing on and delisting from the Spanish and foreign, official or unofficial, organized or other secondary markets of the shares, debentures, bonds, notes, preferred stock or any other securities issued or to be issued, and to adopt such resolutions as may be necessary to ensure the continued listing of the shares debentures or other securities of the Company that may then be outstanding, for which purpose the authorization granted for such purpose by the shareholders at the General Shareholders' Meeting of May 27, 2011 is hereby deprived of effect.

Tenth.- Authorization to the Board of Directors, with the express power of substitution, to create and fund associations, entities and foundations, up to a maximum amount of twelve million Euros, accordingly to the legal provisions currently in force, to the pursuant to applicable legal provisions, for which purpose the authorization granted by the shareholders at the General Shareholders' Meeting of May 27, 2011 is hereby deprived of effect to the extent of the unused amount.

ITEM RELATING TO AMENDMENTS OF THE BY-LAWS AND REGULATIONS:

Eleventh.- Amendment of the By-Laws:

- a) Amendment of Articles 19.1, 19.4, 20.1, 20.2, 20.4 and 23.3 of the By-Laws to conform them to the reform of the Corporate Enterprises Act (*Ley de Sociedades de Capital*) by the Law 25/2011.
- b) Amendment of Articles 24.1, 24.2 and 25.2 of the By-Laws to include technical improvements

Twelfth.- Amendment of the Articles 8.1, 8.3, 8.4, 9.2, 12.10 (old 12.9), 13.3, 14.1, 14.2, 28.1, 32.1 and 35.2 of the Regulations for the General Shareholders'

Meeting and addition of two new Articles 12.9 and 13.5.

ITEMS RELATING TO GENERAL MATTERS:

Thirteenth.- Approval of the corporate web site (www.iberdrola.com).

Fourteenth.- Delegation of powers to formalize and execute all resolutions adopted by the shareholders at the general Shareholders' Meeting, for the conversion thereof into a public instrument, and the interpretation, correction and supplementation thereof or further elaboration thereon until the required registrations are made.

ITEM RELATING TO RESOLUTIONS SUBMITTED FOR A CONSULTATIVE VOTE:

Fifteenth.- Consultative vote of the *Annual report regarding the directors remunerations.*

- II.** Approve the payment of an attendance premium in the gross amount of 0,005 Euros per share to the shareholders present or represented by proxy at the General Shareholders' Meeting who have provided due evidence of their attendance thereat in person or by proxy.

Notice of the call to the General Shareholders' Meeting will be published in the coming days in the terms set by Law and Iberdrola's Corporate Governance System.

- 2. *Amendment to the Code for the separation of activities of the companies of the Iberdrola group carrying out regulated activities in Spain***

To approve the partial reform of the *Code for the separation of activities of the companies of the Iberdrola group carrying out regulated activities in Spain* to implement the recent reforms introduced in *Law 54/1997, of November 27, on the Electricity Industry* and in the *Law 34/1998, of October 7, on the Hydrocarbon Industry* by the *Royal Decree-law 13/2012, of March 30, by means of which the directives related to internal market in electricity and gas and to electronic communications matters are implemented, and by means of which measures for the correction of the deviations for imbalances between the costs and the incomes of the electric and gas sector are taken.*

The new text of the *Code for the separation of activities of the companies of the Iberdrola group carrying out regulated activities in Spain* will be uploaded in the website of the Company (www.iberdrola.com) soon.

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 exception from registration.