



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

Bilbao, 26 February 2013

To the National Securities Market Commission

Re: Sale of Iberdrola's wind power assets in Poland to Energa and PGE for an approximate amount of 203 million euros

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 inform you that an agreement has been reached today for the sale of all the wind power assets owned by Iberdrola, S.A. ("**Iberdrola**" or the "**Company**") in Poland to the Polish companies Energa Hydro Sp. z.o.o.¹ and PGE Polska Grupa Energetyczna S.A. (PGE) (the "**Transaction**").

The Transaction, which is part of Iberdrola's strategy of divesting businesses in non-strategic geographies, is structured by means of the sale of the entirety of Iberdrola's equity interest in Iberdrola Renewables Polska, Sp. z.o.o. ("**Iberdrola Renewables Polska**")², amounting to 75% of its issued share capital³. Iberdrola Renewables Polska has five operative wind farms with an installed capacity of 184.5 MW and a wind power projects portfolio also in Poland.

The consummation of the Transaction is subject to certain conditions precedent customary to this kind of transactions, such as the granting of the pertinent authorisations.

The price for the 75% of Iberdrola Renewables Polska totals 840 million Polish zlotys⁴, being subject to adjustments customary to transactions of this kind.

The Transaction will not have a significant impact on the consolidated profit and loss account.

¹ A company belonging to the Energa Group.

² A wholly-owned subsidiary of Iberdrola Renovables Energía, S.A. Unipersonal (which in turn is a wholly-owned subsidiary of Iberdrola).

³ The remaining 25 % is owned by the European Bank for Reconstruction and Development (EBRD).

⁴ Equivalent to EUR 202.55 million, according to the official exchange rate of EUR 1 = PLN 4.1470, corresponding to 25 February 2013.

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Please be advised of the foregoing for the appropriate purposes.

Yours faithfully,

General secretary and secretary of the Board of Directors

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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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