



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

Bilbao, 8 May 2014

To the National Securities Market Commission

**Subject: Recording of the public deed of reduction of share capital by means of the redemption of own shares approved by the General Shareholders' Meeting of Iberdrola on 28 March 2014**

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 further to our notice of significant event (*comunicación de hecho relevante*) dated 29 April 2014 (official registry number 204,361), we hereby inform you that the public deed of reduction of the share capital (and subsequent amendment of the By-Laws) of Iberdrola, S.A. (“**Iberdrola**” or the “**Company**”) corresponding to the redemption of 133,467,000 own shares, of 0.75 euros of face value each, representing 2.09 % of the Company’s share capital, has been recorded with the Commercial Registry of Bizkaia on 7 May 2014.

The abovementioned share capital reduction was approved by the General Shareholders’ Meeting of the Company on 28 March 2014, under item eleven of its agenda, and executed by the Board of Directors of Iberdrola in its meeting dated 29 April 2014.

This information is provided to you for the appropriate purposes.

Yours faithfully,

General Secretary and Secretary to the Board of Directors

*NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.*



## 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.

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