



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

To the National Securities Market Commission

Bilbao, April 28, 2011

Re: Closing of the acquisition of ELEKTRO ELECTRICIDADE E SERVICOS, S.A.

Dear Sirs,

Reference is made to our notices of significant event (*comunicaciones de hecho relevante*) of January 19 and January 20, 2011, (official registry numbers 136,620 and 136,621, respectively) in connection with the execution of the sale and purchase agreement (the “**Agreement**”) with ASHMORE ENERGY INTERNATIONAL (“**AEI**”) by virtue of which IBERDROLA ENERGÍA DO BRASIL, LDA.¹ (“**Iberdrola Energía do Brasil**”) agreed to acquire the entire direct and indirect shareholding interest of AEI in the company ELEKTRO ELECTRICIDADE E SERVIÇOS, S.A. (“**Elektro**”), equivalent to a 99.68% of its share capital (the “**Transaction**”).

Pursuant to Section 82 of Law 24/1988, of July 28, on the Securities Market (*Ley 24/1988, de 28 de Julio, del Mercado de Valores*) and related provisions, we hereby advise you that (i) on April 18, 2011, the last condition precedent to which the consummation of the Transaction was subject was fulfilled; and that (ii) as a consequence thereof, the closing of the such Transaction has occurred on April 27, 2011 in accordance with the terms of the Agreement.

The consideration for the shares of Elektro contemplated by the Agreement amounts to two thousand four hundred (2,400) million U.S. dollars².

¹ IBERDROLA, S.A. indirectly holds 99.99% of this company.

² Equivalent to 1,636.21 million euro, according to the official exchange rate of April 27, 2011, of 1 euro = 1.4668 U.S. Dollars.

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.