



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

Bilbao, 17 February 2015

**To the National Securities Market Commission**

**Subject: Share buy-back programme of Iberdrola, S.A.**

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 the Board of Directors of Iberdrola, S.A. (“**Iberdrola**” or the “**Company**”) has resolved to implement a buy-back programme of the Company’s own shares (the “**Buy-back Programme**”) in accordance with the authorisation granted by the General Shareholders’ Meeting held on 28 March 2014, under item nine of the agenda.

The Buy-back Programme is carried out pursuant to *Commission Regulation (EC) No 2273/2003, of 22 December 2003* (the “**Regulation**”), to reduce the share capital of the Company, subject to the prior consent of the General Shareholders’ Meeting, to be held on 27 or 28 March 2015, on first and second call respectively, under the terms that it approves.

The Buy-back Programme of the Company’s own shares may reach up to 12,714,506 shares, representing 0.199% of Iberdrola’s share capital, for redemption thereof, and will be executed pursuant to the following terms:

- (i) The shares will be purchased at market price, subject to the price and volume conditions set forth in article 5 of the Regulation. In particular, as regards the price, the Company will not purchase shares at a price higher than the higher of the price of the last independent trade and the highest current independent bid in the trading venues where the purchase is carried out. In so far as volume is concerned, Iberdrola will not purchase more than 25% of the average daily volume of the shares in any one day on the regulated market in which the purchase is carried out. Such limit will apply to the whole Buy-back Programme.
- (ii) The Buy-back Programme will remain in force until 31 May 2015.

Notwithstanding the above, Iberdrola reserves the right to the early termination of the Buy-back Programme if, prior to the last effective date (i.e., 31 May 2015), the Company has acquired the maximum number of shares authorised by the Board of Directors or when circumstances render it appropriate.

The interruption, amendment or termination of the Buy-back Programme as well as the transactions performed pursuant to it will be duly communicated to the National

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Securities Market Commission through the corresponding notice of a significant event, with the adequate advance notice period provided by the Regulation.

This information is provided to you 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 oral or written forward-looking statements hereby made by or otherwise 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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