



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

Bilbao, August 21, 2012

To the National Securities Market Commission

Re: Resignation and appointment of director of the Company and member of its Executive Committee

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, on August 21, 2012, the Board of Directors of Iberdrola, S.A. (the “**Company**”) has unanimously approved, among others, the following resolutions:

- (i) To acknowledge the resignation handed over by Mr. Francisco Pons Alcoy from his positions as director of the Company and member of the Executive Committee.
- (ii) To appoint Mr. Manuel Lagares Gómez-Abascal, on an interim basis, at the proposal of the significant shareholder “Banco Financiero y de Ahorros, S.A.” and following the issuance of a favourable report by the Nominating and Compensation Committee, as external proprietary director and, upon the proposal of such Committee, as member of the Executive Committee to fill the vacancy created by the resignation of Mr. Francisco Pons Alcoy. Mr. Manuel Lagares Gómez-Abascal has accepted his appointments as member of the Board of Directors and of the Executive Committee.

The appointment of Mr. Lagares Gómez-Abascal as director will be submitted for ratification at the first General Shareholders Meeting held after this communication, and his term of office will end on June, 22, 2016, as that of the previous director, Mr. Pons Alcoy, whom he replaces.

After giving effect to the resignation and appointment referred to above, the composition of the Board of Directors of the Company and its Executive Committee will be as indicated in the annex to this price-sensitive information notice.

Yours truly,

General secretary and secretary of the Board of Directors

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Composition of the Board of Directors of Iberdrola, S.A.

| Director | Title | Type of director |
|--|------------------------------------|-------------------------|
| Mr. José Ignacio Sánchez Galán | Chairman & Chief Executive Officer | Executive |
| Mr. Víctor de Urrutia Vallejo | Vice Chairman | External independent |
| Mr. Julio de Miguel Aynat | Member | External independent |
| Mr. Sebastián Battaner Arias | Member | External independent |
| Mr. Xavier de Irala Estévez | Member | External proprietary |
| Mr. Íñigo Víctor de Oriol Ibarra | Member | External independent |
| Ms. Inés Macho Stadler | Member | External independent |
| Mr. Braulio Medel Cámara | Member | External independent |
| Ms. Samantha Barber | Member | External independent |
| Ms. María Helena Antolín Raybaud | Member | External independent |
| Ms. Santiago Martínez Lage | Member | External independent |
| Mr. José Luis San Pedro Guerenabarrena | Chief Operating Officer | Executive |
| Mr. Ángel Jesús Acebes Paniagua | Member | Other external |
| Mr. Manuel Lagares Gómez-Abascal | Member | External proprietary |
| Mr. Julián Martínez-Simancas Sánchez | Secretary not member | |

Composition of the Executive Committee of Iberdrola, S.A.

| Director | Title | Type of director |
|--|----------------------|-------------------------|
| Mr. José Ignacio Sánchez Galán | Chairman | Executive |
| Mr. Víctor de Urrutia Vallejo | Member | External independent |
| Mr. Xavier de Irala Estévez | Member | External proprietary |
| Ms. Inés Macho Stadler | Member | External independent |
| Mr. José Luis San Pedro Guerenabarrena | Member | Executive |
| Mr. Manuel Lagares Gómez-Abascal | Member | External proprietary |
| Mr. Julián Martínez-Simancas Sánchez | Secretary not member | |