



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

Bilbao, June 29, 2012

To the National Securities Market Commission

Re: Determination of the object of the purchase commitment assumed by Iberdrola, S.A. in relation to the first implementation of the paid-up capital increase approved by the General Shareholders' Meeting of Iberdrola on June 22, 2012.

Dear Sirs,

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, and following our notice of significant event (*hecho relevante*) delivered to this National Commission on June 22, 2012 (registry number 167,686), we hereby advise you that, on the date hereof, the Board of Directors of Iberdrola, S.A. (the “**Company**”) has resolved to modify the object of the purchase commitment of free-of-charge allocation rights that Iberdrola has assumed in relation to the first implementation of the paid-up capital increase approved by the General Shareholders' Meeting held on June 22, 2012, under item six on the agenda. Such resolution has been approved in exercise of the powers delegated in favour of the Board of Directors by the aforesaid General Shareholders' Meeting.

In particular, in accordance with the referred resolution of the Board of Directors of Iberdrola, the aforementioned purchase commitment will be extended to the free-of-charge allocation rights freely allocated to those that are registered in the book-entry records of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal* (IBERCLEAR) at 23:59, Madrid time, on the day of publication of the notice of the first implementation of the capital increase in the Official Bulletin of the Commercial Registry; with the exception of those free-of-charge allocation rights that had been transferred on the market.

The resolution of the Board of Directors approved on the date hereof deprives of effect, with regard to the aforesaid purchase commitment, the resolution of the Board of Directors dated June 22, 2012, whose content was communicated to this National Commission by means of the information memorandum (*documento informativo*) published through our above referred notice of significant event dated as of June 22, 2012 (registry number 167,686).

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Moreover, this circumstance will be expressly declared in the supplement to the referred information memorandum, which will be made available to the public by means of a notice of significant event scheduled for July 2, 2012.

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 exception 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 in their entirety by the cautionary statement above. All 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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