



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

Bilbao, 19 September 2012

To the National Securities Market Commission

Re: Sale of the indirect shareholding interest held by Iberdrola, S.A. in Gas Natural México S.A. de C.V.

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, yesterday, Iberdrola, S.A. entered into an agreement with a wholly-owned subsidiary of the Japanese company Mitsui & Co., Ltd. for the indirect transfer by Iberdrola, S.A.¹ of its 13.25 % shareholding interest in Gas Natural México S.A. de C.V. (the “**Transaction**”).

Gas Natural México S.A. de C.V. is a company whose corporate purpose is the distribution, marketing and transport of natural gas in Mexico.

The consummation of the Transaction is subject to obtaining the applicable regulatory authorizations and to the other shareholder of the company object of the Transaction not exercising its preferential acquisition right over the relevant shareholding interests.

The price for the shareholding interest object of the Transaction amounts to USD 82 million². The price will be subject to usual adjustments in transactions of this nature, depending on the cash distributions that the company object of the Transaction may make.

The Transaction will not have a significant impact on the consolidated profit and loss account.

Please be advised of all of the foregoing for the appropriate purposes.

Yours faithfully,

General secretary and secretary of the Board of Directors

¹ The owner of the shareholding interest transferred is Iberdrola Energía, S.A. Unipersonal, a wholly-owned subsidiary of Iberdrola, S.A.

² Equivalent to approximately EUR 62.8 million, according to the official exchange rate of EUR 1 = USD 1.3054, corresponding to 18 September 2012.

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 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 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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