IBERDROLA

First half / 2015

Results Presentation

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Iberdrola USA, Inc. will file with the United States Securities and Exchange Commission ("SEC") a registration statement on Form S-4, in which a proxy statement will be included as a prospectus, and other documents in connection with the proposed merger. The UIL Holdings Corporation ("UIL") proxy statement/prospectus will be sent to the stockholders of UIL. STOCKHOLDERS OF UIL ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS, AND ANY OTHER FILINGS THAT MAY BE MADE WITH THE SEC IN CONNECTION WITH THE MERGER WHEN THEY BECOME AVAILABLE, AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER. The registration statement and proxy statement/prospectus and other documents which will be filed by Iberdrola USA, Inc. with the SEC, when filed, will be available free of charge at the SEC's website at www.sec.gov, on Iberdrola USA, Inc.'s website at http://www.iberdrolausa.com or by contacting Iberdrola's Investor Relations Department. Such documents are not currently available. You may also read and copy any reports, statements and other information filed by Iberdrola USA, Inc. and UIL with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at (800) 732-0330 or visit the SEC's website for further information on its public reference room. Certain executive officers and directors of UIL have interests in the proposed transaction that may differ from interests of stockholders generally, including benefits conferred under retention, severance and change in control arrangements and continuation of director and officer insurance and indemnification. This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to appropriate registration or qualification under the securities laws of such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Highlights of the period

Highlights of the period

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EBITDA grows 5.7% to Eur 3,795 M

Gross Margin up 7.5% to Eur 6,634 M
driven by Networks (+15.4%) and Renewables (+17.4%)

Operational efficiency
Net Operating Expenses down 0.4% (excluding F/X impact)

Operating Cash Flow (FFO) up 9.9% to Eur 3,031 M
Exceeding investments across all businesses

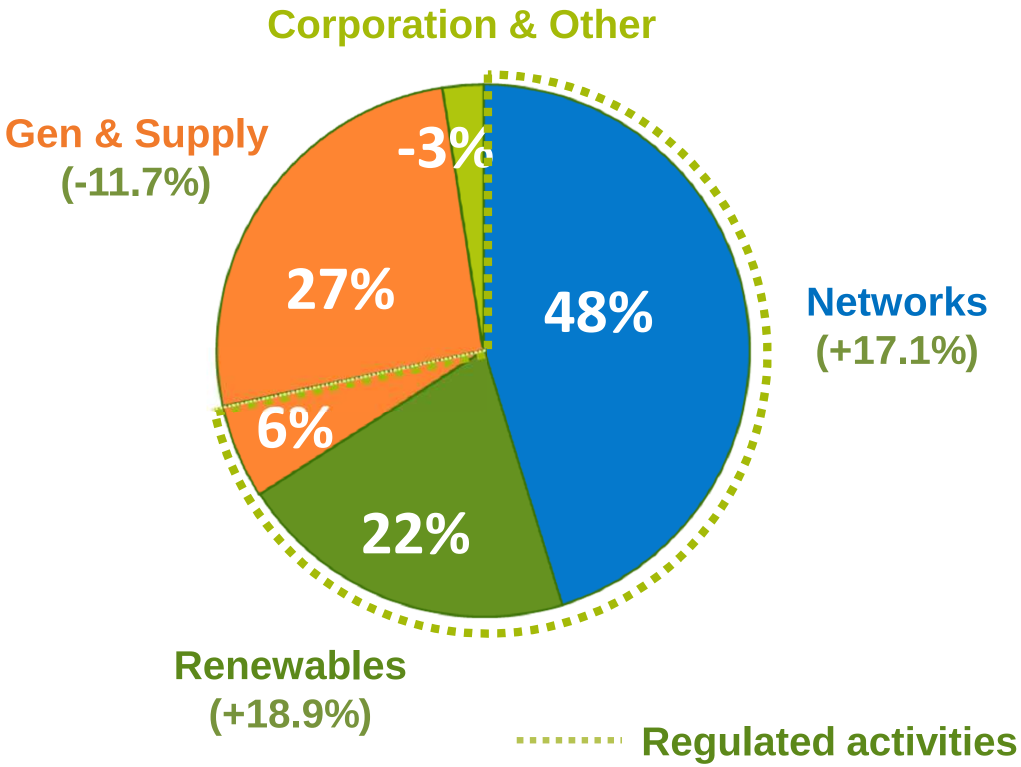
Investments increase 8.6% to Eur 1,302 M
52% allocated to growth projects

Recurring Net Profit increases 4.8% to Eur 1,253 M and Net Profit is up 7.4% to Eur 1,506 M

EBITDA

EBITDA increases 5.7% to Eur 3,795 M impacted by favourable one-off positive ruling in 2014 (Eur 111 M)

EBITDA by business



Operating highlights

Networks ▲	• Improvements in all regions thanks to increased RAV
Renewables ▲	• Higher prices • Increased production in UK (offshore wind) and Latam
Generation & Supply ▼	• Generation mix (lower hydro production in Spain) • Q1 2014 one-off positive results in gas business (Spain and US) • H1 2014 one-off positive High Court ruling on CO_2 allowances (Eur 111 M)

Excluding that effect, EBITDA grows 9.1%, in line with Q1 2015

Operating Cash Flow

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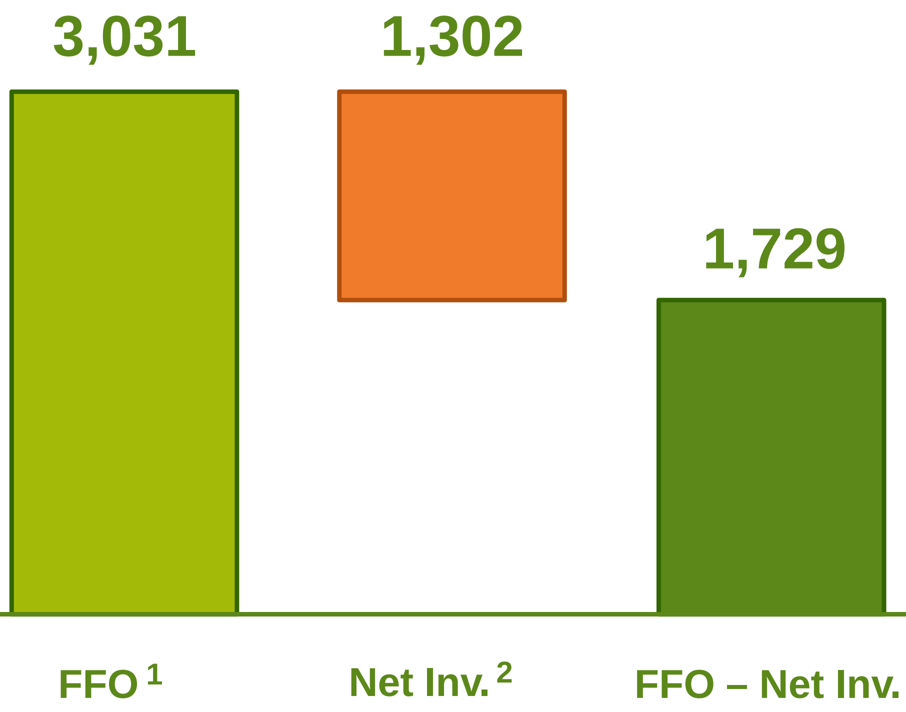
Operating Cash Flow (FFO) up 9.9% to Eur 3,031 M exceeding investment levels across all businesses

Eur M



Global figures include Corporation and Other Businesses

Networks

Generation & Supply

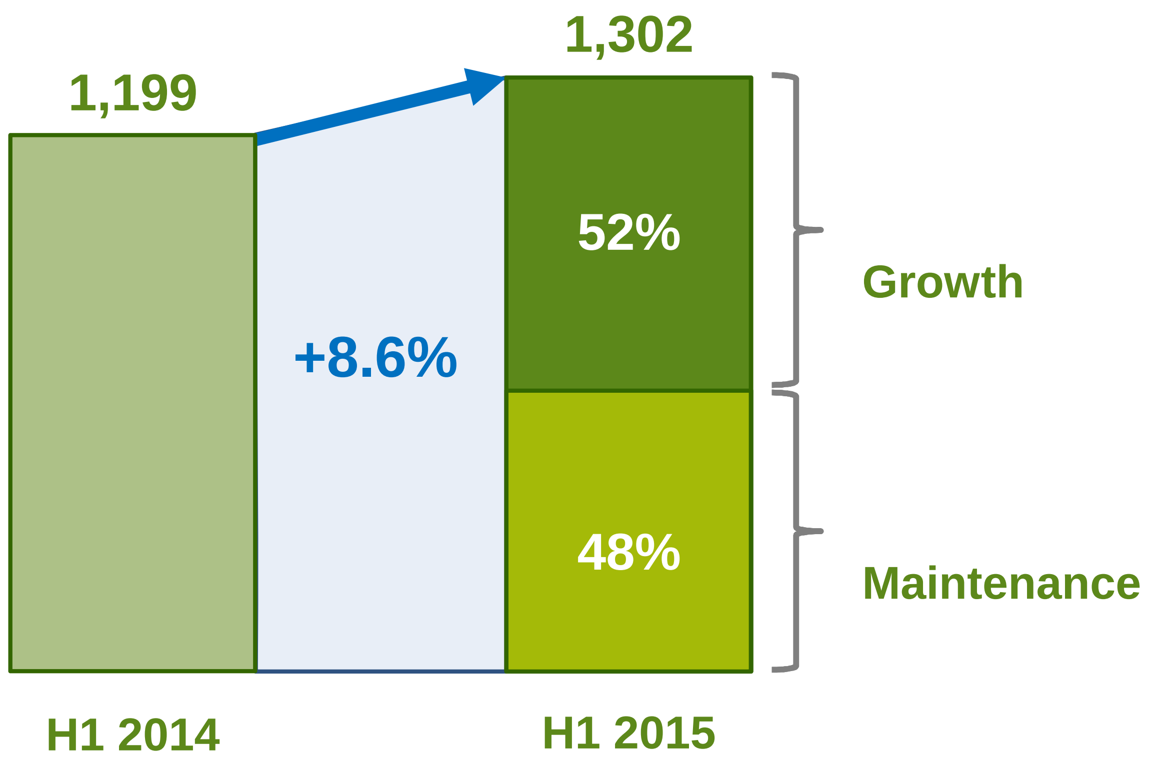
Renewables

1. *FFO = Net Profit + Minority Results + Amortiz.&Prov. – Equity Income – Net Non-Recurring Results + Fin. Prov.+ Goodwill deduction + Dividends from companies accounted via equity – /+ reversion of extraordinary tax provision*
2. *Investment net of grants and ex-capitalised costs*

Net Investments

Net investments increase 8.6% to Eur 1,302 M

Net Investments (Eur M)



More than half of total investments allocated to growth

Investments

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Investments of around Eur 4 bn per year to fuel growth

Main projects underway

	Main projects underway	Growth over current figures
Networks	• UK: Western HVDC, RIIO-T1, RIIO-ED1 • US: Maine Renewable Energy Interconnector, Rochester Area Reliability Project, Maine Transmission Project, NY TransCo • Spain: smart grids (STAR project)	Increase in RAV
Renewables	• Offshore wind: East Anglia One, Wikinger • UK: Kilgallioch, Dersalloch, Black Law Extension, Ewe Hill • US: Deerfield,Twin Buttes II, Desert Wind, Tule I • Mexico: Pier 2, Dos Arbolitos • Brazil: Calango VI, Santana I and II, Canoas, Lagoa I and II	~ +2,500 MW
Generation & Supply	• Mexico: CCGTs Monterrey III, Baja California III; Dynasol and KCM cogeneration plants • Portugal: Hydro PP Tâmega in operation in 2023 • Spain: Hydro PP San Pedro	+760 MW gas +1,180 MW hydro
Neoenergia (Brazil)	• Investments in networks, hydroelectric generation (Baixo Iguaçu, Teles Pires, Belo Monte) and wind farms	

Regulatory highlights

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UK	✓ CMA investigation preliminary findings do not imply significant changes to current model ✓ Onshore wind farms construction program (~500 MW) with limited impact of ROCs early closure ✓ Climate Change Levy exemption (LECs) for renewable generation removed ✓ Further reduction in the corporate tax rate to 19% in 2017 and 18% in 2020
Spain	✓ Draft of unitary costs for the remuneration of distribution published ✓ Draft Royal Decree on Distributed Generation published
EU	✓ Emission Trading System and MSR approved by European Parliament ✓ EU Commission Communications: Electricity Market Design and Retail Market
US	✓ New York rate case filed in May ✓ Roadmap for Reforming Energy Vision Project (New York)
Mexico	✓ Energy reform regulatory deployment in progress ✓ Agreement with CFE for joint development of energy projects ✓ 60,000 MW of new generation capacity in National Electricity System Program of Development
Brazil	✓ Methodology for the 4th cycle of tariff review approved by Aneel (WACC improved to 8.09%[1]) ✓ Elektro tariff review to be approved in Q3 2015 ✓ Measures to reduce hydroelectric generators' exposure to drought to 5%

1. *In real terms after taxes. Equivalent to a pre-tax nominal rate of approximately 19%*

Update Iberdrola USA-UIL Holdings merger

Authorisation process in progress

Filing	Estimated date
Department of Justice and Federal Trade Commission under the Hart-Scott-Rodino Antitrust Act (HSR)	"Early termination" received April 7, 2015 ✓
Federal Communications Commission (FCC)	Approval May 22, 2015 ✓
Federal Energy Regulatory Commission (FERC)	Approval June 2, 2015 ✓
Committee on Foreign Investments in the United States (CFIUS)	Approval June 16, 2015 ✓
Connecticut Public Utilities Regulatory Authority (CT PURA)	H2 2015
Massachusetts Department of Public Utilities (MA DPU)	
New York Stock Exchange (NYSE) - (Clearance letter)	
S-4 Form Registration (SEC) – Filed on July 17th, 2015	
UIL shareholders approval – Vote once S-4 is effective	

We expect to close the transaction in Q4 2015

Shareholder remuneration

Shareholder remuneration of Eur 0.271 per share charged to FY 2014 results…

Eur 0.127 per share in December 2014

Eur 0.144 per share in July 2015

Plus additional Eur 0.005 per share as attendance premium to Annual General Meeting

… while maintaining total number of shares at 6,240 million

Strong commitment to society

Employees[1]

- Labour agreements for 4 years in Spain and 5 years in US (NYSEG)
- Health & safety: zero accidents objective
- Training: more than 20 hours per employee
- Hiring: 608 people, mainly young graduates
- Promotions: 364
- Apprentices: 314
- Scholarships: for R&D in international universities

Customers

- Quality of service improvement
- Protocol to protect vulnerable customers

Suppliers[1]

- Procurement of equipment and services of Eur 2.1 Bn to 13,100 suppliers
- Code of ethics and ethical mailbox for suppliers
- Iberdrola's supplier of the year awards
- Innovation program for suppliers

1. *Accumulated figures in semester H1 2015*

Strong commitment to society

Environment

- New objective of reducing CO2 emissions in 2030 to 50% below Iberdrola emissions in 2007 (already 30% below the European electricity sector average)
- Carbon neutral by 2050

Innovation

- Eur 170 M annual investment in R&D
- Iberdrola Ventures - PERSEO: support to entrepreneurship and investment in start-ups (Eur 50 M)

Society

- Social aid programs
- "Electricity for all" program to bring electricity to people in emerging and developing countries
- Restoration, preservation and illumination of artistic heritage programs

H1 2015 results allow us to confirm our 2015 guidance…

Outlook 2015 vs. FY 2014

Renewables	+
Networks	+
Generation & Supply	-

EBITDA	Higher
Recurring Net Profit	Higher
Financial ratios	Improved

Conclusion

We are in a new period of growth based on…

Increasing our global profile

Focus on regulated activities and renewables

Operational efficiency

Strong financial position

… aimed at providing long-term sustainable value creation to our shareholders

Analysis of results

Results Group / IFRIC 21 Levies

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IFRIC 21 (effective 01/01/2015) changes the timing of the recognition of liabilities that relate to the obligation to pay levies

Previously accrued on a linear basis and now recognised when payment is due

Due to this rule, 2014 figures have been re-stated for comparison purposes

Impact on Iberdrola Accounts in H1 2014:

Earlier recognition for the liabilities corresponding to “Impuesto de Bienes Inmuebles” (IBIs) and Property Tax
Impact progressively reduced during the year as most of the affected levies are paid in Q1

Eur M	H1 2014 reported	H1 2014 according to IFRIC 21	Var.
EBITDA	3,744.7	3,589.1	-155.6
Net Profit	1,503.1	1,402.1	-101.0

No impact on the annual financial statements, only the quarterly statements, due to timing differences

Income Statement / Group

First Half / 2015

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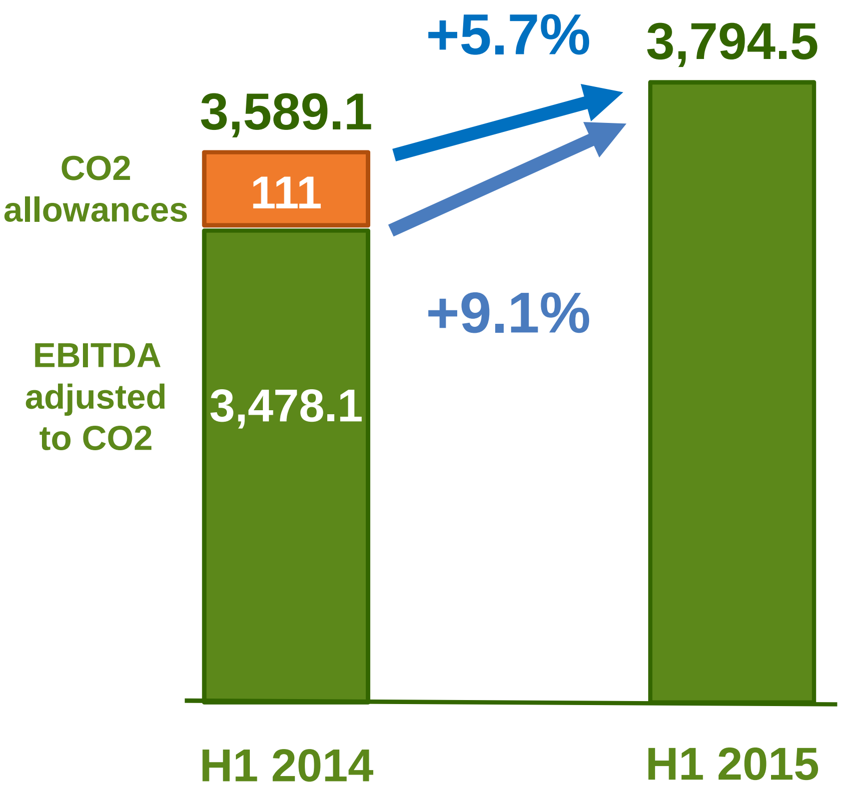
Eur M	H1 2015	H1 2014 (re-stated)	Var.	Var. %
Revenues	16,125.6	15,185.4	+940.3	+6.2
Gross Margin	**6,634.0**	**6,168.9**	**+465.1**	**+7.5**
Net Op. Expenses	-1,824.9	-1,689.0	-135.9	+8.0
Levies	-1,014.6	-890.7	-123.9	+13.9
EBITDA	**3,794.5**	**3,589.1**	**+205.4**	**+5.7**
Operating Profit (EBIT)	2,168.1	2,203.6	-35.5	-1.6
Net Financial Expenses	-518.3	-510.6	-7.7	+1.5
Recurring Net Profit	**1,253.4**	**1,195.7**	**+57.7**	**+4.8**
Reported Net Profit	**1,505.9**	**1,402.1**	**+103.8**	**+7.4**
Operating Cash Flow*	**3,031.1**	**2,757.1**	**274.0**	**9.9**

Strong operating results (EBITDA +5.7%) drive Recurring Net Profit up 4.8%
Reported Net Profit up 7.4% due to reversal of tax provision

**Net Profit + Minority Results + Amortiz.&Prov. – Equity Income – Net Non-Recurring Results + Fin. Prov.+ Goodwill deduction + Dividends from companies accounted via equity – /+ reversion of extraordinary tax provision*

EBITDA Group / Adjusted

First Half EBITDA grows 9.1%, in line with Q1 2015 growth (+8.8%), adjusted for the impact of CO2 allowances (Eur 111 M) accounted for in Q2 14 …



Results adjusted for CO2 allowances

	Q1 15 vs Q1 14		H1 15 vs H1 14	
	Business	Fx imp.	Business	Fx imp.
Gross Margin	-0.3%	+7.1%	-0.4%	+7.9%
EBITDA	+1.9%	+6.9%	+1.4%	+7.7%

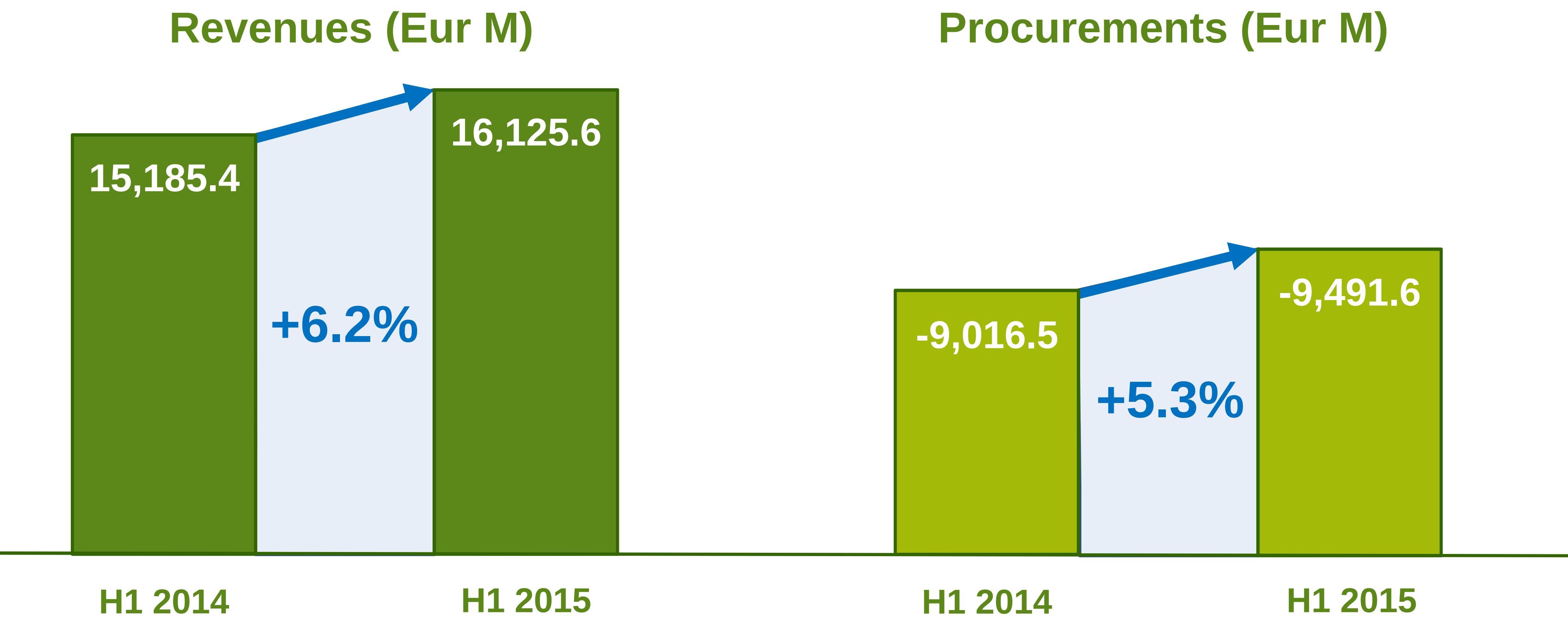
Fx evolution in the period

GBP/Eur	+11.1%
USD/Eur	+18.8%
BRL/Eur	-5.3%

… and 5.7% excluding this effect

Gross Margin / Group

Gross Margin up 7.5%, to Eur 6,634.0 M



Revenues +6.2% (Eur 16,125.6 M), and Procurements +5.3% (Eur -9,491.6 M) due to higher costs

Net Operating Expenses* / Group

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Net Operating Expenses excluding Fx impact fall 0.4% …

Eur M

Net Operating Expenses

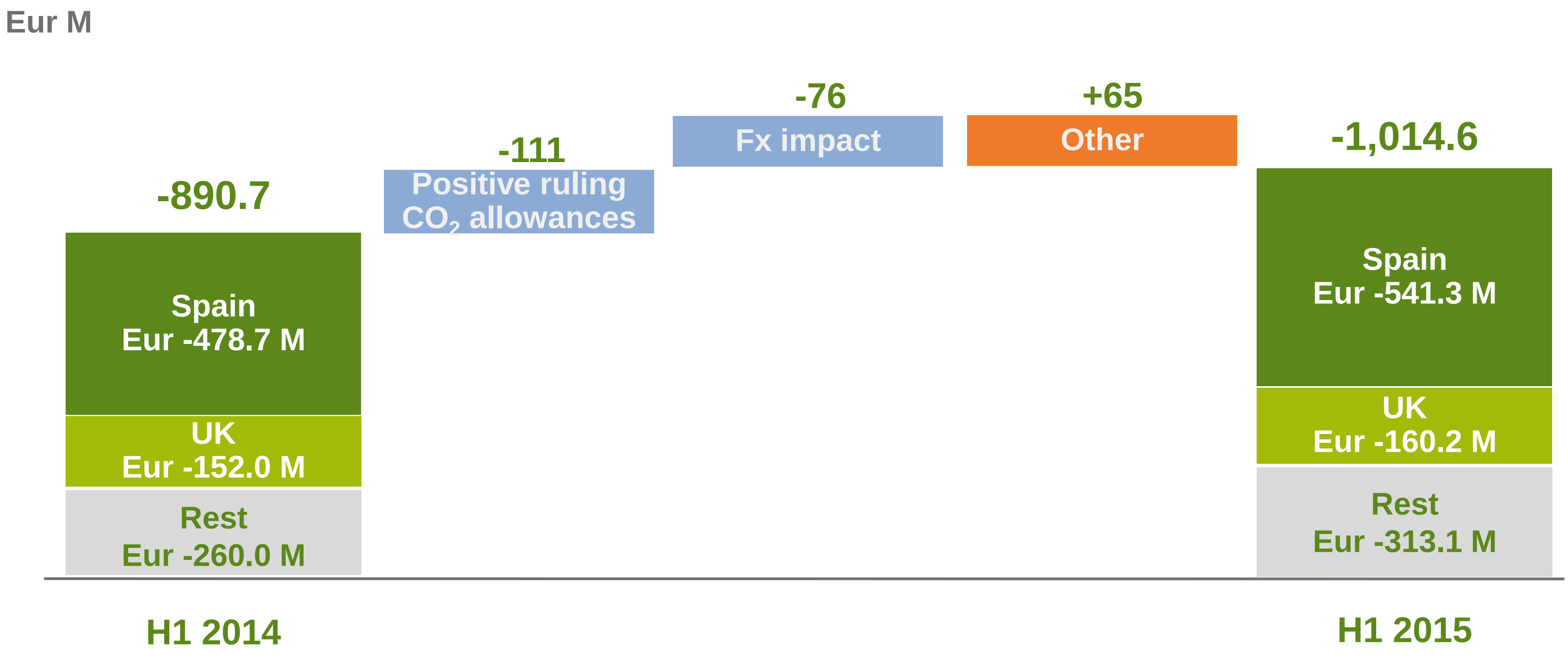
	H1 2015	H1 2014	% vs H1 14	% vs H1 14 (ex-Fx impact)
Net Personnel Expenses	-929.1	-850.3	+9.3%	+1.8%
Net External Services	-895.8	-838.8	+6.8%	-2.7%
Total Net Op. Expenses	-1,824.9	-1,689.0	+8.0%	-0.4%

… and are up 8.0%, to Eur -1,824.9 M including Fx

**Excludes Levies*

Levies / Group

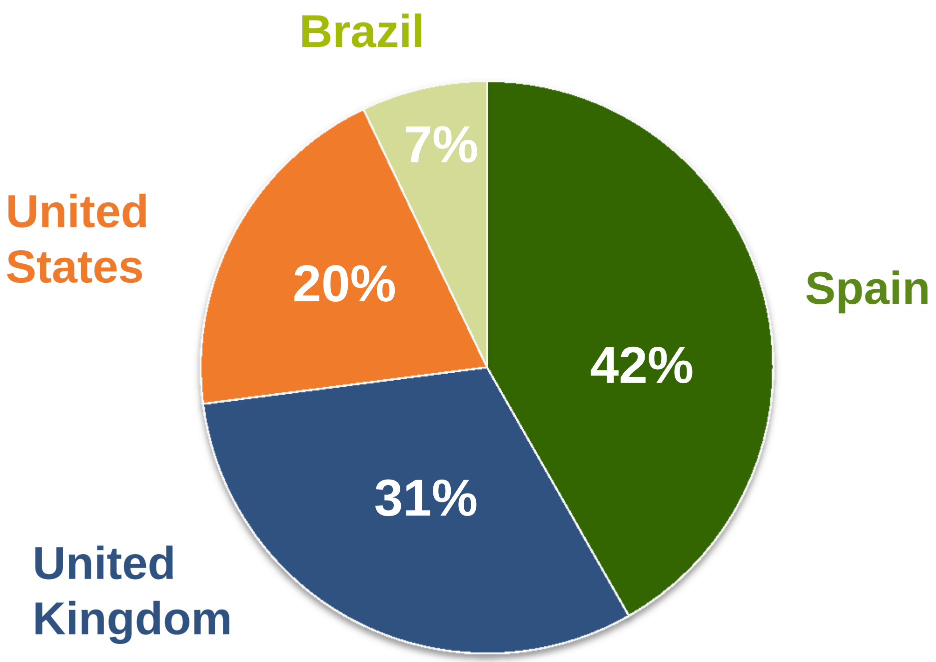
Levies up 13.9%, to Eur 1,014.6 M, …



… affected mainly by Fx impact (Eur -76 M) and positive ruling on CO2 allowances accounted for in Q2 14 (Eur +111 M)

Networks EBITDA up 17.1% to Eur 1,806.3 M

EBITDA by Geography (%)



Financial Highlights (Eur M)

	H1 2015	% vs H1 14
Gross Margin	2,832.3	+15.4%
Net Op. Exp.	-654.9	+11.4%
EBITDA	1,806.3	+17.1%

With growth in all geographies

Results By Business / Networks

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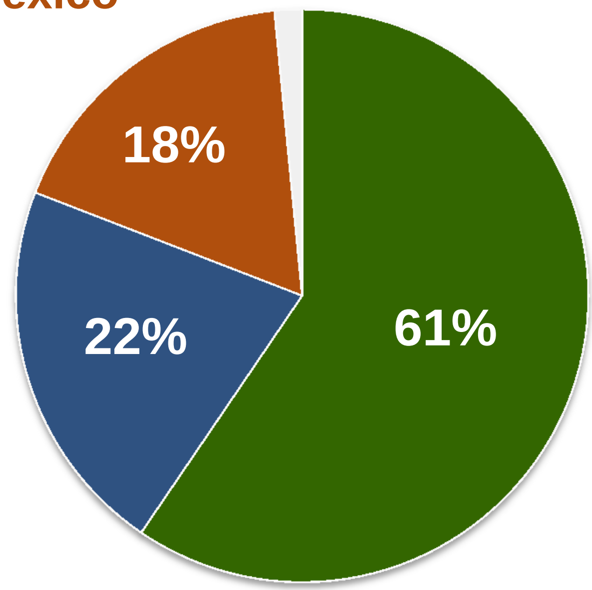
Spain	**EBITDA Eur 754.1 M**, improving from last year as a consequence of positive settlements and efficiency measures
UK	**EBITDA GBP 412.6 M** as a result of increasing asset base partially compensated by RIIO-ED1 revenue profiling, that started in April '15
US	**EBITDA USD 401.0 M**, with results affected by IFRS – US GAAP adjustments to be offset in H2 2015
Brazil	**EBITDA BRL 426.4 M**, as in H1 2015 no drought impact has been recorded vs BRL -234 M in H1 2014

Generation & Supply EBITDA falls 11.7% to Eur 1,261.9 M

EBITDA by Geography (%)



Financial Highlights (Eur M)

	H1 2015	% vs H1 14
Gross Margin	2,502.0	-2.9%
Net Op. Exp.	-758.4	+5.6%
Levies	-481.6	+12.2%
EBITDA	1,261.9	-11.7%

Driven by lower results in Spain and US Gas business

Results By Business / Generation & Supply

First Half / 2015

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Spain

EBITDA Eur 774.8 M

- Lower output* (-16.1%) and higher costs related to production mix
- Eur 43 M positive impact in Gas business accounted for in H1 2014
- Levies up Eur 55 M, basically due to Eur 111 M of CO2 allowances accounted for in Q2 14

UK

EBITDA GBP 203.6 M

- Wholesale & Generation results fall due to higher costs (Carbon Tax)

+ Retail business improves primarily as a result of higher volumes and better margins in gas offsetting lower margins in power due to regulated costs

Mexico

EBITDA USD 255.1 M

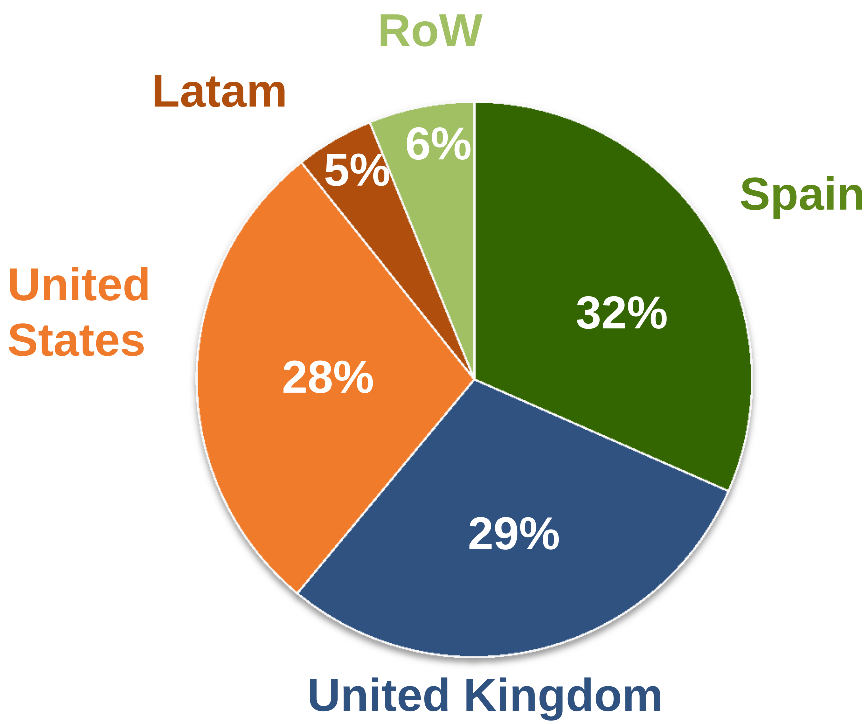
+ Improvement basically as a consequence of the renegotiation of contracts with negative impact in H1 2014

** Includes cogeneration*

Results By Business / Renewables

EBITDA up 18.9% to Eur 824.7 M…

EBITDA by Geography (%)



Financial Highlights (Eur M)

	H1 2015	% vs H1 14
Gross Margin	1,241.5	+17.4%
Net Op. Exp.	-309.4	+13.5%
EBITDA	824.7	+18.9%

… driven by the recovery in Spain and the strong performance in the UK

Results By Business / Renewables

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Op. capacity* up 3.3% and load factor of 28.0% (-2.6 p.p.)
Output -5.6%, due to prior year strong wind conditions in Spain and US …

Spain	**EBITDA Eur 260.5 M**, with lower output (-9.4%) due to a weak Q2, compensated by recovery in prices
UK	**EBITDA GBP 177.5 M**, due to higher output (+27.4%) including positive impact from contribution of West of Duddon Sands offshore wind farm
US	**EBITDA USD 259.8 M**, affected mainly by lower output (-11.7%) vs H1 2014, due to climate conditions in the West
Latam	**EBITDA EUR 37.6 M,** as a consequence of higher output (+18.2%) in Mexico and Brazil
RoW	**EBITDA EUR 50.7 M**, underpinned by a better load factor that increased production by 11.2%

… compensated by improved average prices including Fx impact (+25%)

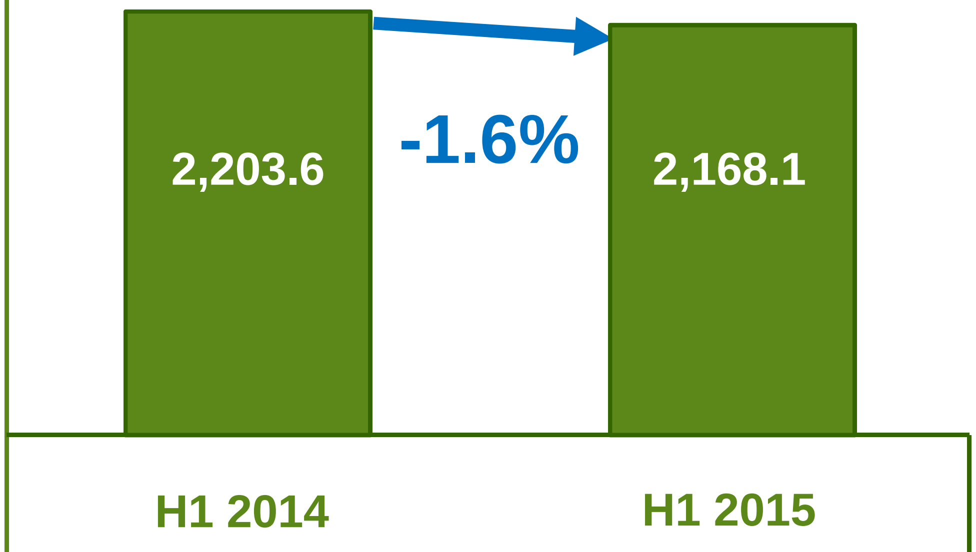
** 13,991 MW of operating capacity according to IFRS 11*

EBIT / Group

Group EBIT totals Eur 2,168.1 M (-1.6%) …

Eur M

EBIT



	H1 2015	H1 2014	H1 15 vs H1 14
D&A	-1,526.6	-1,311.5	-215.2
Provisions	-99.8	-74.1	-25.7
Total	-1,626.4	-1,385.6	-240.9

… with Amortisations growing 16% due to exchange rate impact (Eur -124 M) and new renewable capacity in operation and Provisions up 35% also affected by non-recurring provisions in the UK

Net Financial Expenses / Group

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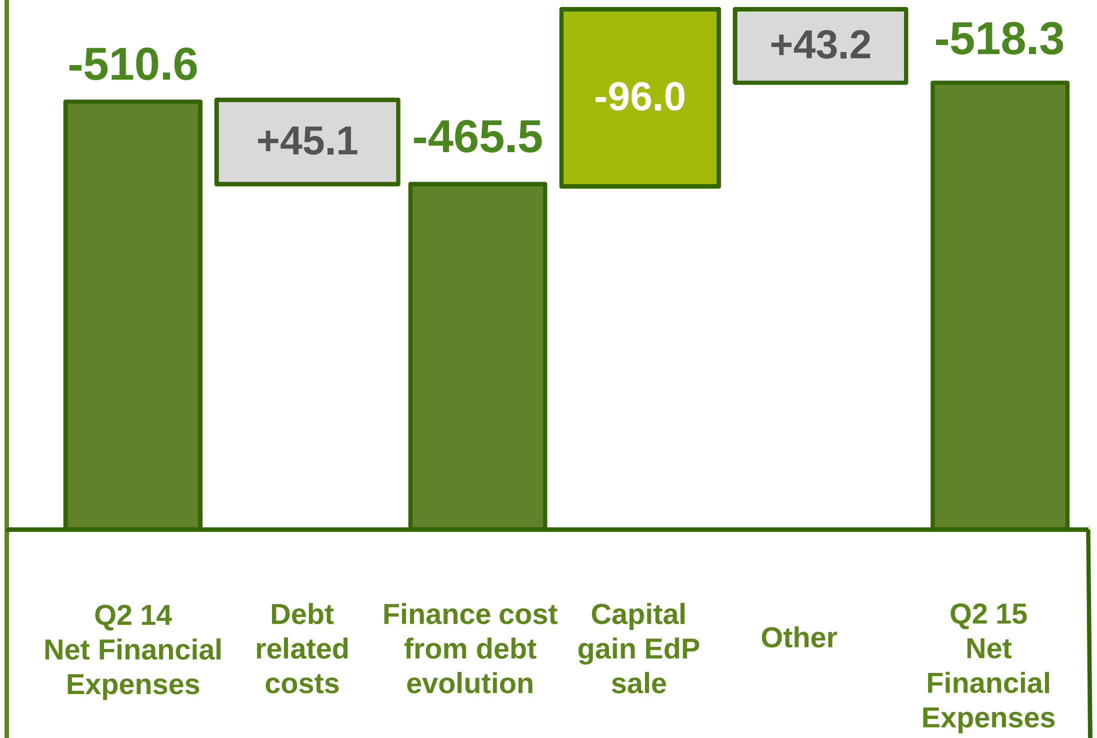
Net Financial Expenses would have fallen 9% due to improvement in debt-related costs …

Net Financial Exp. evolution (Eur M)



Financial Highlights

Decrease in average net debt and 33 bp lower cost to 4.19% improve debt-related costs by Eur +45.1 M

Eur 96.0 M gross capital gain on part of EdP stake sale accounted for in H1'14

Including reversal of contingencies and proceeds from sale of Euskaltel

… but are up 1.5% as a consequence of EdP capital gain accounted for in 2014, partially compensated by other positive impacts

Results / Group

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Recurring Net Profit +4.8% (Eur 1,253.4 M),
Reported Net Profit +7.4% (Eur 1,505.9 M)

Eur M	H1 2015	H1 2014	% vs H1 14
Recurring Net Profit	1,253.4	1,195.7	+4.8%
Non Recurring Results & Other	78.9	357.9	
Non. Recurring Corporate Tax	173.6	-151.5	
Reported Net Profit	1,505.9	1,402.1	+7.4%

Corporate Tax rate down to 13.2% due to reversal of tax provision

Financing

Financing / Leverage

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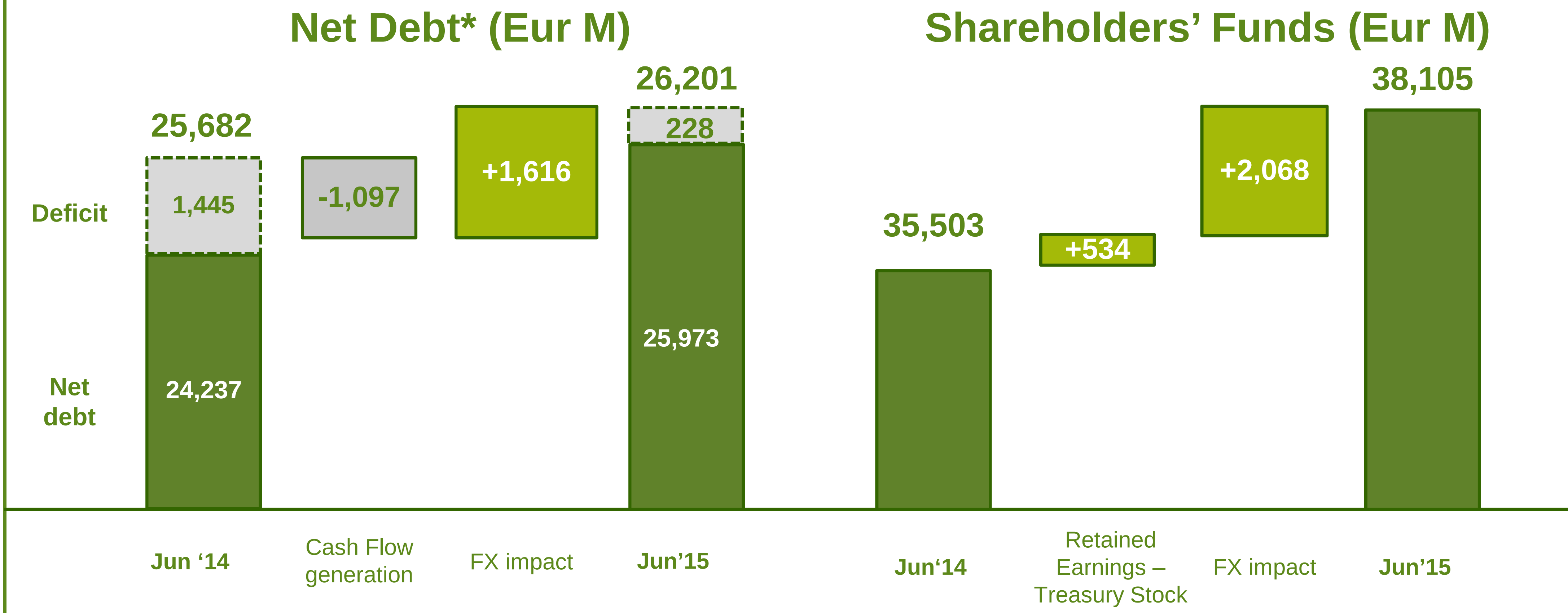
Leverage continues to improve and now stands at 40.7% at the end of H1 15 vs 42.0% at end H1 14 …



… thanks to positive free cash flow and despite adverse impact of EUR depreciation on debt

** All debt figures include TEI*

Financing / Financial Ratios

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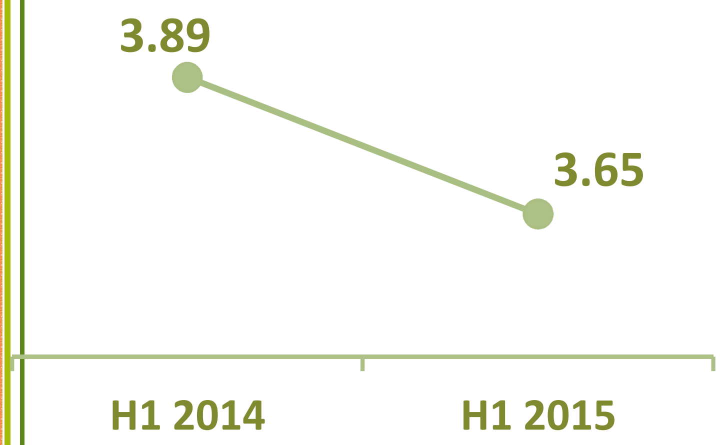
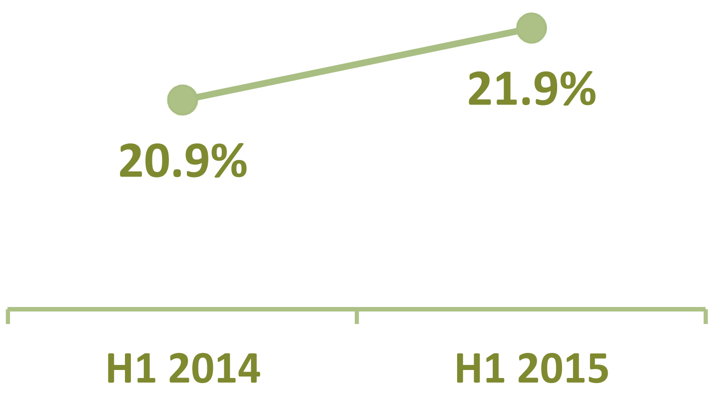
Improvement of credit ratios …

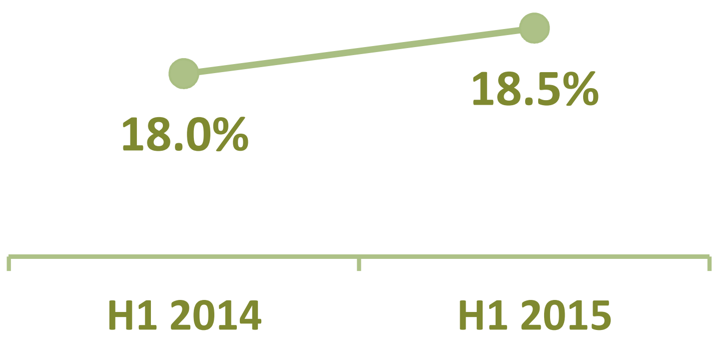
Net Debt / EBITDA



FFO[1] / Net Debt



RCF[2] / Net Debt



… as Net Debt grows (+2.0%) less than EBITDA and Cash Flow

(1) FFO = Net Profit + Minority Results + Amortiz.&Prov. – Equity Income – Net Non-Recurring Results + Fin. Prov.+ Goodwill deduction + Dividends from companies accounted via equity– /+ reversion of extraordinary tax provision . It includes TEI but excludes Rating Agencies Adjustments.

(2) RCF = FFO – Dividends paid in cash to shareholders – Net interest on hybrid debt issue.

Financing / Liquidity and Debt Maturity

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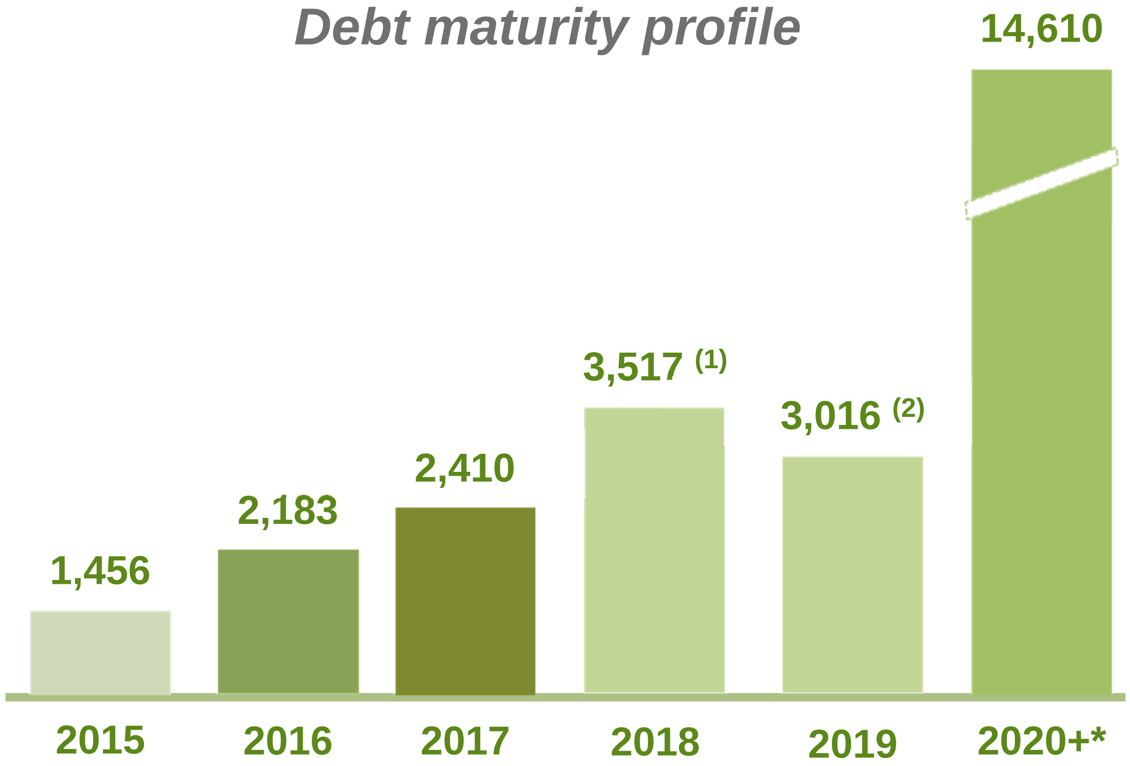
As of today, there is a strong liquidity position of over Eur 8 bn, covering more than 34 months of financing needs …

Eur M

Credit Line Maturities	Available
2016 & onwards	6,257
Total Credit Lines	6,775
Cash & Short Term Fin. Invest.	1,514
Total Adjusted Liquidity	**8,289**

Debt maturity profile



** Includes commercial paper outstanding balance: Eur 1,068 M*

(1) Eur 600 Mn with an option to extend 1 year

(2) Eur 975 Mn with an option to extend 1 + 1 years

… and an average debt maturity of circa 6.5 years

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