



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

To the National Securities Market Commission

Bilbao, December 30, 2009

Re: Dividend Reinvestment Program

Dear Sirs,

Further to our notice of significant event of December 15, 2009, regarding the resolutions adopted by the Board of Directors in connection with the remuneration of the shareholders of Iberdrola, S.A., we are pleased to inform you that the reinvestment price per share of Iberdrola, S.A. under the Dividend Reinvestment Program will be Euro 6.599.

As stated in the above referred notice, the reinvestment price has been calculated on the basis of the arithmetic mean of the weighted average variations of the shares of Iberdrola, S.A. in the stock market (*Sistema de Interconexión Bursátil Español - SIBE*) during the latest five (5) stock exchange business days minus the gross amount satisfied as of the date hereof on account of the dividend corresponding to the 2009 fiscal year. The Managing Company of the Stock Exchange of Bilbao (*Sociedad Rectora de la Bolsa de Valores de Bilbao, S.A.U.*) has certified the calculation of such average price.

Sincerely,

General Secretary and Secretary of the Board of Directors

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