



Julián Martínez-Simancas  
Secretary of the Board of Directors

Bilbao, 14 June 2016

**To the National Securities Market Commission**

**Subject: Sale of the shareholding interest of Iberdrola Renovables Italia S.p.A. in the Italian companies SER S.p.A. and SER 1 S.p.A.**

Dear Sirs,

Pursuant to article 228 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*) and related provisions, we hereby inform you that, today, Iberdrola Renovables Italia S.p.A.<sup>1</sup> sold to CEF 3 Wind Energy S.p.A. (the "**Purchaser**")<sup>2</sup> its shareholding interest in the Italian companies SER S.p.A. ("**SER**") and SER 1 S.p.A. ("**SER 1**" and jointly with SER, the "**Companies**").

Following the acquisition carried out in February 2016 of 50.1 % of SER and 2 % of SER 1 to the Italian group api (the "**Acquisition**"), Iberdrola Renovables Italia S.p.A. was the owner of 100 % of SER and 4 % of SER 1, being the remaining 96 % of the share capital of the latter owned by SER.

Together with the sale of the shareholding interest in the Companies, Iberdrola Renovables Italia S.p.A. has assigned to the Purchaser its contractual position in two loans granted to SER, including the credit rights arising from them (the sale of the shareholding interest in the Companies and the assignment of the contractual position, the "**Divestment**" and jointly with the Acquisition, the "**Transaction**").

The Divestment has amounted to EUR 193.7 million, of which EUR 1 million was received today, EUR 84 million will be received on 30 November 2016 and EUR 108.7 million will be received on 31 May 2017. Additionally, the Purchaser has assumed the debt of the Companies vis-à-vis certain financial entities which, as of 31 December 2015, amounted to EUR 222.3 million.

It is expected that the Transaction will not have a significant impact on the consolidated profit and loss account.

This information is provided to you for the appropriate purposes.

Yours faithfully,

Secretary of the Board of Directors

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<sup>1</sup> Company wholly owned by Iberdrola Renovables Energía, S.A. Sociedad Unipersonal which –in turn– is an indirect wholly owned company of Iberdrola, S.A.

<sup>2</sup> Company indirectly owned by Glenmont Clean Energy Fund Europe II Cooperatief U.A.

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