



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

Bilbao, 12 July 2012

To the National Securities Market Commission

Re: Sale of the indirect shareholding interest held by Iberdrola, S.A. in Energetix, Inc. and NYSEG Solutions, Inc.

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, we hereby inform you that on 11 July 2012, Iberdrola, S.A. entered into an agreement with the North American company Direct Energy Services, LLC for the indirect transfer by Iberdrola, S.A.¹ of 100 % of Energetix, Inc. and NYSEG Solutions, Inc.² (the “**Transaction**”). Energetix, Inc. and NYSEG Solutions, Inc. are unregulated gas and electricity retail companies based in the state of New York (United States of America).

The consummation of the Transaction is subject to the applicable regulatory authorizations.

The aggregate price for the referred shareholding interest amounts to USD 110.2 million³, which will be adjusted by the net amount of the working capital of Energetix, Inc. and NYSEG Solutions, Inc. on the date of the consummation of the Transaction (the “**Price**”). The Price has been calculated under the assumption that, on the date of the consummation of the Transaction, Energetix, Inc. and NYSEG Solutions, Inc. are acquired on a debt free / cash free basis⁴. Likewise, an additional contingent payment of USD 5 million⁵ is foreseen if certain requirements are met. The Transaction will not have a significant impact on the consolidated profit and loss account.

¹ The selling companies are Iberdrola USA Solutions, Inc. and RGS Energy Group, Inc., wholly-owned subsidiaries of Iberdrola USA, Inc., which, in turn, is a wholly-owned subsidiary of Iberdrola, S.A.

² Companies indirectly participated by Iberdrola USA, Inc., a wholly-owned subsidiary of Iberdrola, S.A.

³ Equivalent to approximately EUR 89.9 million, according to the official exchange rate of EUR 1 = USD 1.2260, corresponding to 11 July 2012.

⁴ According to the information available, the aggregate net cash of Energetix, Inc. and NYSEG Solutions, Inc. amounts approximately to USD 17.4 million, which is equivalent to approximately EUR 14.2 million, according to the official exchange rate of EUR 1 = USD 1.2260, corresponding to 11 July 2012.

⁵ Equivalent to approximately EUR 4.1 million, according to the official exchange rate of EUR 1 = USD 1.2260, corresponding to 11 July 2012.

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

Yours faithfully,

General secretary and secretary of the Board of Directors

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

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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