

Bilbao, 23 November 2015

To the National Securities Market Commission

Subject: Determination of the reference price of the shares of Iberdrola, S.A. in connection with the issuance of bonds by Iberdrola International B.V. for an amount of EUR 500 million and due 2022

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, and further to the notices of significant event dated 6 November 2015 (with official registry numbers 230,680 and 230,732, respectively), we hereby inform you that the reference price of the shares of Iberdrola, S.A. ("**Iberdrola**") in connection with the issuance by Iberdrola International B.V. (the "**Issuer**")¹ of bonds for an amount of EUR 500 million and due 2022 (the "**Bonds**"), was determined last 21 November.

The reference price of the shares of Iberdrola will be EUR 8.7479, which represents a premium of 35 % over the arithmetical mean of the volume-weighted average price of the shares of Iberdrola on the Spanish Stock Exchanges over the trading sessions comprised between 9 November 2015 and 20 November 2015, which was of EUR 6.47994.

Such reference price matches the strike price of the call option purchased by Iberdrola Financiación, S.A. from Barclays Bank PLC over shares of Iberdrola to hedge the exposure of the Issuer to any cash amounts payable in connection with the exercise of the option by the holders of the Bonds

This information is provided to you for the appropriate purposes.

Yours faithfully,

General Secretary and Secretary to the Board of Directors

¹ A wholly owned subsidiary of Iberdrola, S.A.





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