



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

Bilbao, 30 July 2014

**To the National Securities Market Commission**

**Re: Sale of the shareholding of Iberdrola Generación, S.A. Unipersonal in the company Bahía Bizkaia Electricidad, S.L.**

Dear Sirs,

Pursuant to article 82 of Law 24/1988 of 28 July on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we hereby notify you that today Iberdrola Generación, S.A. Unipersonal (the “**Company**”)<sup>1</sup> has reached an agreement with BP Global Investments Ltd. by virtue of which the former will transfer to the latter its shareholding in the company Bahía Bizkaia Electricidad, S.L. (“**BBE**”)<sup>2</sup> representing 25 % of its share capital (the “**Transaction**”).

The consummation of the Transaction is subject to obtaining the relevant third parties’ consents and authorisations, as well as the fulfillment of other conditions customary in transaction of this type.

The sale price amounts to EUR 111 million, being subject to adjustments customary in transactions of this nature. The impact of the Transaction on the consolidated profit and loss account of Iberdrola, S.A. will be determined once the above described conditions have been met. Such circumstance will be communicated to the market in due course.

At the time of the consummation of the Transaction the market will be duly informed.

This information is provided to you for the appropriate purposes.

Yours faithfully,

General Secretary and Secretary to the Board of Directors

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<sup>1</sup> Iberdrola Generación, S.A. Unipersonal is an indirect wholly-owned subsidiary of Iberdrola, S.A.

<sup>2</sup> BBE is the exploiting company of the 776 MW combined cycle power plant of the Bahía de Bizkaia Gas regasification terminal in the Bilbao Harbour. BP Global Investments Ltd. holds 50% of the share capital of BBE.

## 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 oral or written forward-looking statements hereby made or otherwise 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.