



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

**To the National Securities Market Commission**

Bilbao, October 22, 2010

**Re: Sale by IBERDROLA, S.A. of its indirect shareholding in DISTRIBUIDORA ELÉCTRICA CENTROAMERICANA DOS (II), S.A., GESTIÓN DE EMPRESAS ELÉCTRICAS S.A., GENERADORES HIDROELÉCTRICOS, S.A. and HIDRONORTE, S.A.**

Dear Sirs,

As a follow-up to our notice of significant event of the date hereof (registry number 131,852), we hereby advise you that the net capital gain to be obtained by the Iberdrola Group for the sale of its shareholding interest in Distribuidora Eléctrica Centroamericana Dos (II), S.A., Gestión de Empresas Eléctricas, S.A., Generadores Hidroeléctricos, S.A. and Hidronorte, S.A. will amount, approximately, to one hundred (100) million euros.

Please be advised of all of the foregoing for such purposes as may be appropriate.

Yours truly,

General Secretary and Secretary of the Board of Directors

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## **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 according to an effective registration statement under the Securities Act or according to a valid exemption from registration.

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