



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

Bilbao, June 22, 2012

**To the National Securities Market Commission**

**Re: Resolutions adopted at the General Shareholders' Meeting and by the Board of Directors**

Dear Sirs:

We hereby inform you of both the resolutions approved by the shareholders acting at the General Shareholders' Meeting and by the Board of Directors of Iberdrola, S.A. ("Iberdrola" or the "Company") held as of the date hereof:

**I. Resolutions of the General Shareholders' Meeting**

The shareholders acting at the General Shareholders' Meeting of the Company held upon first call have approved each and every one of the resolutions submitted to their vote included in the agenda that was communicated to you by means of a price sensitive information notice dated May 8, 2012 (under registry number 163.505), in the terms of the documentation sent and made available to the shareholders as of the date of publication of the call to meeting on May 10, 2012. Such resolutions are the following:

**1.- Resolutions relating to the annual financial statements, the management of the Company, and the re-election of the Company's auditor**

The shareholders acting at the General Shareholders' Meeting have approved the annual financial statements for fiscal year 2011 of Iberdrola and of its consolidated group, the management reports of the Company and its consolidated group, as well as the corporate management and the activities of the Board of Directors during such fiscal year 2011.

Likewise, the shareholders acting at the General Shareholders' Meeting have approved the re-election of "Ernst & Young, S.L." as auditor of the Company and of its consolidated group for fiscal year 2012, including the authorization in favor of the Board of Directors to enter into the respective services agreement with "Ernst & Young, S.L.".

**2.- Resolutions relating to shareholder compensation**

The shareholders acting at the General Shareholders' Meeting have approved the application of results proposed by the Board of Directors, which includes the payment of the dividend for the fiscal year ended 2011, in the gross amount of three Euro cents (0.030) per share, with the right to receive it.

In addition, the shareholders acting at the General Shareholders' Meeting have approved a fully-paid increase in the share capital by means of the issuance of new ordinary shares of

the Company at a maximum reference market value of two thousand eighteen million Euros, for the free-of-charge allocation of new shares to the shareholders of the Company.

This capital increase has been adopted for the purposes of offering all of the Company's shareholders, under each installment of the increase, newly-issued bonus shares or, ultimately, and through the transfer of the free-of-charge allocation rights that they receive for the shares they hold, the possibility to obtain equivalent value to that of the traditional dividend payments, without the Company's shareholder compensation policy being altered as a result.

### **3.- Resolutions relating to the composition of the Board of Directors and express authorizations and delegations requested for the Board of Directors**

The shareholders acting at the General Shareholders' Meeting have approved the ratification of the following appointments on an interim basis:

- Appointment of Mr. José Luis San Pedro Guerenabarrena as director, with the status of "executive director" and with his term of office expiring on March 26. 2015, i.e. the date of the term of office of the member previously in such position, Mr. José Ignacio Berroeta Echevarría, whom he replaces.
- Appointment of Mr. Ángel Jesús Acebes Paniagua as director, with the status of "other external director" and with his term of office expiring on March 26. 2015, i.e. the date of the term of office of the member previously in such position, Mr. Ricardo Álvarez Isasi, whom he replaces.

Likewise, the shareholders acting at the General Shareholders' Meeting have approved the re-election, for the bylaw-mandated period of four years, of the following directors of the Company, who will be classified as set out below:

- Mr. Xabier de Irala Estévez, with the status of "external proprietary director".
- Mr. Iñigo Víctor de Oriol Ibarra, with the status of "external independent director".
- Mrs. Inés Macho Stadler, with the status of "external independent director".
- Mr. Braulio Medel Cámara, with the status of "external independent director".
- Mrs. Samantha Barber, with the status of "external independent director".

In addition, the shareholders acting at the General Shareholders' Meeting have approved the appointment of Mr. Francisco Pons Alcoy as director, with the status of "external proprietary director", for the bylaw-mandated period of four years,

The shareholders acting at the General Shareholders' Meeting have approved likewise, the grant of the following express authorizations and delegations of power to the Board of Directors:

- Authorization, for a term of five years, to issue: a) bonds or simple debentures and other fixed-income securities of a like nature (other than notes), as well as preferred stock, up to a maximum amount of twenty billion Euros, and b) notes up to a maximum amount at any given time, independently of the foregoing, of six billion Euros, including the authorization for the Company to guarantee, within the limits set forth above, new issuances of securities by subsidiaries.

- Authorization to apply for the listing on and delisting from Spanish or foreign, official or unofficial, organized or other secondary markets of the shares, debentures, bonds, notes, preferred stock or any other securities issued or to be issued, and to adopt such resolutions as may be necessary to ensure the continued listing of the shares, debentures or other securities of the Company that may then be outstanding.
- Authorization to create and fund associations and foundations, up to the annual aggregate amount of twelve million Euros and for a maximum period that will expire on the date of the General Shareholders' Meeting at which the annual financial statements for fiscal year 2012 are approved.

#### **4.- Resolutions relating to amendments of the By-Laws and Regulations**

Furthermore, the shareholders acting at the General Shareholders' Meeting have approved:

- The amendment of articles 19.1, 19.4, 20.1, 20.2, 20.4 and 23.3 of the By-Laws; and
- The amendment of articles 8.1, 8.3, 8.4, 9.2, 12.10 (formerly, 12.9), 13.3, 14.1, 14.2, 28.1, 32.1, and 35.2 of the Regulations for the General Shareholders' Meeting of the Company, and the inclusion of two new articles 12.9 and 13.5.

The foregoing amendments will be published shortly in the Company's corporate website ([www.iberdrola.com](http://www.iberdrola.com)).

#### **5.- Resolutions relating to the approval of the corporate website**

Likewise, the shareholders acting at the General Shareholders' Meeting have approved the corporate website of Iberdrola, the address of which is: [www.iberdrola.com](http://www.iberdrola.com).

#### **6.- Resolution relating to general matters**

Additionally, the shareholders acting at the General Shareholders' Meeting have resolved to authorize the Board of Directors, which may delegate such powers to any one or more of the Executive Committee, Mr. José Ignacio Sánchez Galán, Chairman & Chief Executive Officer, and Mr. Julián Martínez-Simancas Sánchez, General Secretary and Secretary of the Board of Directors, to formalize and execute all resolutions adopted by the shareholders at the General Shareholders' Meeting, for conversion thereof into a public instrument, and for the interpretation, correction and supplementation thereof or further elaboration thereon until the required registrations have been carried out.

#### **7.- Consultative vote on the *Annual director compensation report***

Lastly, the *Annual director compensation report* has been submitted to the consultative vote of the shareholders acting at the General Shareholders' Meeting, being supported by a large majority of the shareholders present in person or by proxy at the General Shareholders' Meeting.

In addition, shareholders have been informed that the company expects to distribute within the first half of July, 2012, the attendance premium in the gross amount of 0.005 Euro per share to the shares present in person or by proxy at this General Shareholders' Meeting, as

approved by the Board of Directors in its resolution dated May 8, 2012.

## **II. Resolutions of the Board of Directors**

On the other hand, we hereby inform you that the Board of Directors held as of the date hereof after the General Shareholders Meeting has approved, amongst others, the following resolutions:

- (a) Set on 4 July 2012 the date for distribution of the dividend in the gross amount of 0.03 euro per share approved by the General Shareholders Meeting under item five of the agenda (date on which the shares of Iberdrola will start trading on an *ex dividend* basis) and appoint Kutxabank, S.A. as the agent bank responsible for the payment of the dividend.
- (b) the re-election of Mr. Xabier de Irala Estévez, Mrs. Inés Macho Stadler, Mr. José Luis San Pedro Guerenabarrena and Mr. Francisco Pons Alcoy as members of the Executive Committee.

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

### **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.

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.