



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

Bilbao, 13 June 2016

**To the National Securities Market Commission**

**Subject: Amendments to the timetable for the implementation of the first paid-up capital increase approved by the shareholders acting at the General Shareholders' Meeting of Iberdrola, S.A. on 8 April 2016 and to the payment date of the dividend with a charge to the results of the fiscal year ended on 31 December 2015**

Dear Sirs,

Reference is made to the notice of significant event (*comunicación de hecho relevante*) submitted by Iberdrola, S.A. ("**Iberdrola**" or the "**Company**") on 26 April 2016 with registry number 237,825, as well as to the information memorandum (*documento informativo*) attached to such notice regarding the implementation of the first paid-up capital increase approved by the shareholders acting at the General Shareholders' Meeting of Iberdrola held on 8 April 2016 under sections A and 1 to 11 (both inclusive) of item number six on the agenda (the "**Capital Increase**" and the "**Information Memorandum**", respectively).

Pursuant to article 228 of the restated text of the Securities Market Law approved by 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, we hereby inform you that, after the publication of the National Securities Market Commission's announcement on the progress of the clearing, settlement and registration reform and publication of a new date of T+2 implementation on its website on 6 June 2016, by virtue of which it informs that the envisaged date for the shortening of the settlement cycle of the exchange transactions to two business days (T+2) is delayed until 3 October 2016 (the "**Delay**"), the Company has had to amend (i) certain dates of the estimated timetable for the implementation of the Capital Increase published through the Information Memorandum, as well as (ii) the scheduled date for the payment of the dividend to be made with a charge to the results of the fiscal year ended on 31 December 2015 amounting to a gross amount of 0.03 euros per each outstanding share of Iberdrola on the date of the corresponding payment with the right to receive dividends, which was approved by the shareholders acting at the General Shareholders' Meeting of Iberdrola held on 8 April 2016 under item number five on the agenda (the "**Cash Dividend**").

**1. New estimated timetable for the implementation of the Capital Increase**

The new estimated timetable for the implementation of the Capital Increase will be as follows:

- 1 July 2016
  - Notice of significant event regarding the number of free allocation rights required to receive one newly-issued share and the price of the commitment assumed by Iberdrola to purchase free allocation rights.
- 4 July 2016
  - Publication of the announcement of the implementation of the Capital Increase in the Official Gazette of the Commercial Registry.
  - *Last trading date* on which the shares of Iberdrola are traded with the

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right to participate in the “Iberdrola Flexible Dividend” system.

- 5 July 2016
  - *Ex date* from which – inclusive – the shares of Iberdrola will be traded without the right to participate in the system “Iberdrola Flexible Dividend” implemented through the Capital Increase.
  - Commencement of the trading period for the free allocation rights and of the period to request compensation in cash under the purchase commitment assumed by Iberdrola.
- 14 July 2016
  - End of the period to request compensation in cash under the purchase commitment assumed by Iberdrola.
- 19 July 2016
  - End of the trading period for the free allocation rights.
  - Acquisition by Iberdrola of the free allocation rights to those who have elected to receive cash under the purchase commitment assumed by Iberdrola.
- 22 July 2016
  - Payment of cash to the holders of free allocation rights who have elected to receive cash under the purchase commitment assumed by Iberdrola.
- 1 August 2016
  - Registration of the newly-issued shares to be issued under the Capital Increase in the book-entry records of “*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal*” (IBERCLEAR).
- 2 August 2016
  - Expected date for the verification by the National Securities Market Commission of the compliance with the requirements for the admission to trading of the newly-issued shares to be issued under the Capital Increase.
- 3 August 2016
  - Expected commencement of trading of the newly-issued ordinary shares to be issued under the Capital Increase.

This timetable is adapted to the generalized understanding in the market as of the date hereof of the provisions of Royal Decree 878/2015, of 2 October, on clearing, settlement and registry of marketable securities represented by book entries, on the legal regime of the central securities depositories and of the central counterparties entities and on the transparency requirements of the issuers of securities admitted to trading in an official secondary market (*Real Decreto 878/2015, de 2 de octubre, sobre compensación, liquidación y registro de valores negociables representados mediante anotaciones en cuenta, sobre el régimen jurídico de los depositarios centrales de valores y de las entidades de contrapartida central y sobre requisitos de transparencia de los emisores de valores admitidos a negociación en un mercado secundario oficial*) published in the State Official Gazette on 3 October 2015, which, among other matters, entails the reform of the system of registry, clearing and settlement of securities (the “**Reform**”).

As it was mentioned in the Information Memorandum, it is stated that the new estimated timetable for the implementation of the Capital Increase is based on forecasts made according to the information available at the date of this notice in relation with the Reform. Therefore, certain matters could again be subject to subsequent amendments. In such case, as we have done through the submission of this notice of significant event, the market will be duly informed of the new changes that may, as the case may be, affect the estimated timetable for the implementation of the Capital Increase set forth above, whether through the supplement to the Information

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Memorandum which is expected to be released to the National Securities Market Commission on 1 July 2016 or through the relevant notice of significant event.

Furthermore, both the period for accepting the commitment to purchase the free allocation rights, as well as the scheduled dates for actual payment of cash and delivery of shares, may be different for holders of ADRs (in the United States of America) and CDIs (in the United Kingdom) representing shares of the Company.

**2. New payment date for the Cash Dividend**

Finally, it is expressly stated that, also as a consequence of the Delay, the payment date of the Cash Dividend will be postponed to 8 July 2016, instead of 7 July 2016 as it was previously scheduled.

This information is provided to you for the appropriate purposes.

Yours faithfully,

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 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.

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