You will find comprehensive information on Iberdrola at www.iberdrola.com. For access to the annual reports for 2018 and associated documentation about the Iberdrola Group, scan the relevant QR code using your smartphone or tablet.
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Chairman’s highlights
The company will propose to the forthcoming General Shareholders’ Meeting an increase of 7.7% in annual remuneration up to € 0.351 gross per share, corresponding to financial year 2018”
Results 2018
Net Profit surpasses three billion euros for the first time.

Iberdrola obtained a Net Profit of €3,014 million for 2018, up by 7.5% compared to previous year, despite having recorded in 2017 exceptional positive impact from the merger of Siemens-Gamesa, the tax reform in the United States and other non-recurring effects.

<table>
<thead>
<tr>
<th></th>
<th>12M 2018</th>
<th>Vs 12M 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin</td>
<td>15,435.1</td>
<td>15.5%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>9,348.9</td>
<td>27.7%</td>
</tr>
<tr>
<td>EBIT</td>
<td>5,439.4</td>
<td>100.5%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>3,014.1</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

Investment by business

+19.7% Generation and Retail
+46.3% Networks
+31.5% Renewables
2.5% Corporate and other

Iberdrola invested €5,320 million in 2018.

Iberdrola’s net investments in 2018 amounted to €5,320 million, of which nearly 78% was concentrated in the Networks and Renewables Business, in line with the Group’s strategy.

EBITDA grew by 27.7% to reach €9,349 million.

2018 Iberdrola’s consolidated EBITDA increased by 27.7%, reaching €9,349 million, driven by double-digit growth in all the Group’s businesses. Networks EBITDA reached €4,915 million (+16.2%), with strong results in all geographies and driven by tariff increases and efficiency improvements in Brazil, and despite the negative impact of storms in the United States.

Renewables EBITDA grew by 39.3% to reach €2,444.7 million, thanks to the normalisation of wind and hydro production in Spain, increased onshore wind production and new capacity in the US and the UK and the commissioning of the Wikinger offshore wind farm in Germany.

Generation and Retail EBITDA of €2,038.4 million (+39.3%), mainly due to higher demand and retail activity in Spain, the normalisation of conditions in the UK market and the new installed capacity in Mexico.
Outlook 2018-2022
Outlook 2018–2022 Update

Iberdrola has raised the targets of its 2018/2022 Outlook, taking advantage of the growth potential offered by a global scenario in which a green electrification of the economy will be key to accelerating the energy transition, thanks to advances made in clean generation technologies, smart grids and energy storage. In this context, Iberdrola is developing new renewable energy projects in all countries in which it operates, as well as developing new transmission and distribution assets in the US, Brazil and the UK. In Spain, Iberdrola will install 3,000 new renewable MW, 52% more than its current wind and solar capacity. In the offshore wind business, the company has a pipeline of projects of over 10,000 MW in the US, the UK, Germany and France.

Investments to increase to € 34 billion

Iberdrola will speed up its growth with investments of € 34 billion between 2018-22. 86% of this amount will be spent on activities regulated or with long-term contracts: 47% (€ 16 billion) will be invested in Networks and 39% (€ 13.3 billion) in Renewables, adding 9,900 new megawatts. Amount in Generation and Retail will represent 11% of the total (€ 3.8 billion). By the end of the period, Iberdrola will increase its installed capacity by nearly 40%.

Growth of EBITDA and Net Profit

Driven by increased investments, Iberdrola is improving its earning forecast. In 2022 the company expects to reach an EBITDA of over € 12 billion and net profit of between € 3.7 and € 3.9 billion, representing an increase of 30% on 2018.

Maintaining financial strength

Iberdrola will continue to improve efficiency and will intensify its non-strategic assets rotation plan, which will amount to € 3.5 billion in the period. The company will maintain its strong financial ratios: net debt to EBITDA will improve to 3.1x and cash flow from operating activities to net debt will increase to over 24% in 2022.

Growing dividends

The forecast results will allow Iberdrola to meet its commitment of increasing its annual shareholder remuneration in line with its earnings. Iberdrola will set an annual growing dividend floor, which will reach a level of € 0.40 per share, gross, in 2022.
Iberdrola today
Spain / No. 1 energy company

Main facilities

Electricity distribution lines 269,639 Km
- Onshore Wind farms / 5,770 MW
- Hydro plants / 10,018 MW
- Gas combined cycle power plants / 5,695 MW
- Cogeneration plants / 353 MW
- Nuclear power plants / 3,177 MW
- Thermal power plants / 874 MW

2018 Data

MW Installed capacity 25,887
MW Renewable installed capacity 15,789
GWh Net output 57,711
GWh Electricity distributed 93,897
Km of Power lines 269,639

Employees 9,822
Investments € millions 3,642
Direct tax contribution € millions 2,180

Main offices
Area of influence
Main countries

(1) Requested the closure of the coal-fired power plants

Continental Europe

Main facilities

1. Offshore wind farm / 350 MW
27. Onshore Wind farms / 605 MW
4. Photovoltaic plants / 6 MW

2. Significant projects under construction

2018 Data

MW Renewable installed capacity 961
GWh Net renewable output 2,180
Investments € millions 134
Direct tax contribution € millions 189
United Kingdom / Electricity 100% from renewable sources

- Onshore Wind farms: 39 / 1,906 MW
- Offshore wind farm: 1 / 194 MW
- Undersea electricity line: 1 / 425 Km

2018 Data:
- MW Installed capacity: 2,100
- MW Renewable installed capacity: 2,100
- GWh Net output: 10,675
- GWh Electricity distributed: 34,677
- Millions of users: 5.5
- Employees: 5,611
- Investments € millions: 1,083
- Direct tax contribution € millions: 612
- Km of Power lines: 109,957

Brazil / An energy leader in Brazil and Latin America

- Hydro plants: 7 / 2,419 MW
- Offshore Wind farms: 17 / 516 MW
- Gas combined cycle power plants: 1 / 533 MW

2018 Data:
- MW Installed capacity: 3,467
- MW Renewable installed capacity: 2,935
- GWh Net output: 13,652
- GWh Electricity distributed: 65,282
- Millions of users: 13.8
- Employees: 10,749
- Investments € millions: 898
- Direct tax contribution € millions: 2,433
- Km of Power lines: 623,993
### United States / Presence in 24 states

**Main facilities**

- **Electricity lines**: 170,083 km
- Onshore Wind farms / 6,466 MW
- Photovoltaic plants / 116 MW
- Hydro plants / 118 MW
- Cogeneration plant / 636 MW
- Gas combined cycle power plants / 212 MW
- Significant projects under construction

<table>
<thead>
<tr>
<th>2018 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW Installed capacity: 7,561</td>
</tr>
<tr>
<td>Millions of users: 3.2</td>
</tr>
<tr>
<td>MW Renewable installed capacity: 6,713</td>
</tr>
<tr>
<td>Employees: 6,449</td>
</tr>
<tr>
<td>GWh Net output: 19,983</td>
</tr>
<tr>
<td>Investments € millions: 1,298</td>
</tr>
<tr>
<td>GWh Electricity distributed: 39,579</td>
</tr>
<tr>
<td>Direct tax contribution € millions: 904</td>
</tr>
<tr>
<td>Km of Power lines: 170,083</td>
</tr>
</tbody>
</table>

### Mexico / Leading private sector electricity producer

**Main facilities**

- Gas combined cycle power plants / 6,446 MW
- Cogeneration plants / 346 MW
- Onshore Wind farms / 409 MW
- Photovoltaic plants / 270 MW
- Significant projects under construction

<table>
<thead>
<tr>
<th>2018 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>MW Installed capacity: 7,471</td>
</tr>
<tr>
<td>Employees: 1,112</td>
</tr>
<tr>
<td>MW Renewable installed capacity: 679</td>
</tr>
<tr>
<td>Investments € millions: 899</td>
</tr>
<tr>
<td>GWh Net output: 41,396</td>
</tr>
<tr>
<td>Direct tax contribution € millions: 159</td>
</tr>
</tbody>
</table>

---

United States / Presence in 24 states

[Map of United States with highlighted facilities]

Mexico / Leading private sector electricity producer

[Map of Mexico with highlighted facilities]
IBERDROLA and the stock market
IBERDROLA stock performance vs. Index

Iberdrola’s share

<table>
<thead>
<tr>
<th></th>
<th>12M 2018</th>
<th>12M 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of shares in circulation</td>
<td>6,397,629,000</td>
<td>6,317,515,000</td>
</tr>
<tr>
<td>Share price at the end of the period</td>
<td>7.018</td>
<td>6.460</td>
</tr>
<tr>
<td>Average share price for the period</td>
<td>6.431</td>
<td>6.603</td>
</tr>
<tr>
<td>Average daily trading volume</td>
<td>18,955,589</td>
<td>21,480,335</td>
</tr>
<tr>
<td>Maximum trading volume (27-12-2018 / 06-04-2017)</td>
<td>78,341,105</td>
<td>122,920,322</td>
</tr>
<tr>
<td>Minimum trading volume (24-12-2018 / 28-08-2017)</td>
<td>4,680,119</td>
<td>4,636,525</td>
</tr>
<tr>
<td>Dividends paid (€) (1)</td>
<td>0.331</td>
<td>0.317</td>
</tr>
<tr>
<td>Gross interim (29-01-2018/23-01-2017) (2)</td>
<td>0.140</td>
<td>0.135</td>
</tr>
<tr>
<td>Gross supplementary (25-07-2018 / 07-07-2017 and 21-07-2017) (2)</td>
<td>0.186</td>
<td>0.177</td>
</tr>
<tr>
<td>Attendance bonus</td>
<td>0.006</td>
<td>0.005</td>
</tr>
<tr>
<td>Dividend yield (3)</td>
<td>4.71%</td>
<td>4.90%</td>
</tr>
</tbody>
</table>

(1) Dividends paid in the last 12 months.
(2) Iberdrola-guaranteed rights purchase price.
(3) Dividends paid in last 12 months and attendance premium/ share price at the close of the period.

Stock Market Data

<table>
<thead>
<tr>
<th></th>
<th>12M 2018</th>
<th>12M 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Capitalisation</td>
<td>€M 44,898</td>
<td>40,811</td>
</tr>
<tr>
<td>Earnings per share (6,397,629,000 shares at 31/12/2018 and 6,317,515,000 shares at 31/12/2017)</td>
<td>€0.47</td>
<td>0.44</td>
</tr>
<tr>
<td>Net operating cash flow per share</td>
<td>€1.145</td>
<td>1.026</td>
</tr>
<tr>
<td>P/E R</td>
<td>x 14.90</td>
<td>14.55</td>
</tr>
</tbody>
</table>

www.iberdrola.com
Shareholder return and Social dividend
Growing dividend, social, inclusive and sustainable

The results obtained allow Iberdrola to propose to the forthcoming General Shareholders’ Meeting an increase of 7.7% in annual remuneration corresponding to financial year 2018, to € 0.351 gross per share. To the € 0.151 paid in February, of interim dividend, we would add a supplementary dividend of 0,20 that will be paid in July to reach the above mentioned € 0.351.

Proposed supplementary remuneration of 0.2 EUR/share, payable in July, bringing total remuneration to 0.351 EUR/share...

Interim remuneration\(^1\) (paid on 5 February 2019)

- \(0.151\) EUR/share

Supplementary Remuneration
Subject to approval of the GSM (payable in July 2019)

- \(0.2\) EUR/share

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Total shareholder remuneration 2018
Subject to approval of the GSM

- \(0.351\) EUR/share

...representing an increase of 7.7\(^2\), fulfilling our commitment with shareholders

1. Through the “Iberdrola Retribución Flexible” programme approved by the 2018 GSM.
2. Compared with shareholder remuneration of 0.326 EUR/share in 2017. Subject to approval at the General Shareholders’ Meeting (GSM)

...contributing to the generation of wealth and employment
- Direct, indirect and induced employment: 425,000 people\(^3\).
- Number of people to whom we supply energy: more than 100 million.
- 2018: € 7,753 million in purchases from more than 22,000 suppliers.
- € 7,939 million in direct tax contribution.

...unwavering commitment to people and their training
- 47 hours of training per employee per year.
- Only electricity utility in continental Europe in the Bloomberg Gender Equality Index.

...driving innovation and technological development
- € 267 million invested in 2018 in innovative projects: smart grids, clean energy and services, reaching € 1,755 million in the past ten years.
- PERSEO programme, with € 70 million of funding for investment in innovative technologies and start-ups.

...and acting in favour of disadvantaged groups
- “Electricity for all” programme: 5.4 million beneficiaries. Goal 2030: 16 million.
- International corporate volunteer scheme with participation of more than 6,300 people in 2018.

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3. Data from Iberdrola Impact Study carried out by PwC for the 2017 financial year.
Board of Directors of Iberdrola

Type of Directors
- Executive: 2
- Independent external: 10
- Other external directors: 2

Independence and diversity of the Board of Directors

Independent directors out of total non-executive directors (83%)
Gender diversity. 50% of external directors are women
Chairs of advisory committees 50% women and 50% men

1. Subject to approval by the General Meeting of Shareholders of the Board of Directors’ proposed appointment of Sara de la Rica Goinicelaya.
Legal Notice

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Avangrid issued on February 20, 2019, which is available on its investor relations website at www.avangrid.com and the Securities and Exchange Commission (“SEC”) website at www.sec.gov.

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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 documents sent by Iberdrola, S.A. to the Spanish Comisión Nacional del Mercado de Valores, which are accessible to the public.

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