

PRESS RELEASE

In the ten autonomous communities and 25 provinces through which its electric distribution grid operates

Iberdrola invested nearly 540 million euros in the automation, development and improvement of its electricity grid in Spain in 2016

- **This investment is 8% higher than in 2015, and shows the company's commitment to the ongoing improvement of the distribution network and the quality of supply that it offers to the nearly 11 million supply points that it manages**
- **Iberdrola has become one of the world's most cutting-edge companies in smart grid infrastructure by incorporating real-time monitoring and automation in its distribution grid**

Iberdrola Distribución closed the 2016 financial year having earmarked investment of 537 million euros for the improvement of its distribution network and the gradual introduction of smart electricity grids in Spain.

The company, which operates in ten autonomous communities¹ and distributes electric power in 25 provinces, increased its investment by 8% for the 2015 financial year - an investment of 497 million euros - showing the company's commitment to the ongoing improvement of the distribution network and the quality of supply that it offers to the nearly 11 million supply points that it manages in Spain:

Of these 537 million euros invested in Spain last year, 128 million were earmarked for the STAR project (Network Remote Management and Automation System), Iberdrola's ambitious initiative that complements the legal obligation to change electricity meters.

¹ in Madrid, Extremadura, Castilla la Mancha, Comunidad Valenciana, Castilla Leon, La Rioja, Navarra, the Basque Country, Murcia and Cantabria.



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With the replacement of analogue meters for digital ones with powers equal to or less than 15 kilowatts and that, in the case of IBERDROLA has gone up to 10.6 million devices, the company spent close to 100 million euros during 2016, surpassing the figure of 9.5 million digital meters, 90% of its total number of meters in Spain.

In addition, IBERDROLA allocated 124 million euros to the construction and commissioning of new infrastructure, mainly electricity distribution substations, very high, high, medium and low voltage power lines - both aerial and underground - and transformation centres. In addition, the company has invested 145 million euros in the renewal of facilities, as well as another 40 million in the improvement of the communications network and IT development.

This significant effort, which the company has been developing in Spain, translates into an investment of close to 2,000 million euros that it allocated to its distribution network during the period 2013-2016.

Improvement in the quality of the electricity supply in 2016

As a result of the ongoing automation of the network, the development of smart grids and investment in new facilities and the renovation of existing facilities, IBERDROLA achieved a 15% improvement in the quality of the power supply it offers to its customers in Spain during 2016, against the previous financial year. The company recorded a TIEPI (Interruption time Equivalent to the installed Capacity) of 53.2 minutes - compared to the 61.1 minutes of 2015 - resulting in the best supply quality data recorded by the company throughout its history.

The future is moving towards increasingly smart, reliable and secure networks, challenges which Iberdrola Distribución addresses as a leading company in innovation to offer its customers and society in general a better service through its 24,000 kilometres of high and very high voltage lines; 304,000 kilometres of medium and low voltage lines, 953 transformation substations and 95,000 transformation centres.

