



Julián Martínez-Simancas
Secretary of the Board of Directors

Bilbao, 20 June 2019

To the National Securities Market Commission

Subject: Transfer of contractual position under portfolio of long-term LNG supply agreements and other ancillary contracts and sale of LNG stock in favour of Pavilion Energy Trading & Supply Pte. Ltd.

Dear Sirs,

Pursuant to article 227 of the restated text of the Securities Market Law approved by the 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, today, Iberdrola, S.A., Iberdrola Generación, S.A. (*Sociedad Unipersonal*) and Iberdrola Generación España, S.A. (*Sociedad Unipersonal*) (the "**Transferor Companies**") have reached an agreement with Pavilion Energy Trading & Supply Pte. Ltd. ("**Pavilion**") for the transfer of their contractual position under its portfolio of contracts for the long-term supply of liquefied natural gas (LNG), maritime transport and use of gas infrastructures, as well as other ancillary contracts related to the supply of LNG (the "**Transaction**").

As consideration for the Transaction, Pavilion will pay to the Transferor Companies an amount of EUR 115 million, payable according to the schedule of the Transaction, and subject to the upward and downward adjustments agreed, as well as the value of the transferred LNG stock, valued at the closing date of the Transaction. The impact of the Transaction on the consolidated results of the Iberdrola group is yet to be determined.

The closing of the Transaction will take place on 1 January 2020.

This information is provided to you for the appropriate purposes.

Yours faithfully,

Secretary of the Board of Directors

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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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