



**AMENDMENT OF ARTICLES 11 AND 62
OF THE BY-LAWS OF IBERDROLA, S.A.**

March 26, 2010

PREVIOUS TEXT	CURRENT TEXT
<p>Article 11. Pre-emptive rights, and the exclusion thereof</p> <p>1. In capital increases with the issuance of new shares, whether ordinary or preferred, the existing shareholders and holders of convertible debentures may, when permitted by Law, and within the period granted to them for this purpose by the Board of Directors, which shall not be less than fifteen (15) days from the publication of the announcement of the subscription offer for the new issuance in the Official Bulletin of the Commercial Registry, exercise the right to subscribe to a number of shares proportional to the nominal value of the shares they hold or which would correspond to the holders of convertible debentures if they exercised the power of conversion at that time.</p> <p>2. The shareholders acting at a General Shareholders' Meeting or, if applicable, the Board of Directors, may, in furtherance of the corporate interests, exclude pre-emptive rights in whole or in part in such cases and under such conditions as are provided by Law. In particular, the corporate interests may justify the exclusion of pre-emptive rights when needed to</p>	<p>Article 11. Pre-emptive rights, and the exclusion thereof</p> <p>1. In capital increases with the issuance of new shares, whether ordinary or preferred, and with a charge to cash contributions, the existing shareholders and holders of convertible debentures may, when permitted by Law, and within the period granted to them for this purpose by the Board of Directors, which shall not be less than fifteen (15) days from the publication of the announcement of the subscription offer for the new issuance in the Official Bulletin of the Commercial Registry, exercise the right to subscribe to a number of shares proportional to the nominal value of the shares they hold or which would correspond to the holders of convertible debentures if they exercised the power of conversion at that time.</p> <p>2. The shareholders acting at a General Shareholders' Meeting or, if applicable, the Board of Directors, may, in furtherance of the corporate interests, exclude pre-emptive rights in whole or in part in such cases and under such conditions as are provided by Law. In particular, the corporate</p>

<p>facilitate (i) the acquisition by the Company of assets (including shares or interests in companies) which are appropriate for the furtherance of the corporate purpose; (ii) the placement of new shares in foreign markets which will allow access to sources of financing; (iii) the gathering of resources by using techniques based on the book-building likely to maximize the issue price per share; (iv) the inclusion of industrial, technological or financial partners; (v) the implementation of loyalty and compensation programs covering Directors, managers or employees, and (vi) in general, the performance of any transaction which is advisable for the Company.</p> <p>3. Pre-emptive rights shall not apply when the capital increase is due to the conversion of debentures into shares or the takeover of another company or a portion of the split-off assets of another company. Such right shall also not exist when new shares are issued for exchange in a public tender offer made by the Company.</p>	<p>interests may justify the exclusion of pre-emptive rights when needed to facilitate (i) the acquisition by the Company of assets (including shares or interests in companies) which are appropriate for the furtherance of the corporate purpose; (ii) (i) the placement of new shares in foreign markets which will allow access to sources of financing; (iii) (ii) the gathering of resources by using techniques based on the book-building likely to maximize the issue price per share; (iii) (iv) the inclusion of industrial, technological or financial partners; (iv) (v) the implementation of loyalty and compensation programs covering Directors, managers or employees, and (v) (vi) in general, the performance of any transaction which is advisable for the Company.</p> <p>3. Pre-emptive rights shall not apply when the capital increase is made with a charge to non-cash contributions or when it is due to the conversion of debentures into shares or the takeover of another company or a portion of the split-off assets of another company. Such right shall also not exist when new shares are issued for exchange in a public tender offer made by the Company.</p>
<p>Article 62. Liquidation of the Company</p>	<p>Article 62. Liquidation of the Company</p>
<p>1. From the moment the Company declares itself to be in liquidation, the Board of Directors shall cease to hold office and the Directors shall become liquidators of the Company. They shall make up a collective body which must be composed of an odd number of members. If necessary for such purpose, the Director having the least length of service since appointment shall cease to hold</p>	<p>1. From the moment the Company declares itself to be in liquidation, the Board of Directors shall cease to hold office and the Directors shall become liquidators of the Company. They shall make up a collective body which must be composed of an odd number of members. If necessary for such purpose, the Director having the least length of service since appointment shall cease to hold</p>

<p>office.</p> <p>2. During the liquidation period, the provisions of these By-Laws governing the calling and holding of General Shareholders' Meetings shall be complied with, and the shareholders shall be informed of the progress of the liquidation, so that the shareholders may adopt such resolutions as they deem appropriate.</p> <p>3. All liquidating operations shall be carried out with due observance of applicable law.</p>	<p>office.</p> <p>2. During the liquidation period, the provisions of these By-Laws governing the calling and holding of General Shareholders' Meetings shall be complied with, and the shareholders shall be informed of the progress of the liquidation, so that the shareholders may adopt at the General Shareholders' Meeting such resolutions as they deem appropriate.</p> <p>3. All liquidating operations shall be carried out with due observance of applicable law.</p>
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