



José Sáinz Armada
Chief Financial and Resources Officer

Bilbao, 23 February 2018

To the National Securities Market Commission

Subject: Proposal of the shareholders' remuneration corresponding to 2018

Dear Sirs,

Pursuant to article 17 of *Regulation (EU) No. 596/2014 on market abuse* and article 228 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, subject to the approval of the relevant resolutions by the General Shareholders' Meeting, it is expected that the amount of the supplemental payment of the dividend corresponding to the fiscal year 2017 to be distributed to the shareholders in the context of the first edition of the "Iberdrola Flexible Remuneration" system is, at least, 0.183 gross euros per share.

Such amount, together with the 0.140 gross euros per share paid on 29 January 2018 in the context of the second edition of the "Iberdrola Flexible Dividend" system corresponding to the fiscal year 2017, results in a total amount of the remuneration of a shareholder of Iberdrola, S.A. foreseen for 2018 of, at least, 0.323 gross euros per share, which represents an increase of up to 4.2% in respect of the minimum remuneration foreseen for the fiscal year 2017 of 0.310 gross euros per share¹.

This information is provided to you for the appropriate purposes.

Yours faithfully,

Chief Financial and Resources Officer

¹ After applying the formula established in the "Iberdrola Flexible Dividend" system, the final total remuneration paid to a shareholder in the fiscal year 2017 amounted to 0.312 gross euros per share.

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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 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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