

2.

Business Model and Strategy

2.1 The Future of Energy

The electricity sector

The electric system is undergoing a profound transformation. Technology and innovation are accelerating the transition towards a more efficient and environmentally-friendly industry. The trends that will mark the future are:

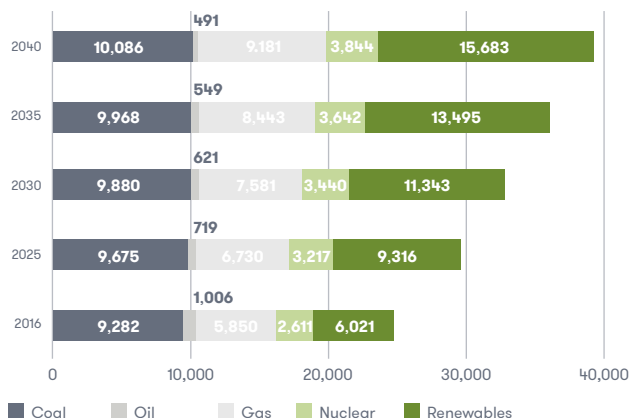
- **Decarbonisation and electrification:** 60% forecasted increase in worldwide demand through 2040⁽¹⁾, driving an increase in networks and renewable technologies.
- **Increase in connectivity of customers:** Increase in installed smart meters (more than 300 million installed by 2020⁽²⁾) and electric vehicles (to 280 million⁽³⁾).
- **Technological progress,** which drives a reduction in costs and creates new business opportunities. The cost of renewable energy has significantly decreased in recent years⁽⁴⁾, which allows for the growth of this technology.

Sources: (1) World Energy Outlook 2017 - IEA; (2) Global EV Outlook 2017 (Technology scenario) - IEA; (3) Navigant analysis; (4) Normalised cost of energy - IRENA.

Opportunities for continued growth

The energy sector presents strong opportunities for growth over the long term as a result of the process of electrification.

Electricity production by type of source (TWh)

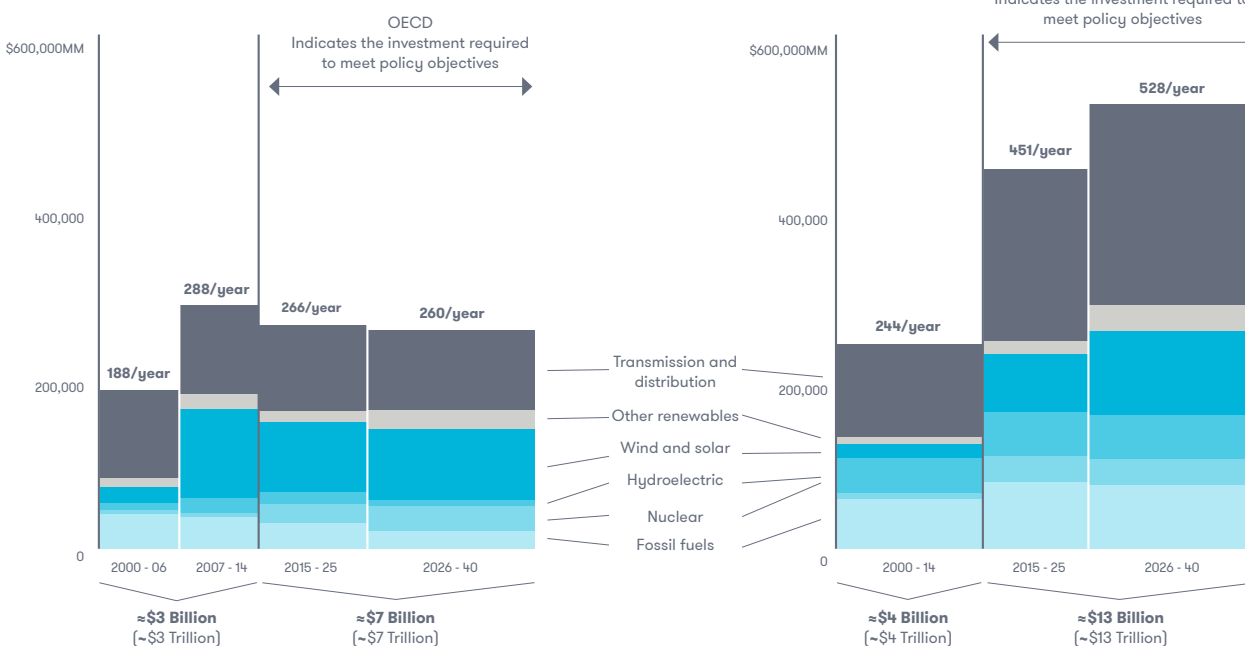


Source: World Energy Outlook 2017 - International Energy Agency (IEA).

“There is a need to electrify the economy through more renewables, more pumped storage capacity, more and smarter grids and more electric vehicles, in addition to the electricity industry having to invest some \$19 trillion over the next 25 years.”

Ignacio S. Galán, at the WORLD ECONOMIC FORUM 2018

Investment in electricity infrastructure within and outside of the OECD



Source: The Future of Electricity Report, World Economic Forum 2016.

Evolution of demand^{(1),(2)}

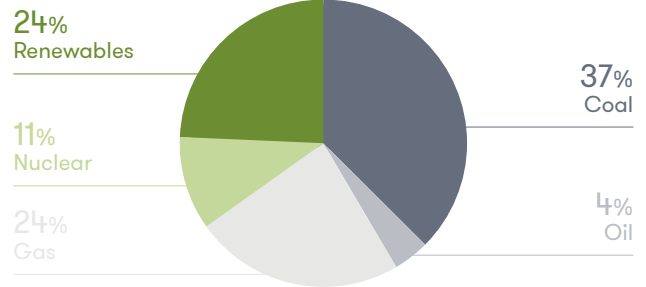
The prospects set out in the *World Energy Outlook 2017* regarding the use of energy continue to indicate an increase in energy demand over the next three decades, with a clear displacement of thermal energy by renewable energy.

The *EU Roadmap* forecasts that electricity will at least double its share in final energy demand to 36-39% by 2050, which would contribute to a reduction in carbon emissions from heating systems and the transport sector.

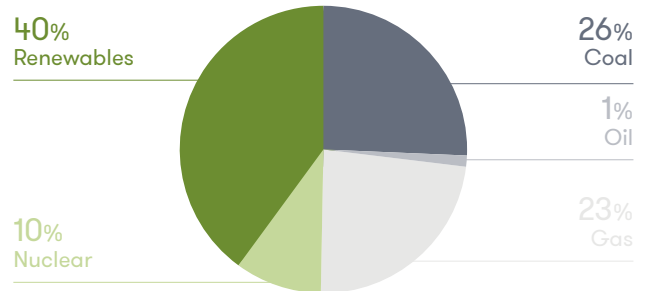
Recent years have seen a reduction in the relationship between economic growth and increasing CO₂ emissions, thanks to the growing use of renewable energy sources.

Growth in global electricity production (TWh)⁽¹⁾

2016
24,770 TWh



2040
39,290 TWh



Sources: [1] *World Energy Outlook 2017* - IEA; [2] *Energy Roadmap 2050 of the European Parliament*.

Trends in production and use of electricity

Sectoral^{(4), (5), (6)}

- The European Union has a significant challenge in meeting its commitments on climate and energy established for 2020, 2030 and 2050.
- Global growth in the supply of electricity through 2040 will be covered mainly by wind power, gas and photovoltaic energy. The proportion of fossil fuels in electricity generation will descend towards 2040, while renewables will increase to 40%.
- To the extent that generation with renewable energy sources gains weight, electrification generates more environmental benefits by avoiding the energetic consumption from fossil sources (e.g. in transport and heating). In many cases, electrification increases energy efficiency.

Technological^{(4), (5), (7)}

- The growing penetration of electric vehicles will increase the consumption of electricity and will offer a tremendous opportunity to optimise the use of the network.
- The increasing penetration of smart metering infrastructure will allow for improvement in the quality of service, the ability to manage the low-voltage grid and the collection of information.
- Urban/technological lifestyles require more electricity. The growing middle class, the increase in income, and the larger amount of electric appliances will contribute to a doubling of electricity demand through 2060.
- Electricity storage, as a still-embryonic technological possibility, can open up new vistas for the operation and management of power systems.

Consumption^{(4), (6)}

- It is expected that the global population will grow by 2,000 million people by 2040, driving world energy needs. Therefore, electricity generation will increase by 2040 due to an increase in demand in the industrial and domestic sectors.
- In the coming years, it will be necessary to reduce emissions by almost half in order to halt climate change, with the difficulty that if consumption stays on its current pace, it will have increased by approximately 45%.
- The development of new uses and applications for electricity may result in new markets and opportunities.

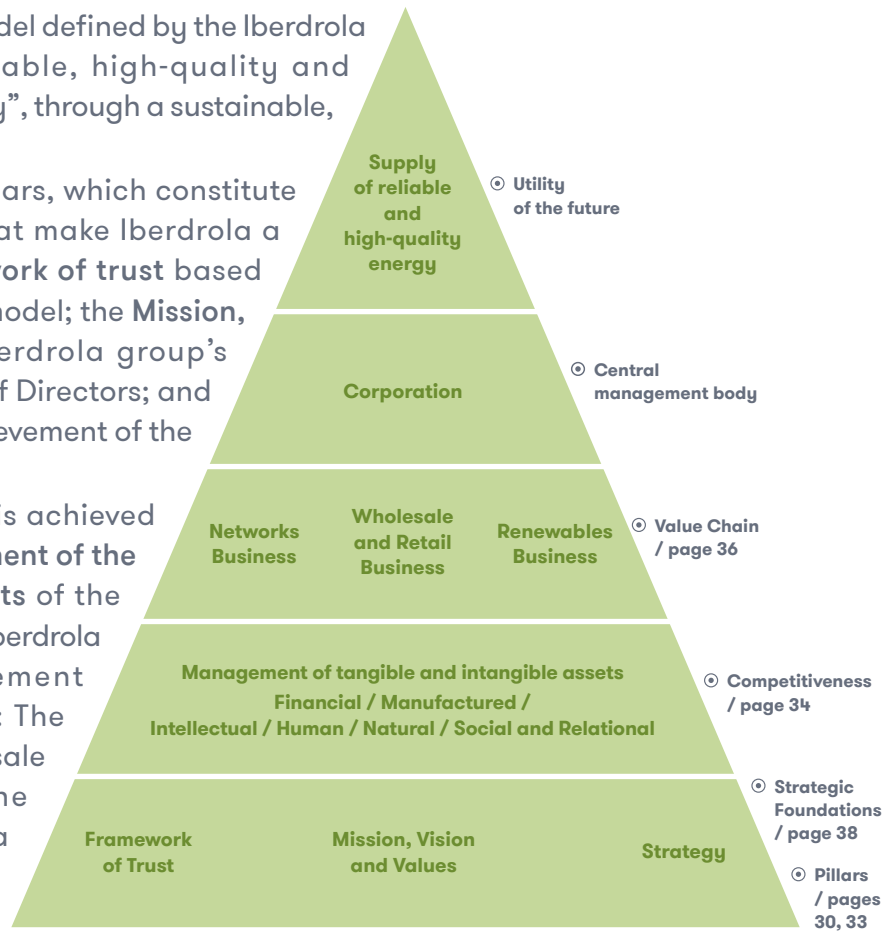
Sources: [4] *World Energy Outlook 2017* - IEA; [5] *Energy today in Spain, 15 key issues for the next legislature* - Club Español de la Energía; [6] *World Energy Outlook 2014* - IEA; [7] *World Energy Scenarios 2016* - World Energy Council.

2.2 Business Model

The purpose of the business model defined by the Iberdrola group is the “supply of reliable, high-quality and environmentally-friendly energy”, through a sustainable, long-term industrial enterprise.

The model is built on three pillars, which constitute the **distinguishing factors** that make Iberdrola a different company: A **framework of trust** based on an advanced governance model; the **Mission, Vision and Values** as the Iberdrola group’s culture defined by the Board of Directors; and a **strategy** focused on the achievement of the group’s goals.

The model’s competitiveness is achieved through **responsible management of the tangible and intangible assets** of the company. To apply this model, Iberdrola has structured its management into three global businesses: The Networks Business, the Wholesale and Retail Business and the Renewables Business, with a Corporation as the group’s central management unit.



Framework of trust

To ensure the sustainability of its business model, Iberdrola has implemented:

- A Corporate Governance System consistent with best international practices.
- Corporate ethics, internalised by the management units and the organisation as a whole.
- Social responsibility policies, which respond to the expectations of Stakeholders.
- An advanced risk control system, to maintain an optimal “risk/opportunity” balance, taking advantage of opportunities and mitigating risks.

© Corporate Governance Model / page 80

Mission, Vision and Values

“We want to be a global energy leader and create a better future for people, known for our commitment to ethical principles, safety, quality and the environment...”

This Vision is based on twelve Values:

- Sustainable creation of value
- Ethical principles
- Good corporate governance and transparency
- Development of our workforce
- Social commitment
- Sense of belonging
- Safety and reliability
- Quality
- Innovation
- Respect for the environment
- Customer focus
- Institutional loyalty

© Ethics and Social Responsibility / page 92

Iberdrola cultivates a responsible and sustainable business model, serving society and people

A responsible business model...	Fights against climate change	<ul style="list-style-type: none"> • World leader in wind capacity, with 16,077 MW installed. • 66.7% of all installed capacity does not produce CO₂ emissions, with the intensity of emissions being 32% lower than the European average in 2017. • Pioneers in adopting the recommendations of the <i>Task Force for Climate Change Risks Financial Disclosure (TCFD)</i>.
	Rapidly adopts new technologies and commits to innovation	<ul style="list-style-type: none"> • Drives the development of smart grids. Has deployed more than 11 million smart meters throughout the world. • Invests in efficient storage using pumped storage hydroelectric plants (4,400 MW currently installed with this technology). • Big data projects to provide the best solutions to its customers.
...with positive impacts on all of its Stakeholders...	Economic	<ul style="list-style-type: none"> • Annually generates approximately €31,000 million in Gross Domestic Product (GDP) in the countries in which it operates⁽¹⁾. • It contributes more than €6,600 million in investments annually to the capital formation of the world economy⁽¹⁾.
	Environmental	<ul style="list-style-type: none"> • Invests more than €2,900 million in renewable generation (2014-16), meaning: <ul style="list-style-type: none"> – Avoids the emission of more than 63 million tonnes of CO₂ over three years. – Reduces its specific emissions to 187 gr / kWh in 2017. The company's commitment is to reach 150 gr / kWh by 2030.
	Social	<ul style="list-style-type: none"> • Creates close to 400,000 jobs worldwide (direct, indirect and induced employment)⁽¹⁾. • Invests €63 million in projects contributing to the community⁽²⁾. • Makes almost €8,700 million in purchase from its suppliers throughout the world. • Contributes more than €7,100 million in taxes in the countries in which it does business.
...leading to the creation of sustainable economic value.	<p>Balanced growth: €32,000 million between 2018 and 2022, focused on business and countries with stable and predictable regulatory frameworks; 90% of which will be dedicated to regulated activities or long-term contracts.</p>	
	<p>The company's sustainable growth in results, reaching a Net Profit of between €3,500 and €3,700 million by 2022 (using current exchange rate estimates).</p>	
	<p>Financial strength: Financial strength: Funds from operations (FFO) will grow 34% during the period, to €42,000 million. It is estimated that the FFO/Net Debt ratio will reach 24% by 2022.</p>	
<p>Sustainable dividend: Shareholder remuneration will grow in line with the increase in results, maintaining a pay-out ratio between 65% and 75%.</p>		

(1) Data from a Study of Iberdrola's Impact, prepared by PwC, based on 2016 figures.

(2) According to the London Benchmarking Group (LBG) international standard.

Iberdrola contributes to achieving the Sustainable Development Goals (SDGs)...

Iberdrola has committed to the Sustainable Development Goals defined by the United Nations for the 2015-2030 period. They are 17 global goals intended to transform our world, ending poverty, fighting against inequality and injustice, and confronting climate change.

Iberdrola has linked the SDGs to its business strategy. The company has thus prioritised the SDGs taking into account its business model, defining 3 levels of contribution:



Iberdrola has set ambitious challenges relating to the Goals selected as its principal focus:

- **Goal 13 Climate action:** 50% reduction in the intensity of CO₂ emissions by 2030 compared to those in 2007; reaching carbon neutrality by 2050.

By year-end 2017, 66.7% of its installed capacity was emission-free.

- **Goal 7 Affordable and clean energy:** Bring electricity to 4 million people who today lack access to this energy source by 2020.

By year-end 2017, we had reached 3.9 million people who benefited from access to electricity through projects carried out in various countries of Latin America and Africa.

... And supports the recommendations of the TCFD

Iberdrola supports the recommendations of the *Task Force on Climate-related Financial Disclosures (TCFD)* to disclose financial information relating to climate change. The company believes that this initiative will facilitate Stakeholders' evaluation of the risks and opportunities arising from climate change. For these reasons, Iberdrola supported the initiative in April, and in September 2017 joined a group of ten companies that were the first to assume the commitment to implement the recommendations of the TCFD within a period of three years. Some aspects relating to the key elements defined in the recommendations are summarised below.

Governance

Iberdrola's Board of Directors considers climate change to be a significant element for the company. Since 2010, the Corporate Social Responsibility Committee of the Board is in charge of reviewing aspects relating to climate change, among other things, and makes regular reports.

The inclusion in the company's bylaws of the concept of "Social Dividend" and the consideration thereof as an essential value for establishing the group's strategy means, among other things, the legacy of a clean and sustainable planet for future generations. There is also a link between the long-term incentive plan and the achievement of goals that support SDGs 7 and 13.

Strategy

Climate change has been a key element for defining the company's strategy. Iberdrola treats climate change not only as a risk factor, but also as a source of organic growth during the transition towards a low-carbon economy. Iberdrola is currently the world leader in wind power, and 66.7% of its installed capacity is emission-free.

In the coming months, it will work on the disclosure of climate scenarios and a new Adjustment Plan to validate long-term needs through an integrated process directed towards reducing future vulnerability to climate change. The group's strategy also includes communicating and raising awareness regarding climate change.

Risk management

The company recognizes the seriousness of the threat that global warming entails, which must be faced in a collective and coordinated manner by governments, multilateral agencies, the private sector and society as a whole. Climate change could entail various risks in the medium term, both transitional and physical (according to the types defined by the TCFD). Chapter 5.3 offers additional information about the group's risk management.

Metrics and objectives

Iberdrola's Sustainability and Integrated Reports include significant indicators to report on climate-related aspects, including the amount of emissions, the intensity of emissions, the use of energy, energy intensity, energy combination, use of water, source of water, cover and use of land, R&D&I and Capex in the development of products, services and/or technology with low carbon emissions.

2.3 Iberdrola, a Different Company

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Focus on basic and regulated businesses

Approximately 85% of EBITDA comes from regulated businesses or long-term contracts.

Operational efficiency

An energy model based on clean energy, networks and digitisation has allowed our company to be 40% more efficient than the main competitors⁽¹⁾.

© Iberdrola's Primary Businesses
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© Presence by Areas of Activity
/ page 14

International diversification

Results are generated in a diversified manner (EBITDA by country):
40% in Spain.
19% in the United Kingdom.
25% in the United States.
8% in Brazil.
8% in Mexico.

Financial strength and solidity of the group

- Strengthening of the balance sheet due to growth in EBITDA and FFO, which allows for continued strength in solvency ratio levels, within the framework of strong organic growth.
- Liquidity position that covers financial needs for more than 18 months even in a stress scenario.

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Commitment to clean and competitive energies

- Generation and production of largely emissions-free electricity.
- Large portfolio of wind and solar generation projects.
- Public and ambitious goals for reducing emissions.

Global, committed and qualified workforce

- Stable and high-quality jobs, with high level of training.
- Health and safety as values: "accident reduction" goal.
- The companies of the group have been recognised: in Spain for their Reputation (*Merco*) and in Brazil as the best company to work for in Latin America (*Great Place to Work*).

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(1) Operating expenses by customer, based on external reports.

2.4 Management of Tangible and Intangible Assets

	◎ Financial Capital / page 64	◎ Manufactured Capital / page 66	◎ Intellectual Capital / page 68
	Financial capital	Manufactured capital	Intellectual capital
What is it?	Financial resources that the company already has or obtains through financing.	Tangible assets or goods used by the company to carry out its business activities.	Intangible, knowledge-based assets.
Management approach	Create value for shareholders through sustainable growth.	Offer a competitive supply of energy in a safe and reliable environment.	Consider innovation as a strategic element of the company.
Significant aspects	<ul style="list-style-type: none"> • Balanced and diversified growth. • Sound financial structure. • Operational excellence. • Sustainable results and dividends. 	<ul style="list-style-type: none"> • Power generation assets. • Power transmission and distribution assets. • Other assets. 	<ul style="list-style-type: none"> • Promotion of R&D&i. • Digitisation for efficiency and development of new products and services. • Disruptive technology and business models.

The Iberdrola group holds valuable assets for the development of its business model. The strategy defined by the company transforms these assets to create value for all its Stakeholders.

© Human Capital / page 70	© Natural Capital / page 72	© Social and Relational Capital / page 74
Human capital	Natural capital	Social and relationship capital
Employee knowledge, skills, experience and motivation.	Natural resources affected by the company’s activities.	Ability to share, relate and collaborate with its Stakeholders, promoting community development and well-being.
Guarantee the availability of a committed and qualified workforce. Offer an inclusive and balanced work environment.	Ensure a sustainable use of natural resources and contribute to combating climate change.	Promote relations of trust with Stakeholders, improving the quality of life of people in areas where the group has a presence.
<ul style="list-style-type: none"> • Global human resources management. • Goal of “accident reduction”. • Talent management. • Diversity, equal opportunity and reconciliation. 	<ul style="list-style-type: none"> • Environmental management. • Preservation of biodiversity. • Prevention of pollution. • Operating excellence and energy efficiency. • Waste management. 	<ul style="list-style-type: none"> • Stakeholder Relations Model. • Community support and electricity access programmes. • Foundations of the Iberdrola group. • Brand management. • Transparency and good governance. • Corporate reputation.

2.5 Value Chain

Power generation

Electricity production through the construction, operation and maintenance of generating plants, and purchase/sale of energy on wholesale markets.

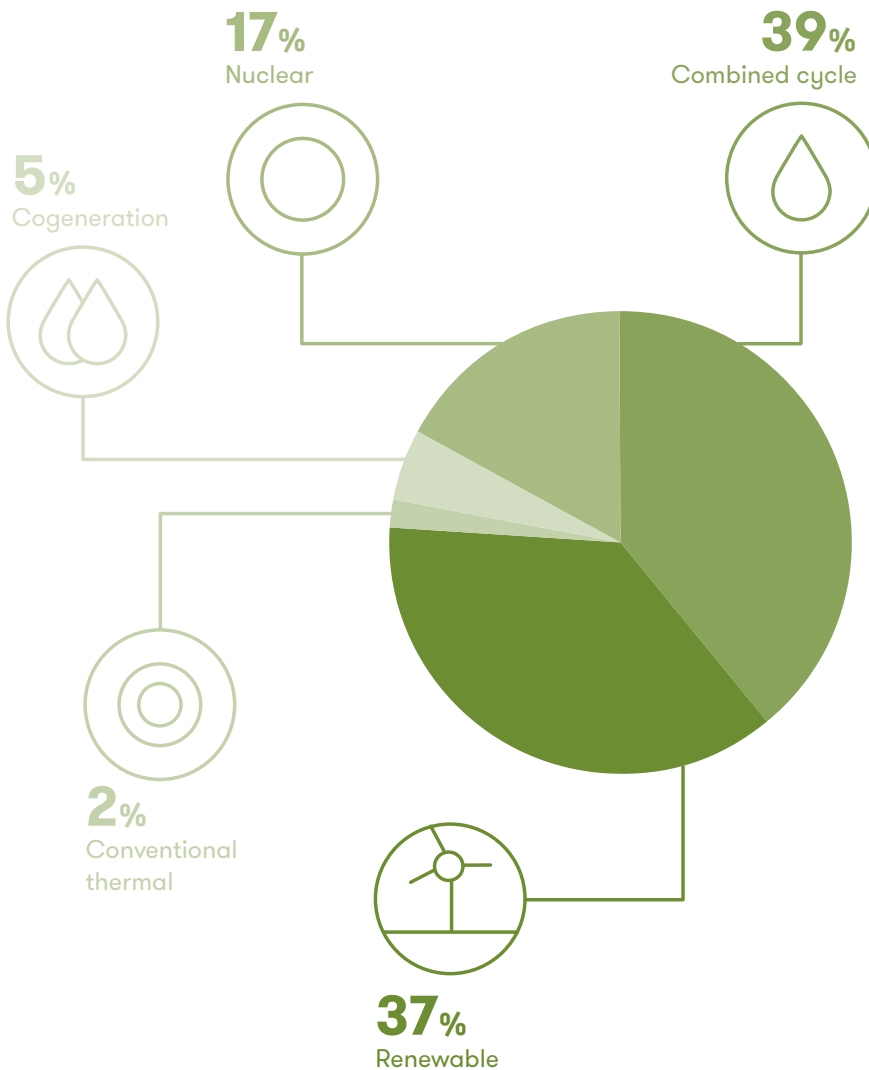


Power transmission and distribution

Construction, operation and maintenance of electrical lines, substations, transformer centres and other infrastructure, to transfer electrical power from production centres to the end user.

Generating plants*

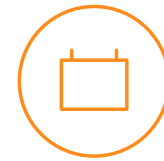
* % of 2017 net output



Electric grids*

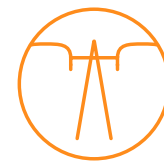
* At 31 December 2017

Overhead lines



4,000

High and medium voltage transformer substations



48,088 km
of transmission lines



911,474 km
of distribution lines



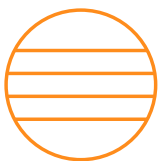
Retail sale of energy

Supply to end users of energy and additional products and services.

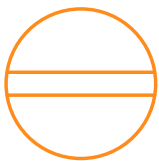
Underground lines



1.5 million
Medium to low voltage distribution transformers



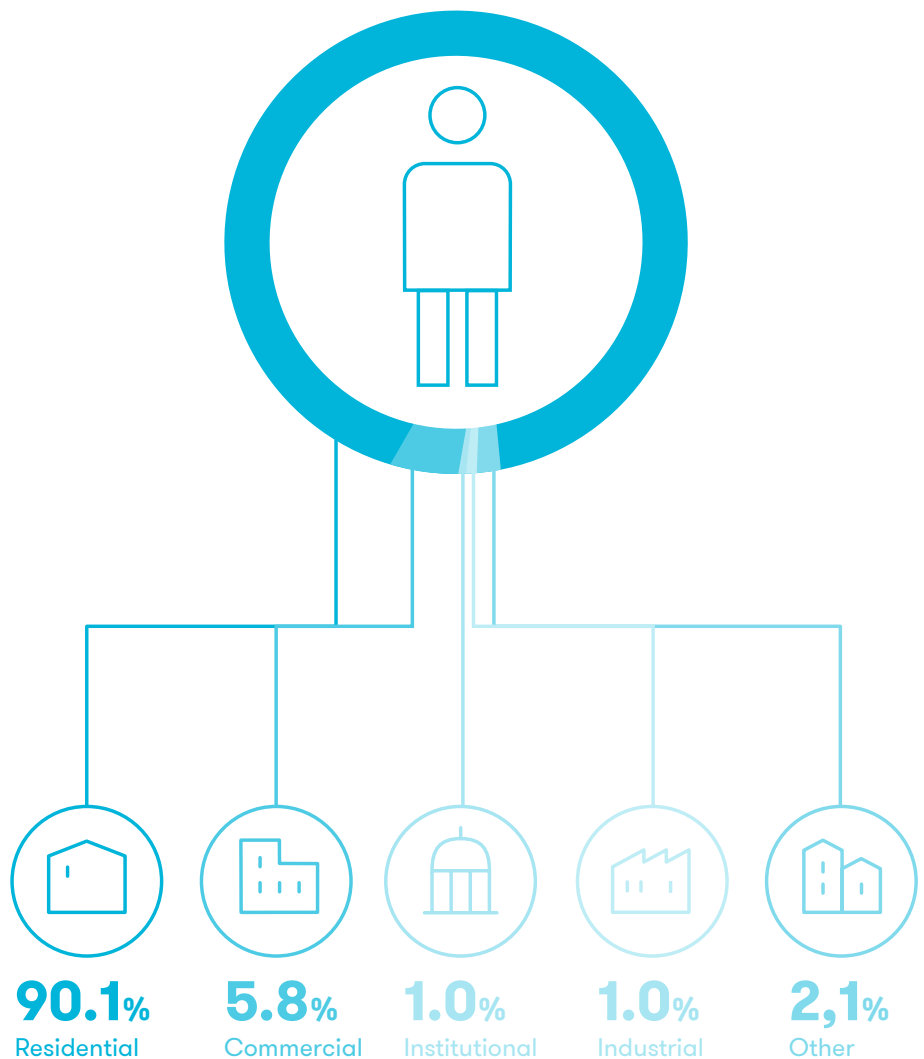
1,999 km
of transmission lines



195,050 km
of distribution lines

Users*

* % by sector at 31 December 2017



2.6 Strategic Foundations

for 2018-2022

Market conditions

Compared to prior forecasts, the current scenario for the energy markets during the 2018-2022 period calls for slightly higher electricity prices in Spain and the United Kingdom during the first two years of the period, explained by an increase in fuel prices. Over the longer term, the forecasts are for continued stability in prices.

The energy policies of the countries in which the Group does business continue to encourage investment in generation technologies based on renewable sources as well as the expansion, modernisation and digitisation of networks for the integration of elements of distributed generation and new renewable generation capacity.

Within this context, the diversification of businesses and countries will allow the company to develop its strategy of growth and value creation.

Challenges and opportunities

Challenges

- Decarbonisation in the energy sector. Demand for cleaner and more sustainable energy.
- Management of a scenario of constant prices for energy in the medium term.
- Attainment of higher efficiency levels in all businesses, applying innovation and digitisation in operations.
- Regulatory management in all businesses, with special emphasis on transmission and distribution businesses, and in the development of the single market in Europe.
- Implementation of an investment plan focused on growth in the businesses of regulated networks, renewables and long-term contracted generation.

Opportunities

- Balanced business model focused on regulated activities and renewable generation.
- Significant experience in the development and construction of network and emission-free generation projects.
- International diversification with a presence in countries with stable and predictable regulatory frameworks that require investment in the electricity and gas sectors.
- High quality of assets.
- Proven management capacity, culture of efficiency and results.
- Culture of innovation to implement digitisation in relation to customers and the development of new products and services.

Growth vectors 2018-2022

Investments

- United States: The company, through Avangrid, will continue with new onshore wind developments, taking advantage of the extension of tax credits to 2020, and is developing a significant portfolio of offshore wind projects. It is also facing growth in the area of distribution networks as well as in transmission.
- Mexico: It will consolidate its position as the largest private power generator in Mexico, through new plants under long-term contract with the Federal Electricity Commission (*Comisión Federal de Electricidad*) (CFE), and also taking advantage of the opportunities arising from the liberalisation of the sector.

- United Kingdom: Iberdrola continues with its growth phase in the power transmission and distribution businesses and with the start-up of onshore and offshore renewable energy projects. Offshore wind will gain significance beginning in 2019.
- Brazil: Strengthened growth in renewables, maintaining its position as largest electricity distributor by number of customers.
- Spain: Maintenance and improvement of facilities. Growth in smart grids.

Operational efficiency

- In all areas of activity, with a plan to save €1,300 million over the period.

Strategic pillars

Iberdrola's proposed creation of value for the 2018-2022 period is supported by five strategic pillars: investment in projects with long-term profitable growth, operational excellence, a customer-focused business model, optimisation of capital invested, and finally, innovation and digitisation to optimise costs and create new opportunities within all of the businesses.

1. Balanced growth

The company will undertake a number of initiatives to develop this strategy, as described below:

- Decarbonisation policies and technological change play an important role, as they will encourage significant investments in renewable generation and networks, supporting the growth of these businesses and contributing to improvements in efficiency.
- Within this context, net investment will reach €32,000 million, an increase of €2,000 million compared to the prior plan, excluding Neoenergia. Investments in Brazil reach a total of €5,000 million, which will be one of the engines for growth.
- The investments are focused on business and countries with stable and predictable regulatory frameworks; 90% of which will be dedicated to regulated activities or long-term contracts.
- Of the €32,000 million in planned investments, 75% are for projects secured as of today's date or that are highly likely to be executed.
- Electric power transmission and distribution networks will absorb 50% of net investments, €15,500 million. Of the overall amount, 37% and 4%, respectively, will be dedicated to renewable energy and long-term contracted generation. 9% of the total will be invested in the Wholesale and Retail business.
- Geographically, Iberdrola will concentrate the bulk of its growth in the international area. By currency, 38% will be invested in dollars, 19% in pounds Sterling, 25% in the Euro zone and 18% in Brazilian reais.

Investments continue to be concentrated on regulated activities and long-term contracts, which represent 90% of the total investment. By business, Networks will absorb 50%, €15,500 million.

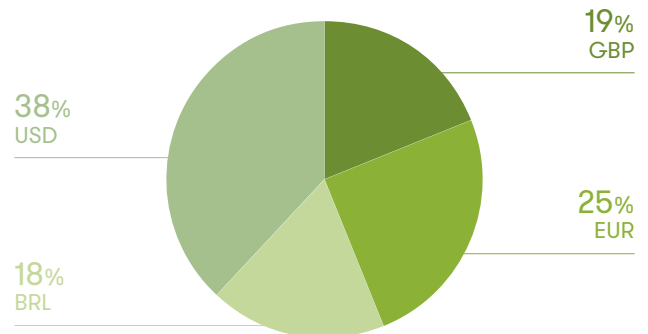
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Investment by business and currency 2018-2022

Investments of the Businesses⁽¹⁾



Investment by Currency



(1) Excluding Investments of the Corporation.

(2) Including hydroelectric.

2. Financial strength

Net Profit reached 2,804 million euros in 2017, with growth of 3.7% thanks to the group's business model, in a year that was strongly affected by poor hydraulic conditions and the situation in the United Kingdom wholesale and retail markets.

The positive impact of the United States tax reform, together with the gain from the Gamesa-Siemens merger, were mainly allocated to provisions and to adjust the value of certain assets. This will allow us to improve the group's future results.

Consolidated EBITDA decreased by 7.8% to €7,318.7 million, with a good showing by the Networks business thanks to the United States and Brazil (positively affected by the inclusion of Neoenergia) and contracted generation in Mexico, which was overcome by the impacts explained above.

This reported EBITDA includes €203 million of provisions for the efficiency plan 2018; adjusted EBITDA is thus €7,522 million.

During the 2018-2022 plan, the company will continue to grow and increase in profitability, reaching EBITDA of between €11,500 million and €12,000 million by 2022, and net profit of between €3,500 million and €3,700 million based on currently estimated exchange rates.

80% of EBITDA will come from regulated activities or long-term contracts, 35% in euros, 29% in dollars, 20% in pounds and 16% in Brazilian reais.

The profile of the company's businesses, together with a balanced investment plan, will allow for sustained growth in EBITDA and Net Profit.

- Funds from operations (FFO) will grow 34% compared to the prior Plan, to €4,200 million for the 2018-2022 period, amply exceeding the investments of all of the businesses, which will reach a total of €32,000 million.
- Maintenance of the current financial model to provide subsidiaries with an optimal capital structure giving appropriate financial signals and which is consistent with an investment grade rating, while respecting current guidelines for structural subordination.
- Optimisation of liquidity position (around €8,000 - €10,000 million, with a margin to increase it if necessary) to current market conditions in order to improve financial costs, maintaining 18 months of coverage even during stress scenarios. Neoenergia has its own liquidity policy covering 12 months of financial requirements.

- Strengthening of solvency ratios, affected in 2017 by the lower hydroelectric activity, the consolidation of Neoenergia and the growing investments, thanks to the increase in EBITDA and FFO. Based on the foregoing, it is estimated that the FFO/Net Debt ratio will reach 24% by 2022.

...resulting in the company proposing a sustainable shareholder remuneration policy linked to the growth in results.

3. Sustainable dividend

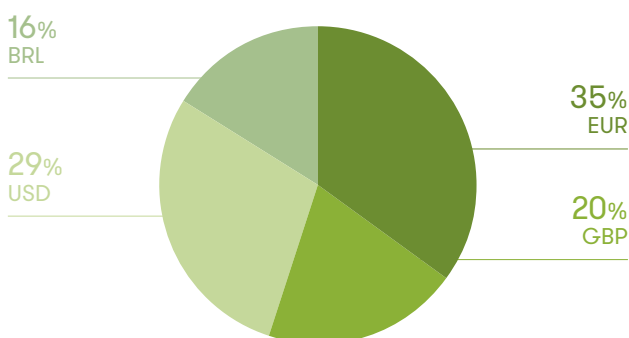
- Thanks to the strength of the results obtained, the company has announced a proposal to immediately increase the annual dividend to 0.323 euro per share with a charge to financial year 2017.
- Shareholder remuneration will continue to grow in line with results, maintaining a pay-out ratio between 65% and 75%, which would mean reaching a dividend per share of approximately 0.40 euro per share by 2022.

EBITDA by business (forecast to 2022)



(1) Including hydroelectric.

EBITDA by currency (forecast to 2022)



2.7. Capital/Business

Relationship

The value created by the business strategy and model of Iberdrola translates into an increase in the value of its capital, which in turn feeds back into a cycle of value creation, thus efficiently inter-relating the operations of the businesses and the capital of the company. The chart below shows its strategic focus for each Chapter and quantifies an

aspiration or achievement of the company in this area.

This process creates shared value for both Iberdrola and for its Stakeholders, and constitutes a main vector for achieving the company's goal to offer a reliable, high-quality and environmentally-friendly energy supply.



(1) Data from a Study of Iberdrola's Impact, prepared by PwC, based on 2016 figures. Includes indirect and induced impacts.

2.8 Comparative Results

and Awards

Comparative analysis*

Comparative economic /financial variables 2017

Growth in EBITDA

CAGR (%)	Average comparables	Iberdrola
31-Dec.-07 / 31-Dec.-17	-1.0%**	2.8%

Growth in stock market capitalisation

Total growth (%)	Average comparables	Iberdrola
31-Dec.-07 / 31-Dec.-17	-49.6%	-21.4%

10 years ago, Iberdrola held fifth place among comparable companies in terms of capitalisation. It is now in second place.

Share price

Total growth (%)	Average comparables	Eurostoxx Utilities	Iberdrola
31-Dec.-07 / 31-Dec.-17	-70.4%	-55.5%	-37.9%

* Comparable companies analysed: Engie, EDF, E.On, Enel, RWE. ACGR: Annual Compound Growth Rate, i.e. weighted average annual growth.

** For Engie, Enel, E.ON and RWE, the 2017 EBITDA figures are the estimates published by Bloomberg, due to the lack of final closing figures on the date of preparation of this document. In addition, for Engie, the 2007 figure is for GDF (prior to the merger of GDF and Suez SA).

Comparative performance of total shareholder return

Return (%)	Average comparables	Eurostoxx Utilities	Iberdrola
31-Dec.-07 / 31-Dec.-17	-44.5%	-28.47%	-8.68%

Iberdrola's performance

Over the last 10 years, Iberdrola increased its assets by 60%, increased its revenues 70%, increased its EBITDA by 40%, and increased its net profit by 20% and shareholder remuneration by 20%, while maintaining its financial strength.

Iberdrola	31-Dec.-07	31-Dec.-17	Multiple
Assets (€M)	67,532	110,689	1.6×
Revenues (€M)	17,468	31,263	1.8×
EBITDA (€M)	5,538	7,319	1.4×
Net Profit (€M)	2,354	2,804	1.2×
Dividends ⁽¹⁾ (€/share)	0.26	0.312	1.2×
Net Debt/EBITDA	3.9	4.5	1.2×

(1) Not including the bonus for attending the General Shareholders' Meeting



Ignacio S. Galán
Address by Iberdrola's
chairman & CEO at Davos
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External awards

For the company:

- Best Corporate Governance in Spain (World Finance): 2017, 2015, 2014 and 2012.
- Best Business Models in Europe (Morgan Stanley): 2017.
- World's Most Ethical Company Index (Ethisphere Institute): 2018, 2017, 2016, 2015 and 2014.
- Business Transparency 2017 Award, from the Spanish Accounting and Business Administration Association (Asociación Española de Contabilidad y Administración de Empresas, or AECA).
- Leading Ibex 35 company in the tax transparency ranking 2017, from *Fundación Compromiso y Transparencia*.

© Other Awards
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For the chairman & CEO:

- Business Leadership Award (Vocento): 2017.
- Best European Utility CEO (Institutional Investor Research): 2017, 2016, 2015, 2014, 2013 and 2011.
- Commander of the Most Excellent Order of the British Empire: 2014.
- Honorary Doctorate from the Universities of Salamanca (2011), Strathclyde (2013) and Edinburgh (2011).

For other members of the company:

- Best European Utility CFO (Institutional Investor Research): 2017, 2016, 2015, 2014, 2013, 2012 and 2011.
- Best European Utility Investor Relations (Institutional Investor Research): 2017, 2016, 2015, 2014, 2013, 2012 and 2011.