IBERDROLA INTERNATIONAL B.V.

5 de Diciembre de 2001

Como continuación a nuestra Comunicación Previa de fecha 4 de Diciembre de 2001, presentada en los Registros de esa Comisión el 5 de Diciembre de 2001, adjunto nos es grato enviarles como anexo la información que se está distribuyendo a los potenciales inversores institucionales.

Roberto Orjales Venero
Consejero y Apoderado

IIIA Press Release

Iberdrola to issue € 740,000,000 Bonds exchangeable into ordinary shares of Repsol

Issuer	Iberdrola International B.V.
Guarantor	Iberdrola, S.A. (rated A1/A+)
Underlying Shares	Repsol YPF S.A.
Status of the Guarantee	Senior
Principal Amount	€740 MM excluding Greenshoe
Greenshoe	€110 MM
Issue Price	100%
Redemption Price	103.8% - 105.3%
Denomination	€200,000 and integral multiples thereof
Maturity	3 years (December 28, 2004)
Investor Put	2 years (December 28, 2003) at accreted value
Coupon	Zero
Yield	1.25 - 1.75% (annual)
Exchange Premium	38% - 43%
Call Feature	Non-callable for the first 2 years. Callable thereafter, subject to 130% call hurdle
Cash Option	Yes
Sales Restrictions	Regulation S only. No sales in the US and The Netherlands
Listing of the Notes	The Notes will be listed in Luxembourg after settlement
Settlement	Euroclear and Clearstream
Trade Date	Expected December 5, 2001
Closing/Settlement Date	December 28, 2001
Syndicate	Bookrunner: Morgan Stanley
	Co-Bookrunners: BBVA, Goldman Sachs

Stabilisation/FSA