



Julián Martínez-Simancas  
General secretary and secretary of the Board of Directors

Bilbao, 27 March 2012

## To the National securities Market Commission

### **SUBJECT: Issuance of notes in the euromarket and exchange of notes**

Dear Sirs,

Pursuant to article 82 of Law 24/1988, of July 28, on the Securities Market (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we are pleased to inform you that Iberdrola, S.A. ("**Iberdrola**"), through its subsidiary Iberdrola International B.V., has closed as of the date hereof an issuance of notes in the euromarket guaranteed by Iberdrola, for an amount of 1 billion euros (the "**Notes**").

The Notes mature on 11 October 2018, have an annual coupon of 4.25% and are being issued at a price of 99.766% of their nominal value.

The issuance of the notes has been managed by Barclays Bank plc and distributed by Banco Español de Crédito, S.A., Barclays Bank plc, Caixabank, S.A., HSBC Bank plc., Intesa SanPaolo Spa, Morgan Stanley & Co. International plc and Royal Bank of Scotland plc.

The Notes will be exchanged, in whole or in part, for some of the notes set out below which Barclays Bank plc may acquire as a result of a tender offer made by Barclays Bank plc as at the date hereof, pursuant to the terms and conditions set forth in the relevant Tender Offer Memorandum dated 27 March 2012:

#### **Notes issued by Iberdrola International B.V.**

- 750,000,000 € 4.875% guaranteed notes due 2013 (ISIN Code XS0163023848) (Series 37).

#### **Notes issued by Iberdrola Finanzas, S.A. Unipersonal**

- 1,000,000,000 € 5.125% guaranteed notes due 2013 (ISIN Code XS0362224254) (Series 76).
- 1,500,000,000 € 4.875% guaranteed notes due 2014 (ISIN Code XS0415108892) (Series 82).

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- 1,150,000,000 € 7.50% guaranteed notes due 2015 (ISIN Code XS0400006234) (Series 80).

Please be advised of all of the foregoing for the appropriate purposes.

Yours faithfully,

IBERDROLA, S.A.

General secretary and secretary of the Board of Directors



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General secretary and secretary of the Board of Directors

## IMPORTANT INFORMATION

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 exception 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 public documents sent by Iberdrola, S.A. to the National Securities Market Commission (*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 subsequent oral or written forward-looking statements 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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