IBERDROLA

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

Bilbao, January 25, 2012

To the National Securities Market Commission

Subject: **Issuance of notes in the Swiss market**

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 today Iberdrola, S.A. ("**Iberdrola**"), through its subsidiary Iberdrola International B.V., has closed an issuance of notes in the Swiss market guaranteed by Iberdrola, S.A. The initial amount of the issuance is 250 million Swiss francs.

The notes mature on February 13, 2017, have an annual coupon of 3.00% and are being issued at a price of 100.429% of their nominal value.

The issuance of the notes has been managed and distributed by BNP Paribas Suisse, S.A. and Credit Suisse AG.

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

Yours faithfully,

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 exemption from registration.