



Julián Martínez-Simancas
Secretary of the Board of Directors

Bilbao, 8 September 2016

To the National Securities Market Commission

Subject: Issuance of notes in the euromarket

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, on the date hereof, Iberdrola International B.V.¹ has closed an issuance of notes in the euromarket, guaranteed by Iberdrola, S.A., for an amount of EUR 700 million (the "**Notes**").

The Notes mature on 15 September 2025, have an annual coupon of 0.375 % and are being issued at a price of 98.946 % of their nominal value.

The issuance of the notes has been placed by Banco Bilbao Vizcaya Argentaria, S.A., Banco Santander, S.A., Crédit Agricole Corporate and Investment Bank, Commerzbank Aktiengesellschaft, Deutsche Bank AG, London Branch, JP Morgan Securities plc, Morgan Stanley & Co. International plc, and UBS Limited.

This information is provided to you for the appropriate purposes.

Yours faithfully,

Secretary of the Board of Directors

¹ Company wholly owned by Iberdrola, S.A.

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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.

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