



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

Bilbao, 17 September 2012

To the National Securities Market Commission

Re: Increase of issuance of notes in the euromarket

Dear Sirs,

Pursuant to article 82 of Law 24/1998, of July 28, on the Securities Market (*Ley 24/1998, 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 increase of the issuance of notes in the euromarket which our notice of significant event dated 10 September 2012 and with entry registry number 173,411 referred to (the "**Notes**"), guaranteed by Iberdrola, for an amount of 250 million euro at an issue price of 102.10 % of their nominal value, in light of the present favourable market conditions and the great demand for the Notes. After giving effect to this increase, the Notes have an aggregate nominal amount of 1,000 million euro, mature on September 2017 and have an annual coupon of 4.50%.

The issuance of the notes has been managed and distributed by BNP Paribas, Citigroup Global Markets, Commerzbank, J.P. Morgan Securities and Mitsubishi UFJ Securities International.

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

Yours faithfully,

General secretary and secretary of the Board of Directors

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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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