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

Bilbao, September 10, 2012

To the National Securities Market Commission

Re: Issuance of notes in the euromarket

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 750 million euro (the "**Notes**").

The Notes mature on September 2017, have an annual coupon of 4.5 % and are being issued at a price of 99.536% of their nominal value.

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

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.