



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

Bilbao, 15 October 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 28 July, 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 today an issuance of notes in the euromarket guaranteed by Iberdrola for a principal amount of 400 million 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 100.060 % of their nominal value.

The Notes will be consolidated with the existing notes of Series 100 Tranche 1 issued on 11 April 2012 for an amount of 1,000 million euros, which have the same annual coupon and maturity date, and which will altogether form a single series for a total principal amount of 1,400 million euros.

The issuance of the Notes has been managed and distributed by Crédit Agricole Corporate and Investment Bank, Merrill Lynch International and Mizuho International plc.

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.