



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

To the National Securities Market Commission

Bilbao, July 9, 2010

Re: Revolving credit agreement for an amount of 2,000,000,000.00 euros

Dear sirs:

Pursuant to the provisions of Section 82 of Act 24/1988, of July 28, on the Securities Markets (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) and related provisions, we hereby inform you that Iberdrola, S.A. (“**Iberdrola**”) executed yesterday a revolving credit agreement with a syndicate of national and foreign credit entities, for an amount of two thousand (2,000) million euros and a five (5)-year maturity (the “**Credit Agreement**”).

The Credit Agreement contemplates an interest rate of Euribor plus a margin of seventy-five basis points (0,75%) annually, adjustable based on the variations of the rating of Iberdrola, and a commitment fee of thirty-five (35) per cent. of the applicable margin. The Credit Agreement allows, at the option of Iberdrola, an additional syndication that may increase the amount of the Credit Agreement up to five hundred (500) million euros, allowing the entry of new entities to the syndicate.

Please be advised of all the foregoing for such purposes as may be appropriate.

Sincerely,

The General Secretary and Secretary of the Board of Directors

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

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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