



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

Bilbao, March 30, 2011

To the National Securities Market Commission

Re.: Issuance of notes in the euromarket

Dear Sirs,

Pursuant to Section 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 FINANZAS, S.A. (UNIPERSONAL), has closed as of the date hereof an issuance of notes in the euromarket, guaranteed by Iberdrola, out of its Euro Medium Term Note Programme for an amount of 750 million Euros.

The Notes mature on April 7, 2017, have an annual coupon of 4,625% and are being issued at a price of 99,923% of their nominal value.

The issuance of the notes has been managed and distributed by BARCLAYS BANK PLC, CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK, J.P. MORGAN SECURITIES LTD., LLOYDS TSB BANK PLC, BANCO SANTANDER, S.A. and THE ROYAL BANK OF SCOTLAND PLC.

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

Yours truly,

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 according to an effective registration statement under the Securities Act or according to a valid exemption from registration.