



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

To the National Securities Market Commission

Bilbao, January 24, 2011

Re: Issuance of notes in the Euromarket by Iberdrola Finanzas, S.A. guaranteed by Iberdrola, S.A.

Dear Sirs,

We are pleased to inform you that Iberdrola, S.A., through its subsidiary Iberdrola Finanzas, S.A.¹, has closed as of the date hereof an issuance of notes in the euromarket guaranteed by Iberdrola, S.A., out of its Euro Medium Term Note Programme, for an amount of seven hundred and fifty (750) million Euros.

The Notes mature on February 2014, have an annual coupon of 3.875% and are being issued at a price of 99.695% of their nominal value.

The issuance of the notes has been managed and distributed by Banco Español de Crédito, S.A., BNP Paribas, Citigroup Global Markets Limited, Mitsubishi UFJ Securities International PLC and Morgan Stanley.

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

¹ IBERDROLA, S.A. holds 100% of this company.

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.