



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

Bilbao, January 18, 2012

To the National Securities Market Commission

SUBJECT: 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 Finanzas, S.A. (Unipersonal), has closed today an issuance of notes in the euromarket guaranteed by Iberdrola, under its Euro Medium Term Note Programme, for an amount of 400 million Euros.

The notes mature on January 25, 2016, have an annual coupon of 4.75% and are being issued at a price of 101.239% of their nominal value. Such notes will be consolidated with the existing notes issued on October 25, 2011 for an amount of 600 million Euros, which have the same annual coupon and maturity date, and which will altogether form a single series for a total amount of 1,000 million Euros.

The issuance of the notes has been managed and distributed by Bayerische Landesbank, Deutsche Bank AG London Branch, JP Morgan Securities Limited and Banco Santander, S.A.

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.