



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

Bilbao, 13 September 2010

To the National Securities Market Commission

Re: Issuance of Notes in the Euromarket

Dear Sirs,

Following the price sensitive information notice dated 2 September 2010 in connection with the exchange and tender offers launched on said date by Iberdrola Finanzas, S.A. (Unipersonal) –a wholly owned subsidiary of Iberdrola, S.A.– and BNP Paribas, respectively, described in the above mentioned notice, we hereby inform you that Iberdrola Finanzas, S.A.(Unipersonal) has closed an issuance of notes in the Euromarket, guaranteed by Iberdrola, S.A., out of its *Euro Medium Term Note Programme*, for an amount of 600 million Euros (436.4 million Euros of which will be issued in consideration for the redemption of the notes Series 79 due 2011 and 163.6 million Euros will be issued in consideration for the redemption of the notes Series 76 due 2013).

The Notes mature on March 2010, have an annual coupon of 4.125% and are being issued at a price of 100.002% of their nominal value.

Yours faithfully,

General Secretary and Secretary of the Board of Directors

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