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Iberdrola has completed its fifth green bond issue worth 1,000 million euros

- **It matures in March 2025 with a coupon payment of 1% and has been placed amongst major international investors, with a significant involvement of 'green' investors**
- **The funds obtained, the responsible use of which has been validated by independent agency Vigeo Eiris, will be earmarked to finance investments already made in the Wikinger offshore wind farm and to refinance other wind farms in Spain**

Iberdrola has successfully completed a *green* bond issue on the Euromarket, with proceeds earmarked to refinance investment in the Wikinger offshore wind farm - which the company is developing in German waters of the Baltic Sea - as well as other, onshore wind farms in Spain.

The issue amounted to 1,000 million euros, maturing in March 2025. The coupon has been set at 1%, which was made possible by achieving a 65 basis point spread over the mid-swap.

The cost of the operation is very competitive given the volume reached, as well as the current market climate, characterised by uncertainty over interest rate trends and by current political risks - with particular sensitivity to the upcoming elections in France. The operation was executed in a most satisfactory manner, underpinned by strong interest from fixed income investors and its *green nature*.

The operation has improved the conditions of the latest issue by Iberdrola in December and has been driven by the results for 2016 and the updated Strategic Perspectives 2016-2020 announced last week in London.

Iberdrola thus continues making headway in its strategy to make a large proportion of its liability 'green', in accordance with the company's commitment to a low-carbon energy mix. The group was the world's largest green issuer, at company level, in 2016.

The demand for today's operation exceeded 2,300 million euros in the initial phase, thereby allowing placement to be increased to 1,000 million euros, which was initially scheduled for 750 million euros. Over 100 investors will be taking part in the issue.

Accordingly, *green* bonds tend to generate greater demand since they attract the interest of Socially Responsible Investors (SRI). Indeed, a large part of the operation has been subscribed by this type of investors, enabling Iberdrola to continue to both diversify its investment base and increase demand, thereby enhancing the execution of such operations during volatile periods of trading.

A key feature of *green* bonds is that the funds obtained are used for sustainable, socially responsible projects - a use that is certified by an independent validating agency, Vigeo Eiris.

Today's issue is Iberdrola's fifth public issue of this type and builds on the success attained both in April 2014, when the company became the first Spanish company to complete a placement of green bonds and, subsequently, the issues made in April, September and December 2016.

Iberdrola thus became the worldwide company that issued most green bonds in 2016.¹ What is more, a few weeks ago the group became the world's first energy company to arrange a *green* loan, from BBVA, amounting to 500 million euros.

As with the bond issued today, Vigeo acknowledged then that the projects for which the obtained resources will be used are in line with the following UN Sustainable Development Goals (SDGs), which Iberdrola has incorporated into its strategy: number 7 - Clean, Affordable Energy - and number 12 - Responsible Production and Consumption.

About Vigeo Eiris

Vigeo Eiris was founded in 2002 and have established themselves as Europe's leading experts in assessing practices and behaviours of companies and public corporations in the areas of environment, social responsibility and good governance.

The agency evaluates the commitment of companies and public corporations in meeting environmental, social and corporate governance objectives which are considered to be both risk factors and business opportunities when defining and developing corporate strategy.

In a release on Iberdrola, Vigeo Eiris highlighted that the Group meets all international requirements in terms of sustainable development and that it is positioned amongst the top-rated corporations assessed by Vigeo within the utilities industry.

¹ Source: The Climate Bonds Initiative