

FINAL TERMS

Final Terms dated 23 January 2015

Iberdrola International B.V.

(incorporated with limited liability in The Netherlands and having its corporate seat in Amsterdam)

Issue of

EUR 600,000,000 1.125% Notes due 27 January 2023

Guaranteed by
Iberdrola, S.A.

Under the EUR 20,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of Notes issued by Iberdrola International B.V. set forth in the Base Prospectus dated 25 June 2014 and the supplement to the Base Prospectus dated 12 August 2014 which together constitute a base prospectus for the purposes of the Prospectus Directive (the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Final Terms have been published on the website of the Luxembourg Stock Exchange at www.bourse.lu. and are available for viewing at the registered office of the Issuer at Rapenburgerstraat 179D, 1011 VM Amsterdam, The Netherlands, and of the Fiscal Agent at The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom and copies may be obtained from the Fiscal Agent at its aforementioned registered address.

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| 1. | (i) Series Number: | 108 |
| | (ii) Tranche Number: | 1 |
| | (iii) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 2. | Specified Currency or Currencies: | Euro (“€”) |
| 3. | Aggregate Nominal Amount admitted to trading: | €600,000,000 |
| 4. | Issue Price: | 99.393 per cent. of the Aggregate Nominal Amount. |
| 5. | Specified Denominations: | €100,000 and integral multiples of €100,000 thereafter |
| 6. | (i) Issue Date: | 27 January 2015 |

(ii)	Interest Commencement Date:	Issue Date
7.	Maturity Date:	27 January 2023
8.	Interest Basis:	1.125 per cent. Fixed Rate (see item 12 debajo de)
9.	Change of Interest Basis:	Not Applicable
10.	Put/Call Options:	Change of Control Put Option (see paragraph 17 debajo de)
11.	Date Board approval for issuance of Notes obtained:	14 January 2015

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12.	Fixed Rate Note Provisions	Applicable
(i)	Rate of Interest:	1.125 per cent. per annum payable in arrear on each Interest Payment Date
(ii)	Interest Payment Date(s):	27 January in each year commencing on 27 January 2016 up to and including the Maturity Date.
(iii)	Fixed Coupon Amount(s):	€1,125 per Specified Denomination
(iv)	Broken Amount(s): <i>(Applicable to Notes in definitive form)</i>	Not Applicable
(v)	Day Count Fraction:	Actual/Actual(ICMA)
(vi)	Determination Dates:	27 January in each year
13.	Floating Rate Note Provisions	Not Applicable
14.	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

15.	Call Option	Not Applicable
16.	Put Option	Not Applicable
17.	Change of Control Put:	Applicable
(i)	Optional Redemption Amount:	100% per Calculation Amount
(ii)	Notice periods:	As per Conditions
18.	Final Redemption Amount	€100,000 per €100,000 in nominal amount
19.	Early Redemption Amount	

Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default and/or the method of calculating the same (if required or if different from that set out in Condition 6):

As per Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 20. | (a) | Form of Notes: | Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note. |
| | (b) | New Global Note: | Yes |
| 21. | | Financial Centre(s) or other special provisions relating to Payment Dates: | TARGET2 Business Days |
| 22. | | Talons for future Coupons to be attached to Definitive Notes: | No |
| 23. | | Consolidation provisions: | Not Applicable |

Signed on behalf of the Issuer:

Signed on behalf of the Guarantor:

By:

By:

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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| (i) | Admission to trading: | Application has been made for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from 27 January 2015. |
| (ii) | Estimate of total expenses related to admission to trading: | €4,960 |

2. RATINGS

Ratings:	The Notes to be issued have been rated:
	S&P: BBB
	Moody's: Baa1
	Fitch: BBB+

S&P, Moody's and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009 (as amended). As such, each of S&P, Moody's and Fitch is included in the list of credit rating agencies published by the European Securities and Market Authority on its website in accordance with such Regulation.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.

4. FIXED RATE NOTES ONLY – YIELD

Indication of yield:	1.205 per cent.
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This yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

ISIN Code:	XS1171541813
Common Code:	117154181

Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): Not Applicable

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

Intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (ICSDs), being Euroclear and Clearstream, Luxembourg, as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

6. DISTRIBUTION

- (a) Method of distribution: Syndicated
- (b) If syndicated, names of Managers: Banco Bilbao Vizcaya Argentaria, S.A.
Bankia, S.A.
Credit Suisse Securities (Europe) Limited
ING Bank N.V.
UniCredit Bank AG
- (c) Date of Subscription Agreement: 23 January 2015
- (d) Stabilisation Manager(s) (if any): Banco Bilbao Vizcaya Argentaria, S.A.
- (e) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D