

FINAL TERMS dated 31 March 2008

**Iberdrola Finanzas, S.A.U.**  
(incorporated with limited liability in Spain)

Issue of  
JPY 3,000,000,000 2.67% Fixed Rate Notes due 31 March 2023 (the "Notes")

Guaranteed by  
**Iberdrola, S.A.**

Under the EUR20,000,000,000  
**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 Finanzas, S.A.U. set forth in the Base Prospectus dated 27 July 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). 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. 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 is available for viewing at the registered office of the Issuer (calle Cardenal Gardoqui, no. 8 at Bilbao, Spain) and at the office of the Paying Agents and copies may be obtained from the Issuer and the Paying Agents

1. (i) Issuer:	Iberdrola Finanzas, S.A.U.
(ii) Guarantor:	Iberdrola, S.A.
2. (i) Series Number:	75
(ii) Tranche Number:	1
3. Specified Currency or Currencies:	JAPANESE YEN ("JPY")
4. Aggregate Nominal Amount admitted to trading:	
(i) Series:	JPY 3,000,000,000
(ii) Tranche:	JPY 3,000,000,000
5. Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6. Specified Denominations:	JPY 100,000,000
7. (i) Issue Date:	31 March 2008
(ii) Interest Commencement Date:	31 March 2008
8. Maturity Date:	31 March 2023, subject to adjustment in accordance with the Business Day Convention
9. Interest Basis:	2.67 % Fixed Rate
10. Redemption/Payment Basis:	Redemption at par
11. Change of Interest or Redemption/Payment Basis:	Not Applicable
12. Put/Call Options:	Not Applicable
13. (i) Status of the Notes:	Senior
(ii) Status of the Guarantee:	Senior
(iii) Date Joint Administrators approval for issuance of Notes obtained:	25 March 2008

14. Method of distribution:	Non-syndicated
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>	
<b>15. Fixed Rate Note Provisions</b>	Applicable
(i) Rate(s) of Interest:	2.67 per cent. per annum payable annually in arrear
(ii) Interest Payment Date(s):	31 March in each year
(iii) Fixed Coupon Amount(s):	EUR 2,670,000 per JPY 100,000,000 in nominal amount
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	30/360, unadjusted
(vi) Determination Dates:	Not Applicable
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
<b>16. Floating Rate Note Provisions</b>	Not Applicable
<b>17. Zero Coupon Note Provisions</b>	Not Applicable
<b>18. Index/Formula-linked Note/other variable-linked interest Note Provisions</b>	Not Applicable
<b>19. Dual Currency Note Provisions</b>	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>	
<b>20. Call Option</b>	Not Applicable
<b>21. Put Option</b>	Not Applicable
<b>22. Final Redemption Amount</b>	JPY 100,000,000 per Note of JPY 100,000,000 Specified Denomination
<b>23. Early Redemption Amount</b>	As set out in the Conditions
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):	
<b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>	
24. (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:	No
25. Financial Centre(s) or other special provisions relating to Payment Dates:	London, Tokyo and TARGET
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and	Not Applicable

consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	
28 Details relating to Instalment Notes: amount of each instalment date on which each payment is to be made:	Not Applicable
29. Redenomination, renominatisation and reconventioning provisions:	Not Applicable
30. Consolidation provisions:	Not Applicable
31. Other terms:	Not Applicable

#### DISTRIBUTION

32. (i) If syndicated, names of Managers:	Not Applicable
(ii) Stabilising Manager (if any):	Not Applicable
33. If non-syndicated, name of Dealer:	BNP PARIBAS
34. Additional selling restrictions:	Not Applicable

#### PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR20,000,000,000 Euro Medium Term Note Programme of Iberdrola International B.V. and Iberdrola Finanzas, S.A.U. guaranteed by Iberdrola, S.A.

#### RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms

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

(i) Listing:	Luxembourg
(ii) 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 31 March 2008
(iii) Estimate of total expenses related to admission to trading:	EUR 7,000

### 2. RATINGS

Ratings:	The Notes to be issued have been rated: S & P: A- Moody's: A3 Fitch: A+
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### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

### 4. YIELD

Indication of yield:	2.67 per cent. per annum
	The 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:	XS0354615402
Common Code:	035461540
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	No

### 6. GENERAL

Commissioner of Syndicate of Noteholders:	Mr. Roberto Orjales
Applicable TEFRA exemption:	D Rulès