

FINAL TERMS

Final Terms dated 29 January 2013

Iberdrola International B.V.

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

Issue of €1,000,000,000 3.50 per cent. Guaranteed Notes due February 2021 (the “Notes”)

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 14 June 2012 (the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Directive**”) to the extent that such amendments have been implemented in a relevant Member State), and must be read in conjunction with the Base Prospectus and the supplement dated 1 August 2012 (the “**Supplement**”), which together constitute a base prospectus for the purposes of the Prospectus Directive. 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, the Base Prospectus and the Supplement. The Base Prospectus and the Supplement 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 on the Luxembourg Stock Exchange’s website (www.bourse.lu) and copies may be obtained from the Fiscal Agent at its aforementioned registered address.

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| 1. | (i) | Issuer: | Iberdrola International B.V. |
| | (ii) | Guarantor: | Iberdrola, S.A. |
| 2. | (i) | Series Number: | 102 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Euro (“€”) |
| 4. | | Aggregate Nominal Amount admitted to trading: | €1,000,000,000 |
| 5. | | Issue Price: | 99.623 per cent. of the Aggregate Nominal Amount |
| 6. | | Specified Denominations: | €100,000 and integral multiples of €100,000 thereafter |

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|-----|--|---|
| 7. | (i) Issue Date: | 1 February 2013 |
| | (ii) Interest Commencement Date: | 1 February 2013 |
| 8. | Maturity Date: | 1 February 2021 |
| 9. | Interest Basis: | 3.50 per cent. Fixed Rate

(further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest or
Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Change of Control Put Option

(further particulars specified below) |
| 13. | (i) Status of the Notes: | Senior |
| | (ii) Status of the Guarantee: | Senior |
| | (iii) Date Board of Directors
approval for issuance of Notes
obtained: | 17 January 2013 |
| 14. | Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions | Applicable |
| | (i) Rate of Interest: | 3.50 per cent. per annum payable annually in arrear |
| | (ii) Interest Payment Date(s): | 1 February in each year commencing on 1 February 2014 up to and including the Maturity Date. |
| | (iii) Fixed Coupon Amount: | €3,500.00 per €100,000 in nominal amount. |
| | (iv) Broken Amount(s): | Not Applicable |
| | (v) Day Count Fraction: | Actual/Actual (ICMA) |
| | (vi) Determination Dates: | 1 February in each year |
| | (vii) Other terms relating to the
method of calculating interest
for Fixed Rate Notes: | Not Applicable |

16.	Floating Rate Note Provisions	Not Applicable
17.	Zero Coupon Note Provisions	Not Applicable
18.	Index/Formula-linked Note/other variable-linked interest Note Provisions	Not Applicable
19.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20.	Call Option	Not Applicable
21.	Put Option	Applicable (further particulars specified in Condition 6(f))
	(i) Optional Redemption Date(s):	See Condition 6(f)
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	See Condition 6(f)
	(iii) Notice period (if other than as set out the Conditions):	See Condition 6(f)
22.	Final Redemption Amount	€100,000 per €100,000 in nominal amount
23.	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

24.	(i) 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.
	(ii) New Global Note	Yes
25.	Financial Centre(s) or other special	TARGET2 Business Days

provisions relating to Payment Dates:

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

DISTRIBUTION

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| 32. | (i) If syndicated, names of Managers: | Banco Bilbao Vizcaya Argentaria, S.A.
Crédit Agricole Corporate and Investment Bank
Goldman Sachs International
HSBC Bank plc
ING Bank N.V.
Lloyds TSB Bank plc
UniCredit Bank AG |
| | (ii) Stabilising Manager (if any): | HSBC Bank plc |
| 33. | If non-syndicated, name of Dealer: | Not Applicable |
| 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

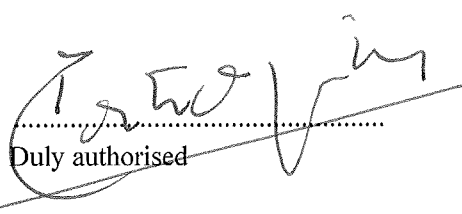
of Notes described herein pursuant to the EUR 20,000,000,000 Euro Medium Term Note Programme of Iberdrola International B.V. guaranteed by Iberdrola, S.A.

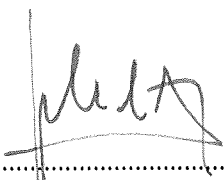

RESPONSIBILITY

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: 
.....
Duly authorised

By:  
.....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Official List of the Luxembourg Stock Exchange
- (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 1 February 2013
- (iii) 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, stable
- Moody's: Baa1, rating watch negative
- Fitch: BBB+, rating watch negative
- S&P, Moody's and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009.

3. YIELD

- Indication of yield: 3.555 per cent. (annual)
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

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

Certain of the Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer, the Guarantor and/or their affiliates in the ordinary course of business. Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. REASONS FOR THE OFFER

See "Use of Proceeds" wording in Base Prospectus

6. OPERATIONAL INFORMATION

ISIN Code: XS0879869187

Common Code: 087986918

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: 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 satisfaction of the Eurosystem eligibility criteria.

7. GENERAL

Applicable TEFRA exemption: D Rules