

IBERDROLA INTERNATIONAL B.V.

Issuer's Notice of redemption to Luxembourg Stock Exchange

To: Société de la Bourse de Luxembourg S.A.
PO Box 165 L-2011
Luxembourg

4 January 2018

Dear Sirs,

Iberdrola International B.V. (the "Issuer") €525,000,000 Undated Deeply Subordinated Reset Rate Guaranteed Securities ISIN XS0808632763 (the "Securities") unconditionally and irrevocably guaranteed on a subordinated basis by Iberdrola, S.A. (the "Guarantor")

All capitalised terms used but not defined in this notice shall have the meaning ascribed thereto in the terms and conditions of the Securities (the "**Terms and Conditions**").

Notice is hereby given to the Luxembourg Stock Exchange, where the Securities are listed.

The Issuer has elected to call and redeem, and will redeem, pursuant to the Issuer's call option under condition 6 (b) (*Issuer's call option*) of the Terms and Conditions, all of its outstanding Securities on 27 February 2018 (the "**Redemption Date**"). The Securities will be redeemed at their principle amount together with any accrued interest up to (but excluding) the Redemption Date and any outstanding Arrears of Interest (the "**Redemption Price**").

Payment of the Redemption Price will be made upon presentation and surrender of the Securities to:

The Bank of New York Mellon, London Branch, as Fiscal and Paying Agent
One Canada Square
London E14 5AL
United Kingdom



By:

Guillermo Colino Salazar

Managing Director