

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (MiFID II); (ii) a customer within the meaning of Directive 2002/92/EC (the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / Professional investors and ECPs only target market – Solely for the purposes of the manufacturers' product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Final Terms dated 30 April 2018

Iberdrola Finanzas, S.A.U.

(incorporated with limited liability in the Kingdom of Spain)

Issue of

NOK800,000,000 Guaranteed Notes due 3 May 2028 (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 Finanzas, S.A.U. set forth in the Base Prospectus dated 28 July 2017 and the supplement to the Base Prospectus dated 16 March 2018, 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. 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 Plaza Euskadi 5, 48009 Bilbao, Spain, 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.

1. (i) Series Number: 123
- (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: Norwegian Krone (“NOK”)
3. Aggregate Nominal Amount admitted to trading:
 - (i) Series: NOK 800,000,000
100.00 per cent. of the Aggregate Nominal Amount.
4. Issue Price:
5. Specified Denominations: NOK 1,000,000
6. (i) Issue Date: 3 May 2018
- (ii) Interest Commencement Date: Issue Date
7. Maturity Date: 3 May 2028
8. Interest Basis: 3.01 per cent. Fixed Rate (see item 12 below)
9. Change of Interest Basis: Not Applicable
10. Put/Call Options: Not Applicable
11. Date Board approval for issuance of Notes obtained: 24 April 2018

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

12. **Fixed Rate Note Provisions** Applicable
 - (i) Rate of Interest: 3.01 per cent. per annum payable in arrear on each Interest Payment Date
 - (ii) Interest Payment Date(s): 3 May in each year commencing on 3 May 2019 up to and including the Maturity Date.
 - (iii) Fixed Coupon Amount(s): NOK 30,100 per Specified Denomination
 - (iv) Broken Amount(s): Not Applicable
(Applicable to Notes in definitive form)
 - (v) Day Count Fraction: Actual/Actual(ICMA)

(vi) Determination Dates: 3 May 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: Not Applicable

18. Residual Maturity Call Option Not Applicable

19. Substantial Purchase Event Not Applicable

20. Final Redemption Amount NOK 1,000,000 per Calculation Amount

21. 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

22. (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

23. Financial Centre(s) or other special provisions relating to Payment Dates: TARGET2 Business Days

24. Talons for future Coupons to be attached to Definitive Notes: No

25. 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

- (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 3 May 2018
- (iii) Estimate of total expenses related to admission to trading: €5,600

2. RATINGS

Ratings: The Notes to be issued have been rated:

Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. (**S&P**): BBB+ (stable)

Moody's Investor Service Limited (**Moody's**): Baa1 (positive)

Fitch Ratings Limited (**Fitch**): BBB+ (stable)

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 Markets Authority on its website in accordance with such Regulation (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

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 Dealer 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 its affiliates in the ordinary course of business. For the purpose of this paragraph the term "affiliates" includes also parent companies.

4. YIELD

Indication of yield: 3.01 per cent. per annum

5. OPERATIONAL INFORMATION

ISIN Code: XS1815308470

Common Code: 181530847

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: No

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: Non-Syndicated

(b) If syndicated, name of relevant Dealer: Not Applicable

(c) Date of Agreement: 25 April 2018

(d) Stabilisation Manager(s) (if any): Not Applicable

(e) If non-syndicated, name of relevant Dealer: Credit Suisse Securities (Europe) Limited

(f) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D