

RED
ELÉCTRICA
CORPORACIÓN

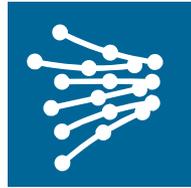
General Shareholders' Meeting 2010





Luis Atienza Serna

CHAIRMAN



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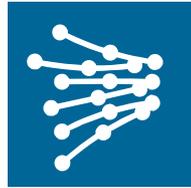
**General
Shareholders' Meeting
2010**





Rafael García de Diego Barber

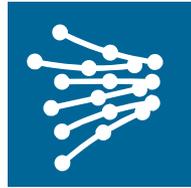
**SECRETARY TO THE BOARD
OF DIRECTORS**



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Red Eléctrica 1985-2010

**25 years guaranteeing
an efficient
electricity system**



RED ELÉCTRICA DE ESPAÑA

Current energy scenario: very different from 25 years ago

- Deregulated electricity sector.
- Strong growth in demand.

Demand 2.5x higher than in 1985

- Growth of renewable energies.

More diversified generation mix



25 years serving the community

1985

**Pioneer in implementing
the TSO model**

2010

**Pioneer in the secure integration
of renewable energies**



REE

**A key factor for achieving
a more sustainable energy model**



Electricity: key power vector over the next few decades

- Increasing share of final energy consumption.
- Unique means of integrating renewable energies.
- Allows the development of efficient energy technologies.
- Facilitates the roll-out of the electric vehicle.



Essential for facing the climate change challenge



Energy environment shaped by the crisis

Demand growth trends



Our key actions

- Building a more condensed and reliable transmission network.
- Providing new operating solutions to maximise the integration of renewable technologies.
- Introducing demand management tools.
- Promoting technological development and innovation.



We make a secure, efficient and sustainable electricity supply possible



Investment in the transmission grid

€million

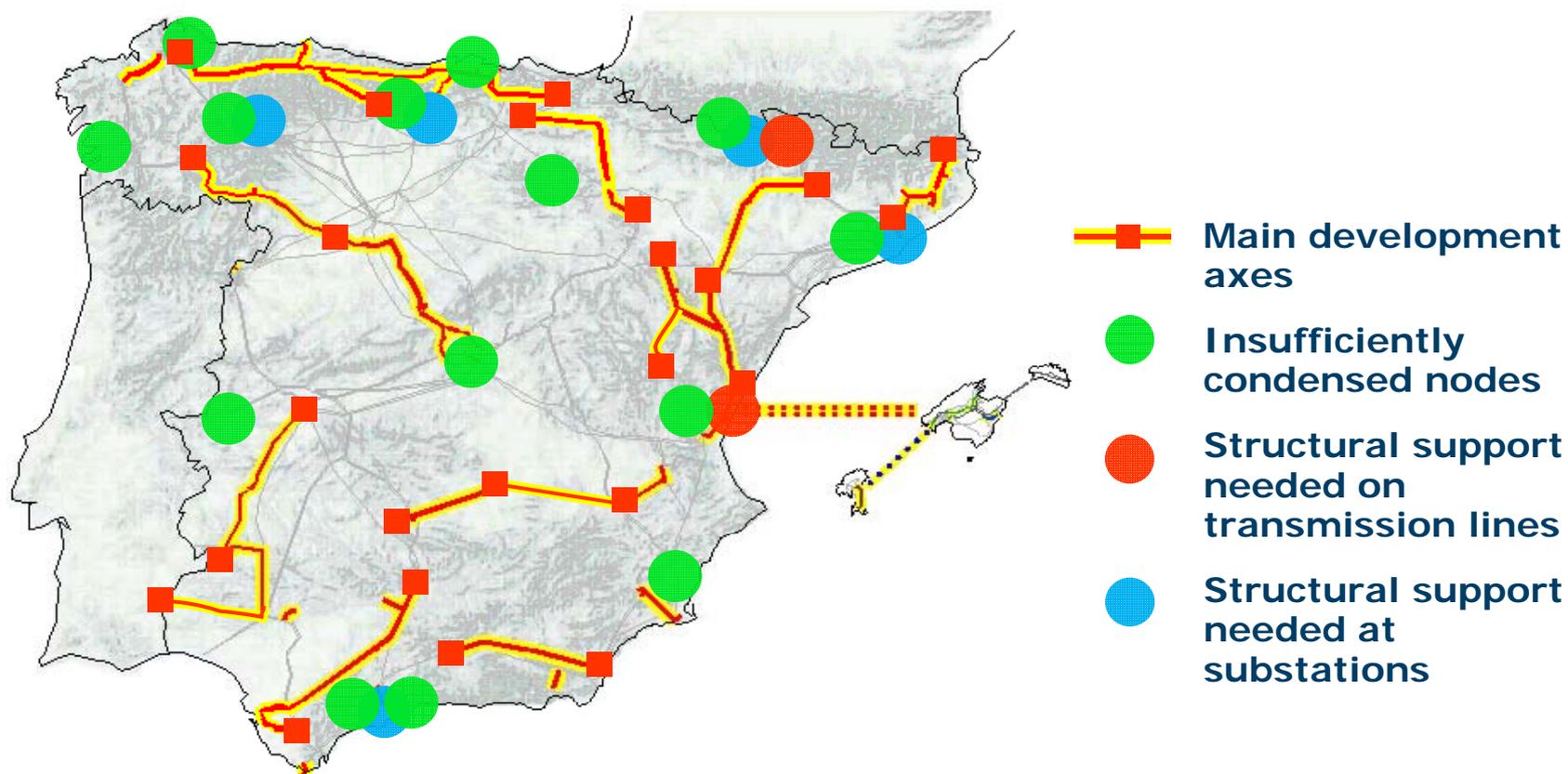


€4 Bn investment in
the network in 2010-2014



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Major developments in the transmission grid



* Electricity Transmission Grid Plan 2008-2016.



Focusing on service quality



■ Power not supplied (MWh)

— Average interruption time (minutes)

2009

Minimal supply interruption

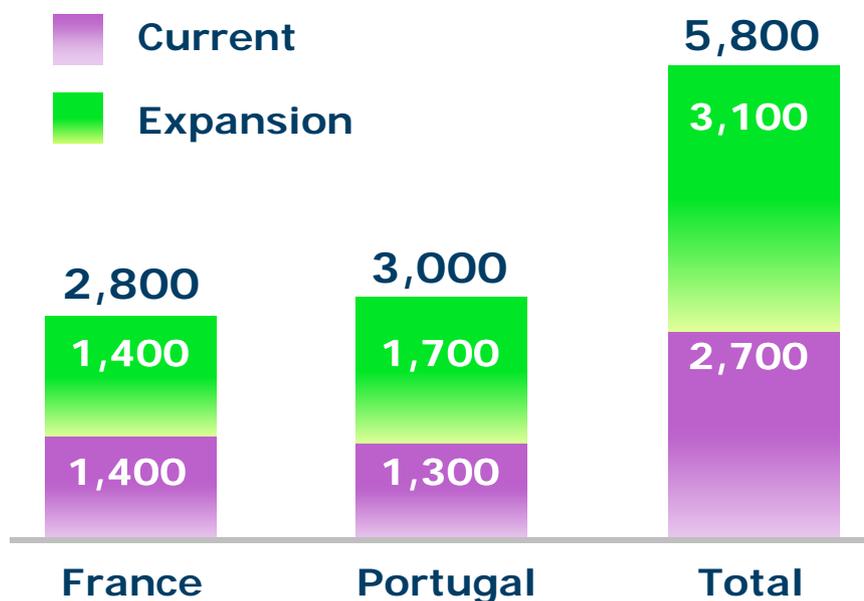
Excellent reliability and security of supply indicators



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Strengthening international interconnections

Interconnection capacity (MW)



New interconnection with France

- Doubling current interconnection capacity (up to 6% at times of peak demand).
- Strengthening security of the system in Spain and Portugal.
- Providing greater support to integrate renewable generation.



Leader in integrating renewables



CECRE

The world's first renewable energy control centre

2010

- Approximately 20,000 MW of wind power capacity installed.
- 13,000 MW of peak wind power capacity.
- 50% demand covered during some periods.

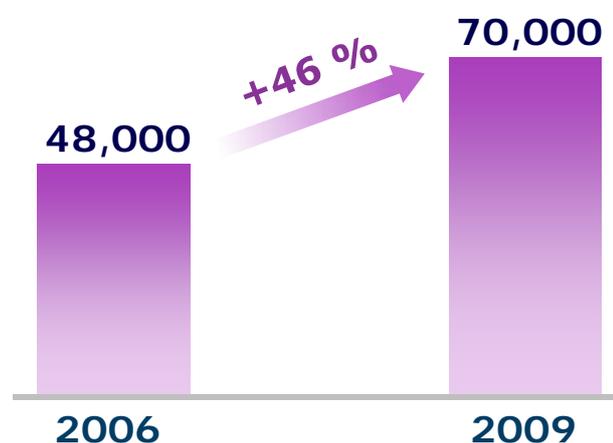
We have made the unimaginable possible



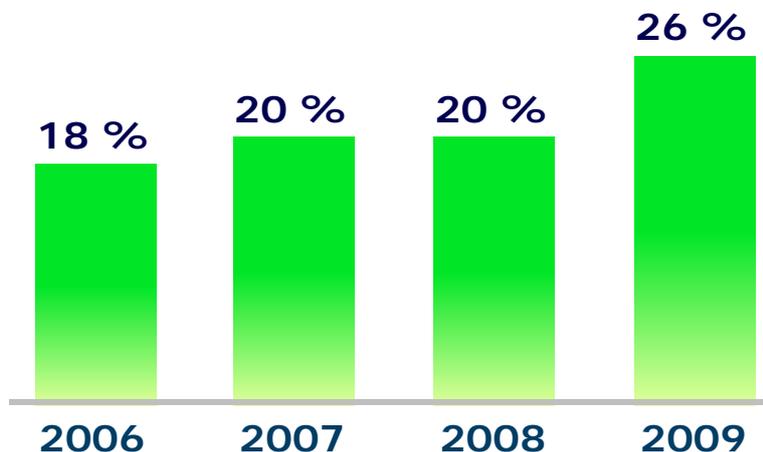
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Increasing integration of renewable energies

Renewable energies* (GWh)



Contribution to demand



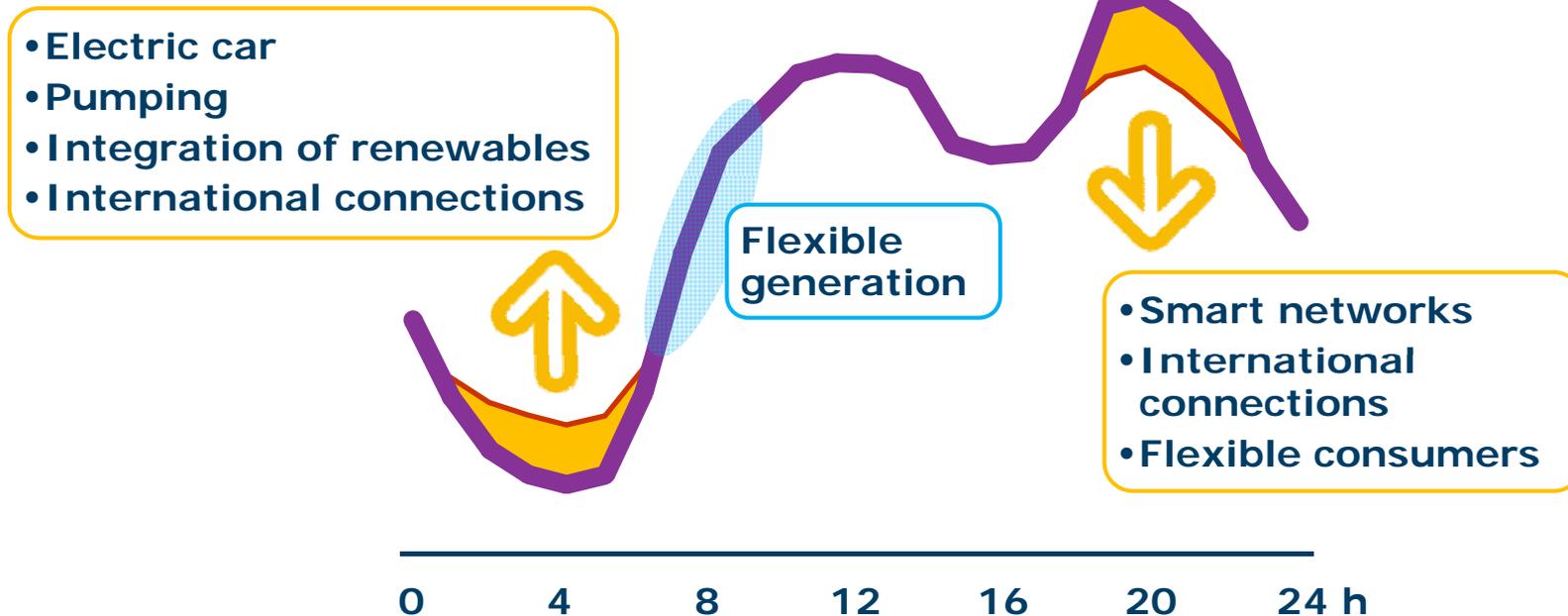
* Includes wind, hydro and solar power.

We have become the world benchmark
in integrating renewable energies



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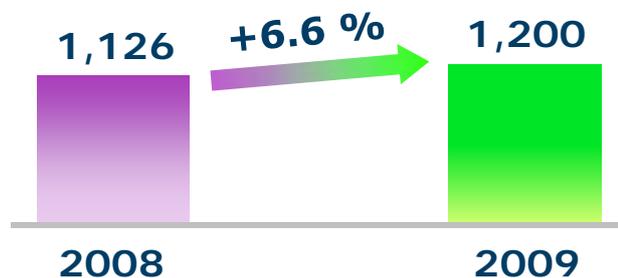
Managing demand



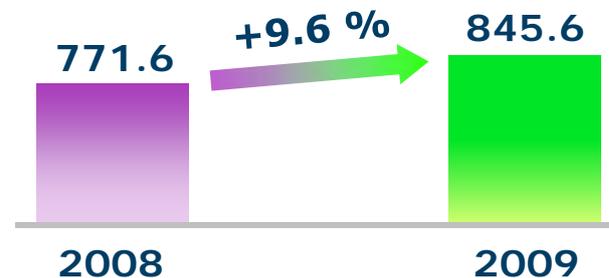
**Demand management strategies
for sustainable energy use**

Key consolidated data

Revenue (€M)



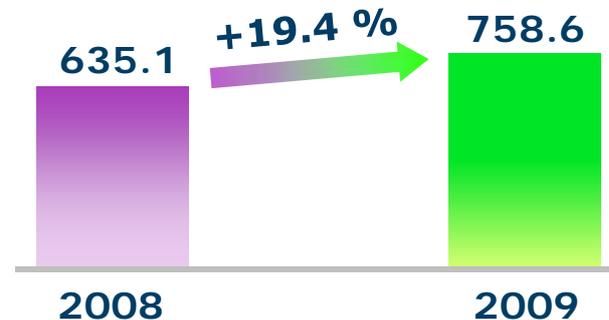
EBITDA (€M)



Profit for the year (€M)



Total investment (€M)



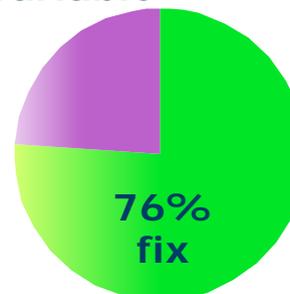
Financial strength

Performance of debt

	2008	2009
Net debt (€M)	2,929	3,122
Leverage	69 %	68 %
Average cost	4.39 %	3.49 %

Debt breakdown

24 %
variable



2 % USD



Credit
rating

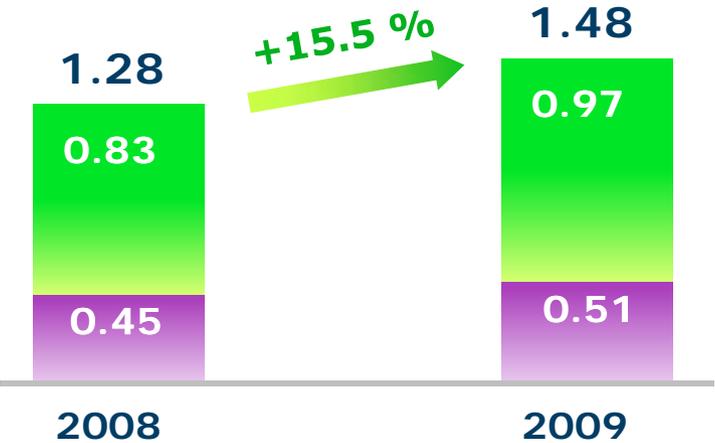
AA- Standard & Poor's
A2 Moodys



Shareholder returns

Dividend per share

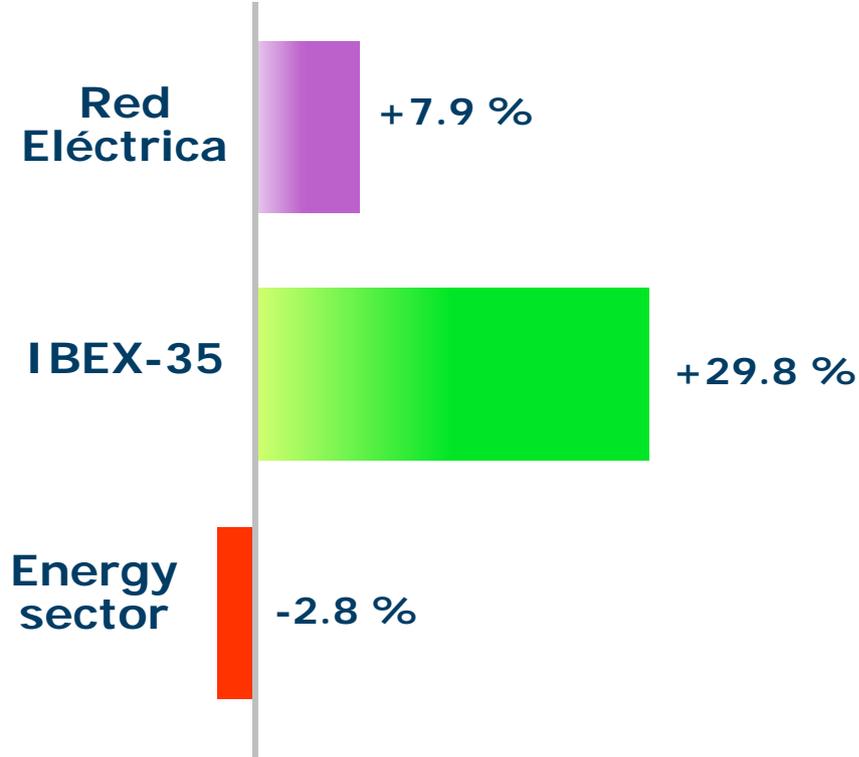
€/share



Interim

Final

Stock market performance 2009



Facing the sustainability challenge

Our commitments

Leader in integrating renewables



Energy efficiency initiatives



Environmental protection and preservation of biodiversity



Technological development and innovation



Actions

- Strengthening the network grid
- System operation solutions

- Demand management strategies

- Comprehensive environmental studies
- Reducing the impact on vegetation and wildlife
- Control of pollutant emissions

- More than 60 R&D&I projects



Our commitment to employees

Stable, high quality employment



- 99% permanent contracts

Training and career development



- 84 training hours per employee

Occupational health and safety



- 6,285 training hours relating to occupational risk prevention

Equal opportunities and work/life balance



- 23.4 % of employees are women
- 15.7 % of management staff are women



Progress in corporate governance

- Corporate Governance and Responsibility Committee on the Board of Directors.
- Code of Ethics extended to the entire company.
- 27 % of Board members are women. Committees chaired by women.
- Reduction of Directors' remuneration as a portion of Group results:

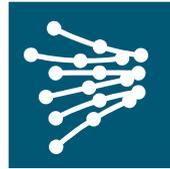
	2004	2005	2006	2007	2008	2009
%	1.28	1.18	0.91	0.78	0.66	0.57

Best IBEX company in terms of Corporate Responsibility



Strategic Plan 2010-2014





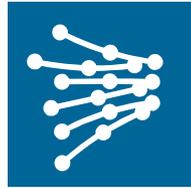
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**A responsible, committed
and sustainable company**



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