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Madrid, April 18, 2008

## **CALL NOTICE ORDINARY SHAREHOLDERS' MEETING**

The Board of Directors of this Company, at a meeting held on April 17, 2008, agreed to call the Ordinary Shareholders' Meeting, to be held at first call on **May 21, 2008**, at **12:30 p.m.** at **Teatro Auditorio Ciudad de Alcobendas**, Calle Blas de Otero 4, Alcobendas, Madrid and, as the case may be, at second call on **May 22, 2008**, at the same time and venue, with a view to discussing and resolving upon the items contained in the following

### **AGENDA**

#### **I. ITEMS FOR APPROVAL**

**One.** Examination and approval, as the case may be, of the Financial Statements (balance sheet, income statement and notes to financial statements) and the Management Report of Red Eléctrica de España, S.A. for the year ended December 31, 2007.

**Two.** Examination and approval, as the case may be, of the Consolidated Financial Statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in net worth, consolidated cash flow statement and notes to the consolidated financial statements) and the Management Report of the Consolidated Group of Red Eléctrica de España, S.A., for the year ended December 31, 2007.

**Three.** Examination and approval, as the case may be, of the allocation of income at Red Eléctrica de España, S.A. and distribution of dividends, for the year ended December 31, 2007.

**Four.** Examination and approval, as the case may be, of the management carried out by the Board of Directors of Red Eléctrica de España, S.A. in 2007.

**Five.** Reelection and appointment of directors.

**Six.** Proposed subsidiarization of the activity of system operator, electricity transmission network manager and electricity transmitter, pursuant to the mandate provided for in Law 17/2007, of July 4.

**Seven.** Amendment of the Bylaws in relation to (i) corporate name and legal regime of the Company; (ii) corporate purpose; (iii) capital stock; (iv) accounting record of shares; (v) quorum; (vi) scope of the Bylaws; (vii) Special Regime for the State Industrial Holding Company (*Sociedad Estatal de Participaciones Industriales*); and (viii) the elimination of the transitional provisions, in order to bring their contents into line with the requirements of Law 17/2007, of July 4:

- 7.1. Amendment of Article 1 “Name and Legal Regime” and Article 2 “Corporate Purpose”.
- 7.2. Amendment of Article 5 “Capital stock”, Article 6 “Accounting record of shares” and Article 14 “Quorum”.
- 7.3. Amendment of Article 33 “Scope of these Bylaws”.
- 7.4. Amendment of the Sole Additional Provision “Special Regime for the State Industrial Holding Company” and elimination of the Transitional Provisions (One and Two).

**Eight.** Amendment of the Regulations of the Shareholders’ Meeting in order to bring their contents into line with the requirements of Law 17/2007, of July 4, in relation to limits on shareholders’ rights and voting:

- 8.1. Amendment of Article 6.3 “Limitations”.
- 8.2. Amendment of Article 15.8 “Vote”.

**Nine.** Authorization granted to Board of Directors for the derivative acquisition of treasury stock:

- 9.1. Authorization for the derivative acquisition of treasury stock on the statutory terms and, as the case may be, for the direct award thereof to employees and Executive directors of the Company and to those of the companies belonging to its consolidated group, as compensation.
- 9.2. Authorization for its award as compensation to members of the management and to Executive Directors of the Company and to those of the companies belonging to its consolidated group.
- 9.3. Revocation of previous authorizations.

**Ten.** Information on the compensation policy of the Board of Directors of Red Eléctrica de España, S.A. and ratification of Board resolutions setting its compensation for 2007.

**Eleven.** Delegation of powers for the full enforcement of the resolutions adopted by the Shareholders’ Meeting.

## **II. ITEMS OF INFORMATION**

**Twelve.** Informing the Shareholders’ Meeting of the amendments to the Regulations of the Board of Directors approved at the Board Meeting held on December 20, 2007.

**Thirteen.** Informing the Shareholders’ Meeting of the Annual Corporate Governance Report of Red Eléctrica de España, S.A. for 2007.

**Fourteen.** Informing the Shareholders’ Meeting of the items contained in the Management Report relating to Article 116 bis of the Securities Market Law.

## **RIGHT TO ATTEND AND BE REPRESENTED**

According to the Bylaws and the Regulations of the Shareholders' Meeting, shareholders who prove their ownership by means of a certificate issued in their name in the accounting record of book entries at least five days before the date on which the Shareholders' Meeting is to be held may attend the Meeting.

Shareholders may request, from one of the entities making up the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear), the appropriate certificate of entitlement or equivalent document from the accounting record of book entries of the Company's securities. Shareholders who are entitled to attend may be represented at the Shareholders' Meeting by another shareholder who is entitled to attend, on the terms and with the exceptions established in Articles 106 to 108 of the Corporations Law. The proxy must be conferred in writing and specifically for this Meeting.

Except in cases of representation following a public request, which will be subject to the statutory provisions in force, pursuant to Additional Provision Three of Law 17/20007, of July 4, 2007 no person may accumulate proxies which exceed five percent (5%) of the capital stock, and any voting rights exceeding three percent (3%) of the capital stock will be held in abeyance and the shareholder holding them may not vote at the Shareholders' Meeting. In the case of subjects that pursue activities in the electricity industry and any persons who directly or indirectly own holdings in the capital thereof equal to more than five percent may not exercise their voting rights above one percent of the capital stock. Pursuant to the Electricity Industry Law, the above limits will not apply to the State Industrial Holding Company (*Sociedad Estatal de Participaciones Industriales* or "SEPI").

## **RIGHT TO INFORMATION**

Pursuant to the provisions of the Corporations Law, the Bylaws and the Regulations of the Shareholders' Meeting, shareholders who so wish, may examine and obtain, as from publication of this notice, at the registered office (Paseo del Conde de los Gaitanes, 177, 28109 Alcobendas, Madrid) and through the mechanism especially created by the Company on its website ([www.ree.es](http://www.ree.es)) in the section on delegation, information and absentee voting, as well as at the Company's Shareholder Service Office as from May 5, 2008 (Hotel Aitana AC, Paseo de la Castellana, 152), the Financial Statements and management reports, both individual and consolidated, to be submitted for approval to the Shareholders' Meeting, together with their respective auditors' reports, the directors' reports necessary, as the case may be, for the adoption of the resolutions on the agenda, the full wording of the proposed amendments to the Bylaws and the Regulations, the proposed resolutions already adopted by the Board of Directors, notwithstanding, in this last case, the fact that they may be amended right up until the Shareholders' Meeting itself, where legally permitted; the full wording of the Regulations of the Board of Directors, the Annual Corporate Governance Report, the report on the compensation policy of the Board of Directors and the report referred to in Article 116 bis of the Securities Market Law, for 2007.

Pursuant to the provisions of the Corporations Law and the Regulations of the Shareholders' Meeting, up to the seventh day before the date scheduled for the Shareholders' Meeting, shareholders may pose questions or request information or clarification in relation to the items on the agenda or to all publicly available information furnished by the Company to the National Securities Market Commission since May 31, 2007, the date of the last Annual Shareholders' Meeting.

### **ABSENTEE VOTING AND DELEGATION**

The right to vote and to grant a proxy by way of postal or electronic correspondence must be exercised in accordance with the rules approved by the Board of Directors at the Meeting held on April 17, 2008 and which appear on the Company's website ([www.ree.es](http://www.ree.es)) in the section on delegation, information and absentee voting. The period for voting and delegation using electronic means will commence at 00.00 hours on May 5, 2008 and will end at 24.00 hours on May 20, 2008. Attendance in person of the Shareholders' Meeting will revoke any absentee or electronic vote or proxy that may have been made previously. If a shareholder exercises his right both to vote and to delegate absentee, the absentee vote will prevail.

### **PERSONAL DATA PROTECTION**

The Company informs its shareholders that personal data obtained throughout the process for absentee delegation and voting and for remote requests for information will be incorporated into a computerized filing system, controlled by the Company, with a view to managing the control and compliance of the existing shareholder relationship. The obtainment of such data by the Company is revocable and does not have retroactive effects, pursuant to the provisions of personal data protection legislation. Shareholders may exercise their rights of access, rectification, cancellation and objection over the data obtained by the Company by applying in writing to the registered office, at Paseo del Conde de los Gaitanes, 177, 28109 Alcobendas, Madrid, through the Shareholder Service Office or via the Company website.

### **PRESENCE OF A NOTARY AT THE SHAREHOLDERS' MEETING**

The Board of Directors has agreed to require a Notary to attend the Shareholders' Meeting with a view to taking the Minutes of the Meeting.

### **GENERAL INFORMATION**

For all aspects relating to the Annual Shareholders' Meeting not contained in this call notice, shareholders may consult the Regulations of the Shareholders' Meeting available on the Company website ([www.ree.es](http://www.ree.es)). In addition, as from **May 5, 2008**, a Shareholder Service Office will be set up (Hotel Aitana AC, Paseo de la Castellana, 152) with the following opening hours: Monday through Friday from 10:00 to 14:30 and from 16:00 to 19:30, and Saturdays from 10:00 to 14:00. At the registered office and the regional offices (La Coruña, Barcelona, Bilbao, Seville and Valencia) the relevant Shareholder Service Offices will be available with the following opening hours: Monday through Thursday from 09:00 to 14:00 and from 15:00 to 18:00, Fridays from 09:00 to 14:00. **For further information, please call the Shareholder Hotline: 900 100 182. e-mail: [accionistas@ree.es](mailto:accionistas@ree.es) · [www.ree.es](http://www.ree.es)**

To facilitate access to the venue for the Shareholders' Meeting, a coach service will be in operation, departing from Hotel Aitana AC at 11:15, 11:30, 12:00 and 12:15 on May 22, 2008.

**EXPECTED DATE OF SHAREHOLDERS' MEETING**

Shareholders are informed that, in light of recent years' experience, the Shareholders' Meeting is expected to be held at **SECOND CALL** on **May 22, 2008**, at the time and venue stipulated above.

Alcobendas (Madrid), April 17, 2008  
The Secretary to the Board of Directors  
Rafael García de Diego Barber