

**Final Terms dated 22 February 2012**

**RED ELÉCTRICA FINANCIACIONES, SOCIEDAD ANÓNIMA UNIPERSONAL**

Issue of EUR 250,000,000 4.875 per cent. Notes due 29 April 2020 (the "Notes")  
(to be consolidated and form a single Series with the EUR 300,000,000 4.875 per cent. Notes  
due 29 April 2020 issued on 29 April 2011 (the "Original Notes"))

Guaranteed by

**RED ELÉCTRICA CORPORACIÓN, SOCIEDAD ANÓNIMA**  
*(incorporated with limited liability in Spain)*

and

**RED ELÉCTRICA DE ESPAÑA, SOCIEDAD ANÓNIMA UNIPERSONAL**  
*(incorporated with limited liability in Spain)*

under the

**EUR 2,500,000,000 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 Conditions (the "Conditions") set forth in the base prospectus dated 17 June 2010 and which are incorporated by reference in the base prospectus dated 17 June 2011. These Final Terms contain the final terms of the Notes and must be read in conjunction with the base prospectus dated 17 June 2011 and the Prospectus Supplements dated 24 January 2012 and 10 February 2012 which together constitute a base prospectus (the "Base Prospectus") for the purposes of Directive 2003/71/EC, as amended (the "Prospectus Directive"), save in respect of the Conditions which are set forth in the base prospectus dated 17 June 2010 and are incorporated by reference in the Base Prospectus and are annexed hereto. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.

Full information on the Issuer, the Guarantors and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the Prospectus Supplements are available for viewing at [www.bourse.lu](http://www.bourse.lu) and during normal business hours at the offices of Deutsche Bank AG, London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

1. (i) Issuer: Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal
- (ii) Guarantors: Red Eléctrica Corporación, Sociedad Anónima, Red Eléctrica de España, Sociedad Anónima Unipersonal

2. (i) Series Number: 3
- (ii) Tranche Number: 2
- The Notes are to be consolidated and form a single Series with the Original Notes on or after the date that is the first Business Day following the expiration of a period of 40 days after the Issue Date (the "Exchange Date")
3. Specified Currency or Currencies: Euro ("EUR")
4. Aggregate Nominal Amount:
- (i) Series: After the Exchange Date, the total amount of the Series outstanding will be EUR 550,000,000, consisting of the aggregate principal amount of the Notes (being EUR 250,000,000) and the aggregate principal amount of the Original Notes (being EUR 300,000,000)
- (ii) Tranche: EUR 250,000,000
5. Issue Price: 102.381 per cent. of the Aggregate Nominal Amount, plus 301 days of accrued interest from and including 29 April 2011 to but excluding the Issue Date.
6. (i) Specified Denominations: EUR 100,000
- (ii) Calculation Amount: EUR 100,000
7. (i) Issue Date: 24 February 2012
- (ii) Interest Commencement Date: 29 April 2011
8. Maturity Date: 29 April 2020
9. Interest Basis: 4.875 per cent. (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: Not Applicable
13. (i) Status of the Notes: Senior

(ii)	Status of the Guarantee:	Senior
(iii)	Date of approval for issuance of Notes obtained:	Resolution of the Sole Shareholder: 8 February 2012 Certification of the Joint Administrators: 8 February 2012 Deed of public issuance: 20 February 2012
14.	Method of distribution:	Syndicated

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	<b>Fixed Rate Note Provisions</b>	Applicable
(i)	Rate of Interest:	4.875 per cent. per annum payable annually in arrear
(ii)	Interest Payment Date(s):	29 April in each year from and including 29 April 2012 to and including the Maturity Date, as adjusted, for payment purposes only, in accordance with the Following Business Day Convention.
(iii)	Fixed Coupon Amount:	EUR 4,875 per Calculation Amount
(iv)	Broken Amount:	Not Applicable
(v)	Day Count Fraction:	Actual/Actual (ICMA)
(vi)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	<b>Floating Rate Note Provisions</b>	Not Applicable
17.	<b>Index-Linked Interest Note/other variable-linked interest Note Provisions</b>	Not Applicable
18.	<b>Dual Currency Note Provisions</b>	Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

19.	<b>Call Option</b>	Not Applicable
20.	<b>Put Option</b>	Not Applicable

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|-----|---|------------------------------------|
| 21. | <b>Final Redemption Amount of each Note</b> | EUR 100,000 per Calculation Amount |
| 22. | <b>Early Redemption Amount</b>              | Not Applicable                     |
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

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|-----|--|---|
| 23. | <b>Form of Notes:</b>  | <b>Bearer Notes:</b>  |
|     |  | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| 24. | New Global Note:   | Yes   |
| 25. | Additional Financial Centre(s) or other special provisions relating to payment dates:  | Not Applicable  |
| 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: | 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, renominatisation and reconventioning provisions:   | Not Applicable  |
| 30. | Consolidation provisions:  | The provisions in Condition 18 ( <i>Further Issues</i> ) apply  |

31. Temporary Commissioner Jerónimo García Legaz

32. Other final terms: Not Applicable

#### DISTRIBUTION

33. (i) If syndicated, names of Managers: **Joint Lead Managers**  
Banco Bilbao Vizcaya Argentaria, S.A.  
Commerzbank Aktiengesellschaft  
J.P. Morgan Securities Ltd.  
RBC Europe Limited

(ii) Date of Subscription Agreement: 22 February 2012

(iii) Stabilising Manager(s) (if any): J.P.Morgan Securities Ltd.

34. If non-syndicated, name and address of Dealer: Not Applicable

35. Total commission and concession: Not Applicable

36. U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D

37. Additional selling restrictions: Not Applicable

#### PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Luxembourg Stock Exchange of the Notes described herein pursuant to the EUR 2,500,000,000 Euro Medium Term Note Programme of Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal.

#### RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in the Final Terms.

Signed on behalf of Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal:

By: JERÓNIMO GARCÍA LEGAZ

Duly authorised

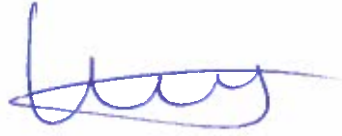
Signed on behalf of the Red Eléctrica Corporación, Sociedad Anónima:

By: TERESA QUIROS ÁLVAREZ

Duly authorised

Signed on behalf of the Red Eléctrica de España, Sociedad Anónima Unipersonal:

By: TERESA QUIROS ALVAREZ



Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing
- Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to listing on the Official List of the Luxembourg Stock Exchange with effect from 24 February 2012

The Original Notes are admitted to listing on the Official List of the Luxembourg Stock Exchange

- (ii) Admission to trading
- Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from 24 February 2012

The Original Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange

### 2. RATINGS

Ratings:

The Notes to be issued have been rated:

Standard & Poor's Ratings Services: A+

Moody's Investors Service, Inc.: A2

These credit ratings have been issued by Standard & Poor's Ratings Services and Moody's Investors Service, Inc. which are established in the European Union and are registered under Regulation (EU) No 1060/2009.

The European Securities and Market Authority ("ESMA") is obliged to maintain on its website a list of credit rating agencies registered in accordance with the CRA Regulation. This list must be updated within 5 working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. ESMA's website address is <http://www.esma.europa.eu>. Please note that this website does not form part of these Final Terms or the Base Prospectus.

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

"Save as discussed in "*Subscription and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- |       |   |   |
|-------|---|---|
| (i)   | Reasons for the offer   | The net proceeds of the issue will be used for the general corporate purposes of Red Eléctrica de España S.A.U. |
| (iii) | Estimated total expenses related to the admission to trading: | EUR 4,390   |

5. ***Fixed Rate Notes only* YIELD**

Indication of yield:	4.518 per cent. per annum
	Calculated as the return anticipated on the Notes on the Issue Date
	As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield

6. ***Floating Rate Notes only* HISTORIC INTEREST RATES**

Not Applicable

7. ***Index linked or other variable linked notes only* PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not Applicable

8. ***Dual Currency Notes only* PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable

9. **OPERATIONAL INFORMATION**

ISIN Code:	Until the Notes are consolidated and form a single series with the Original Notes, the Notes shall have the temporary ISIN Code XS0747747680. After the Exchange Date, the ISIN Code will be XS0619706657
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Common Code:

Until the Notes are consolidated and form a single series with the Original Notes, the Notes shall have the temporary Common Code 074774768. After the Exchange Date, the Common Code will be 061970665

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 initial Paying Agent(s):

Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom

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 ICSDs 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