

**Final Terms dated 19 April 2011**

**RED ELÉCTRICA FINANCIACIONES, SOCIEDAD ANÓNIMA UNIPERSONAL**

Issue of EUR 300,000,000 4.875 per cent. Notes due 2020

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 the Prospectus Supplements dated 10 September 2010, 25 January 2011 and 13 April 2011 which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended by Directive 2010/73/EU (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus as so supplemented.

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: 1
3. Specified Currency or Currencies: Euro ("**EUR**")
4. Aggregate Nominal Amount:
  - (i) Series: EUR 300,000,000

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|     | (ii) Tranche:  | EUR 300,000,000  |
| 5.  | Issue Price:   | 99.814 per cent. of the Aggregate Nominal Amount   |
| 6.  | (i) Specified Denominations:                           | EUR 100,000  |
|     | (ii) Calculation Amount:                               | EUR 100,000  |
| 7.  | (i) Issue Date:  | 29 April 2011  |
|     | (ii) Interest Commencement Date:                       | Issue Date   |
| 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: 22 September 2010<br>Resolution of the Joint Administrators: 25 January 2011<br>Deed of public issuance: 19 April 2011 |
| 14. | Method of distribution:                                | Syndicated   |

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

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|-----|-----------------------------------|--|
| 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. |

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|-------|--|----------------------------------|
| (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. **Floating Rate Note Provisions** Not Applicable
17. **Index-Linked Interest Note/other variable-linked interest Note Provisions** Not Applicable
18. **Dual Currency Note Provisions** Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

19. **Call Option** Not Applicable
20. **Put Option** Not Applicable
21. **Final Redemption Amount of each Note** EUR 100,000 per Calculation Amount
22. **Early Redemption Amount** 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**

23. **Form of Notes:** **Bearer Notes:**
- 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

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| 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

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| 33. | (i) If syndicated, names of Managers:  | <b>Joint Lead Managers</b><br>Banco Bilbao Vizcaya Argentaria, S.A.<br>Banco Santander, S.A.<br>Barclays Bank PLC<br>BNP Paribas<br>Citigroup Global Markets Limited<br>Deutsche Bank AG, London Branch<br>Merrill Lynch International |
|     | (ii) Date of Subscription Agreement:   | 19 April 2011  |
|     | (iii) Stabilising Manager(s) (if any): | Barclays Bank PLC  |

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 these 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 QUIRÓS ALVAREZ**  
Duly authorised

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

By: **TERESA QUIRÓS ALVAREZ**  
Duly authorised



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

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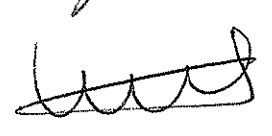
Signed on behalf of Red Eléctrica Financiaciones, Sociedad Anónima Unipersonal:

By: BERNARDINO GARCÍA LEGAZ  
Duly authorised



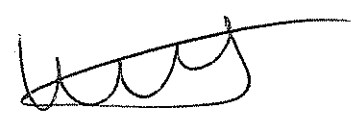
Signed on behalf of the Red Eléctrica Corporación, Sociedad Anónima:

By: TERESA QUIRÓS ALVAREZ  
Duly authorised



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

By: TERESA QUIRÓS ALVAREZ  
Duly authorised



## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing Luxembourg
- (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 29 April 2011

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

S & P: AA-

Moody's: 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 have applied for registration under Regulation (EU) No 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority

### 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: 4.901 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: XS0619706657

Common Code: 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