

**COMISIÓN NACIONAL DEL  
MERCADO DE VALORES**

Área de Mercados  
Edison, 4  
28046 MADRID

Madrid, 22 October 2014

Dear Sir,

In accordance with the provisions of article 82 of the Securities Market Act, we hereby submit the following **SIGNIFICANT EVENT** filing:

On 22 October 2014 we learned that a Supreme Decree had been approved that related to the nationalization of the company Transportadora de Electricidad, TDE, which occurred on 1 May 2012.

The aforementioned Supreme Decree set the value of the shares of the nationalized company TDE at about 65 million dollars.

In this regard, Red Eléctrica hereby states the following:

Since the date of the nationalization, Red Eléctrica has sought to reach a negotiated agreement with the Plurinational State of Bolivia to resolve this process, holding discussions with different representatives of the Bolivian government.

Under the framework of these discussions, significant advances have been made towards reaching a negotiated solution, and at the end of July 2014, both parties agreed to establish a deadline for reaching a definitive solution to this process.

The approval of the aforementioned Supreme Decree forms part of this process to reach a negotiated solution. As of today, no payment has been made, and the definitive agreement has not been signed by the involved parties.

In any case, to determine the compensation amount, about 30 million dollars, originating from the cancellation of the obligations contracted by Red Eléctrica with TDE, which are duly registered on Red Eléctrica Group's balance sheet, should be deducted from the abovementioned value (65 million dollars) established for the shares.

Red Eléctrica will announce the pertinent details when the definitive agreement on the nationalization of TDE, and the compensation amount for the nationalized shares, is signed by the involved parties.

Sincerely,

Signed: Juan Lasala Bernad