

SPANISH SECURITIES MARKET COMMISSION

Attn.: Mr Rodrigo Buenaventura
Head of Markets
Pº de La Castellana, 19
28046 MADRID

Madrid, 29 July de 2010

Dear Sir:

Pursuant to the provisions of Article 82 of the Securities Market Law, please see the following **RELEVANT EVENT**:

According to the terms of the Ninth Temporary Provision of Law 17/2007 dated 4 July, amending Electricity Sector Law 54/97, which obliges distribution companies to sell their electricity transport networks and facilities to Red Eléctrica de España, S.A.U., the company legally designated as the sole transporter, Red Eléctrica Corporación, S.A. hereby states:

1. That Red Eléctrica de España S.A.U., a company owned in its entirety by Red Eléctrica Corporación, S.A., and Hidrocantábrico Distribución Eléctrica, S.A.U., a company owned in its entirety by EDP - Energias de Portugal S.A., have reached an agreement regarding the acquisition by Red Eléctrica de España S.A.U. of the assets comprising the electricity transport network currently owned by Hidrocantábrico Distribución Eléctrica, S.A.U.

This agreement has been approved by their respective governing bodies.

2. That the operation includes the assets in service that grants the right to remuneration for electricity transport in 2010.
3. That the price of the assets in service involved in the sale and purchase amounts to 57,804,300 (fifty seven million eight hundred and four thousand and three hundred) euros.
4. That, pursuant to the applicable legislation, the parties will apply for the corresponding administrative authorisations, and the effectiveness of the agreement signed by the parties is subject to the suspensive condition of said authorisations being obtained. Once obtained, Red Eléctrica de España, S.A.U. and Hidrocantábrico Distribución Eléctrica, S.A.U, will raise the sale and purchase agreement to public document status.

Yours sincerely,

Fdo.: Esther M^a Rituerto Martínez

