

SPANISH SECURITIES MARKET COMMISSION

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

Madrid, 1 July 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 Endesa Distribución Eléctrica, S.L., a company owned in its entirety by Endesa, 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 Endesa Distribución Eléctrica, S.L.

This agreement has been formalised on this date by means of the signing of a private sale and purchase agreement between Red Eléctrica de España, S.A.U. and Endesa Distribución Eléctrica, S.L., approved by their respective governing bodies.

2. That the operation includes the assets in service that grant the right to remuneration for electricity transport in 2010, as well as assets under construction that are scheduled to come on line in 2010 and that will grant the right to remuneration for electricity transport in 2011. The transfer affects both the insular electricity transport networks (Canaries and Balearics) and assets belonging to the network on mainland Spain.
3. That the price of the assets in service involved in the sale and purchase amounts to 1,269,856,000 (one thousand, two hundred and sixty-nine million, eight hundred and fifty-six thousand) euros and that of the assets under construction amounts to 142,272,000 (one hundred and forty-two million, two hundred and seventy-two thousand) 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 Endesa Distribución Eléctrica, S.L. will raise the sale and purchase agreement to public document status.
5. In addition to the sale and purchase of assets, Red Eléctrica de España, S.A.U. and Endesa Distribución Eléctrica, S.L. have formalised a Technical Assistance Availability agreement for a four years period and a total amount of 66 million Euro.

Yours sincerely,

Signed: Esther M^a Rituerto Martínez