

SPANISH SECURITIES MARKET COMMISSION

Área de Mercados

Edison, 4

28046 MADRID

Madrid, 12 February 2019

Dear Sir

Pursuant to section 228 of the Consolidated Text of the Spanish Securities Market Act (*Ley del Mercado de Valores*) and based on the wording approved in Royal Decree Law 19/2018 of 23 November, I enclose the following **privilege information** concerning Red Eléctrica Corporación, S.A.:

- I. On 12 February 2019, Abertis Infraestructuras, S.A. and Red Eléctrica Corporación, S.A. have reached an agreement for Red Eléctrica Sistemas de Telecomunicaciones, S.A.U., a wholly owned Red Eléctrica Corporación's subsidiary to acquire 89.68% of Abertis' current stake in Hispasat S.A.
- II. The transaction's price, which represents an 89.68 % of Hispasat's share capital, rises to 949 million Euros. This acquisition will be financed with debt, and therefore without recourse to shareholders.
- III. Hence, according to the law applicable, all parts will request for the corresponding administrative authorizations, being the effectiveness of the contract signed by the parties subject to the suspensive clause of obtaining those authorizations. Once the pending authorizations will be obtained, payment of the transaction will be made, being expected its consolidation in the financial statements of the company by 1 January 2019.
- IV. Hispasat is the first telecom operator in the Spanish and Portuguese speaking markets by business volume, fourth satellite operator in LatAm and eight operator worldwide. Final year 2018 reported revenues amounted to 204 M€ and 161 M€ at the EBITDA level. Net debt rose to 285 M€ by year-end. Currently, Hispasat owns seven satellites covering Europe and the American continent, broadcasting more than 1,250 radio and television channels.
- V. Should this transaction being formalized, Red Eléctrica Group would be positioned as one of the leading telecoms infrastructure operators in Spain,

where it already commercialize the second biggest fiber optic network of the country, managing a business with revenues of more than 330 M€ per annum attributable to its telecoms subsidy.

- VI. For some months now, Red Eléctrica Group is immersed in a strategic revision process, focused in boosting and making possible the energy transition in Spain, transforming the company in a reference of technological innovation, and consolidating its position as neutral telecoms infrastructure manager and its international business.

The company will probably announce this new strategic approach by 20 February.

Today's agreement with Abertis, definitively positions Red Eléctrica Group as global operator of electricity and telecoms infrastructures, both in Spain and internationally.

Yours sincerely,

Signed. Teresa Quirós