

**Final Terms dated 2 March 2018****PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to, and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes (or beneficial interests therein) or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**RED ELÉCTRICA FINANCIACIONES, SOCIEDAD ANÓNIMA UNIPERSONAL**

**Issue of EUR 600,000,000 1.250 per cent. Notes due March 2027  
under the**

**EUR 4,500,000,000 Euro Medium Term Note Programme**

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)*

**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 3 June 2015 which are incorporated by reference in the base prospectus dated 2 June 2017. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Base Prospectus dated 2 June 2017 which constitutes a base prospectus, as supplemented by the supplemental base prospectus approved on 22 February 2018 (the "**Base Prospectus**") for the purposes of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**"), save in respect of the Conditions which are set forth in the base prospectus dated 3 June 2015 and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.

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. The Base Prospectus is available for viewing on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from Deutsche Bank Luxembourg, S.A. at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg.

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|-----|--|--|
| 1.  | (i) Series Number:                             | 11   |
|     | (ii) Tranche Number:                           | 1  |
|     | (iii) Date on which the Notes become fungible: | Not Applicable   |
| 2.  | Specified Currency or Currencies:              | Euro ("EUR")   |
| 3.  | Aggregate Nominal Amount:                      | EUR 600,000,000  |
| 4.  | Issue Price:                                   | 99.443 per cent. of the Aggregate Nominal Amount.  |
| 5.  | (i) Specified Denominations:                   | EUR 100,000  |
|     | (ii) Calculation Amount:                       | EUR 100,000  |
| 6.  | (i) Issue Date:                                | 13 March 2018  |
|     | (ii) Interest Commencement Date:               | Issue Date   |
| 7.  | Maturity Date:                                 | 13 March 2027  |
| 8.  | Interest Basis:                                | 1.250 per cent. Fixed Rate   |
| 9.  | Redemption/Payment Basis:                      | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.            |
| 10. | Change of Interest Basis:                      | Not Applicable   |
| 11. | Put/Call Options:                              | Issuer Call<br>Substantial Purchase Event<br>Residual Maturity Call<br>(See paragraphs 15 and 16 below)  |
| 12. | Date approval for issuance of Notes obtained:  | Resolution of the shareholders dated 8 June 2017<br><br>Resolution of the Joint Administrators dated 8 June 2017<br><br>Deed of public issuance dated 2 March 2018 |

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

- |     |                                   |            |
|-----|-----------------------------------|------------|
| 13. | <b>Fixed Rate Note Provisions</b> | Applicable |
|-----|-----------------------------------|------------|

- (i) Rate of Interest: 1.250 per cent. *per annum* payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): 13 March in each year commencing 13 March 2019 up to and excluding the Maturity Date
- (iii) Fixed Coupon Amount: EUR 1,250 per EUR 100,000 Specified Denomination
- (iv) Broken Amount(s): Not Applicable
- (v) Day Count Fraction: Actual/Actual (ICMA)

14. **Floating Rate Note Provisions** Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

15. **Call Option** Applicable
- Optional Redemption Date(s): Any date from (but excluding) the Issue Date to (and including) the Maturity Date
- Optional Redemption Amount(s) (Call) of each Note: Make-Whole Amount
- Make-Whole Amount: Applicable
- Reference Note: DBR 0.250% February 2027
- Redemption Margin: 0.15 per cent
- Financial Adviser: Citigroup Global Markets Limited
- Quotation Time: 11:00 a.m (Frankfurt time)
- Discount Rate: Not Applicable
- Make-whole Exemption Period: Not Applicable
- If redeemable in part:
- Minimum Redemption Amount: Not Applicable
- Maximum Redemption Amount: Not Applicable
- Notice period: Condition 8(c) applies
16. **Put Option** Not Applicable
17. **Final Redemption Amount of each Note** Subject to any purchase and cancellation or early redemption, the Notes will be redeemed

on the Maturity Date at 100 per cent. of their nominal amount.

18. **Early Redemption Amount** EUR 100,000 per Calculation Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

19. Form of 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
20. New Global Note: Yes
21. Additional Financial Centre(s): Not Applicable
22. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): No

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

By: ROSA VELASCO MIRANDA  
Duly authorised



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

By: FERNANDO FRÍAS MONTEJO  
Duly authorised



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

By: TOMÁS JOSÉ GALLEGO ARJIZ  
Duly authorised



## PART B – OTHER INFORMATION

## 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange with effect from 13 March 2018.
- (ii) Estimate of total expenses related to admission to trading: EUR 6,000

## 2. RATINGS

Ratings: The Notes to be issued have been rated:

S&P: A- (stable)

Fitch: A (stable)

Each of Standard & Poor's Credit Market Services France SAS ("**S&P**") and Fitch Ratings Limited ("**Fitch**") is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"). Each of S&P and Fitch appears on the latest update of the list of registered credit rating agencies (as of 17 November 2017) on the ESMA website at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

## 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantors and their affiliates in the ordinary course of business.

## 4. YIELD

Indication of yield: 1.316 per cent. *per annum*

## 5. HISTORIC INTEREST RATES

Not Applicable

6. **OPERATIONAL INFORMATION**

ISIN:	XS1788586375
Common Code:	178858637
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 intraday 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.

7. **DISTRIBUTION**

- (i) Method of distribution: Syndicated
- (ii) If syndicated:
- (A) Names of Managers: Banco Bilbao Vizcaya Argentaria, S.A.  
Barclays Bank PLC  
BNP Paribas  
Citigroup Global Markets Limited  
ING Bank N.V.  
MUFG Securities EMEA plc

(B) Stabilisation Manager(s) if any: Citigroup Global Markets Limited

(iii) If non-syndicated, name of Dealer: Not applicable

(iv) US Selling Restrictions: Reg. S Compliance Category 2; TEFRA D

(v) Prohibition of sales to EEA Retail Investors: Applicable

**8. USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be used for general corporate purposes of the Red Eléctrica de España, S.A.U.