



RESULTS REPORT 9M 2017

November 03rd, 2017



MAIN INDICATORS

€M	3Q17	9M17	9M16	Δ%	Δ Abs.
EBITDA⁽¹⁾	121.6	364.4	357.2	2.0%	7.2
Financial Result⁽¹⁾	-17.0	-44.5	-63.4	29.8%	18.9
Net Profit	35.9	88.9	70.5	26.1%	18.4
Recurrent Net Profit	36.0	116.9	96.4	21.3%	20.5
Average RAB	3,462.5	3,462.5	3,502.0	-1.1%	-39.5
CAPEX	39.3	80.3	73.4	9.4%	6.9
Net Debt⁽²⁾	2,540.6	2,540.6	2,484.9	2.2%	55.7

(1) Financial result from the interconnection capacity auctions between Spain and Portugal (-€0.5M in 9M16 and -€0.3M in 9M17) – known as FTR (Financial Transaction Rights) was reclassified from Financial Result to Revenues (EBITDA level);

(2) Fixed/variable rates: 60%/40%.

- ▶ In the first nine months of 2017, **EBITDA** stood at €364.4M, an increase of €7.2M (2.0%) comparing with the same period of 2016. **Net Profit** (€88.9M) and **Recurrent Net Profit** (€116.9M) rose by €18.4M (26.1%) and €20.5M (21.3%), respectively;
- ▶ The improvement in **EBITDA** stemmed mostly from the consolidation of Electrogas' results (€5.8M), the Chilean company in which REN has a 42.5% stake since February. This result was partially offset by the decline in gas' regulatory asset base remuneration (€-8.3M YoY), in which the average Rate of Return (RoR) decreased to 6.1% (6.9% in 9M16);
- ▶ **Net Profit** continued to benefit from the better **financial performance** that stood at -€44.5M (+29.8%), coupled with the downward trend in the average cost of debt (2.6%, versus 3.4% in 9M16). Conversely, **Net Debt** was slightly higher YoY (2.2%), impacted by the acquisition of Electrogas (€169.3M). As in the last three years, the payment of the extraordinary energy sector levy (€25.8M in 2017) penalized REN's results and brought the effective corporate tax rate to **43.4%**;
- ▶ In 04th October, REN completed the **acquisition of EDP Gás** (now called **REN Portgás**). With this purchase REN intends to strengthen its local business focus, without compromising the company's strong financial and credit profiles, maintaining the alignment with REN's ongoing strategic framework;
- ▶ In 26th October, S&P reaffirmed REN's **Rating at Investment grade level** (BBB-), with positive outlook.

CAPEX STOOD AT €80.3M



CAPEX and RAB

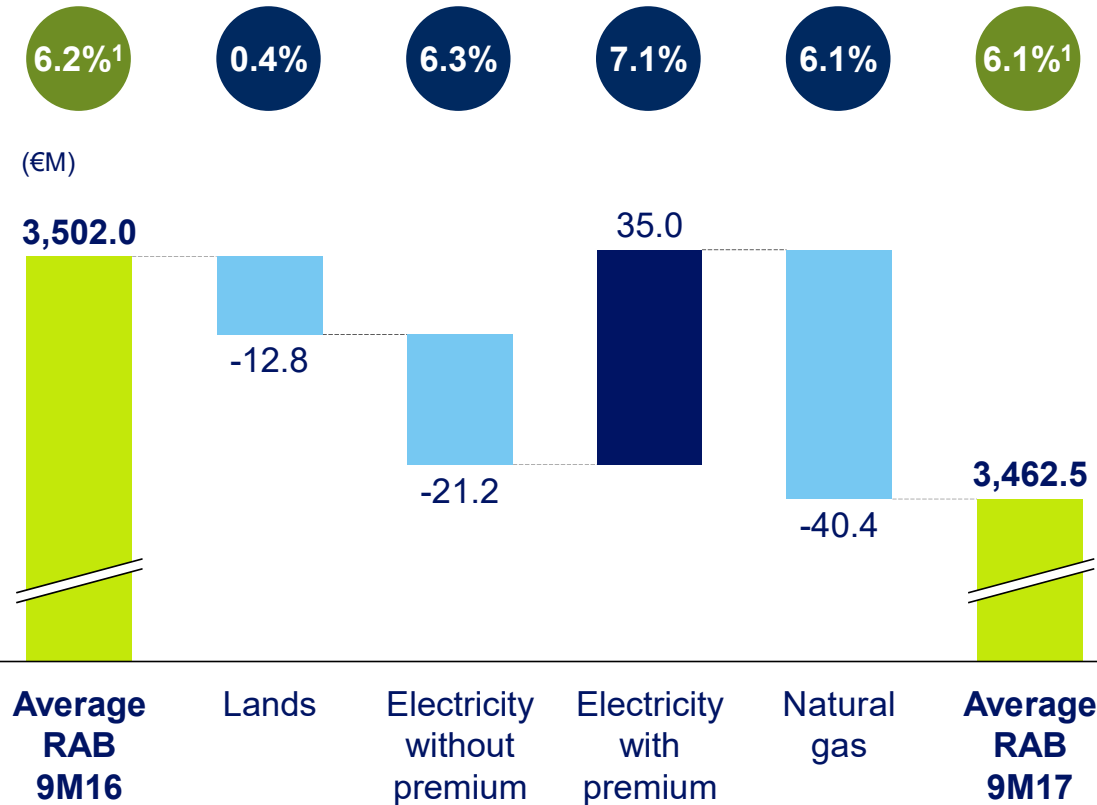
€M	9M17	9M16	Δ%	Δ Abs.
Average RAB	3,462.5	3,502.0	-1.1%	-39.5
Electricity	2,129.4	2,115.6	0.6%	13.7
Land	257.2	269.9	-4.7%	-12.8
Natural gas	1,076.0	1,116.4	-3.6%	-40.4
RAB end of period	3,405.2	3,437.7	-0.9%	-32.6
Electricity	2,096.6	2,076.1	1.0%	20.4
Land	252.4	265.1	-4.8%	-12.8
Natural gas	1,056.2	1,096.5	-3.7%	-40.3
CAPEX	80.3	73.4	9.4%	6.9
Electricity	74.8	68.6	9.0%	6.2
Natural gas	5.4	4.7	14.1%	0.7
Other	0.1	0.1		0.1
RAB variation e.o.p.	-114.6	-128.6		
Electricity	-65.4	-79.1		
Land	-9.6	-9.6		
Natural gas	-39.6	-39.9		

- ▶ Both **CAPEX** and **Transfers to RAB** have increased to €80.3M (+€6.9M vs 9M16) and €36.1M (+€14.9M vs 9M16), respectively. **Average RAB** was €3,462.5M, slightly lower when compared with the previous year (€-39.5M), mainly due to the lack of investments in natural gas;
- ▶ Within the framework of the **electricity** transmission infrastructures, the following projects were completed:
 - ✓ Greater Lisbon area
 - New 400/60 kV substation in Alcochete.
 - ✓ Center of Portugal
 - Lavos–Rio Maior, 400 kV OHL, Uprating and refurbishment;
 - Falagueira–Cedillo, 400 kV OHL, Uprating and refurbishment.
- ▶ **Natural Gas** investments were in line with 9M16, with no highlighted projects.

*OHL - Overhead Line.

AVERAGE RAB DECREASED BY 1.1%

Despite the increase in Electricity assets with premium (3.2%)

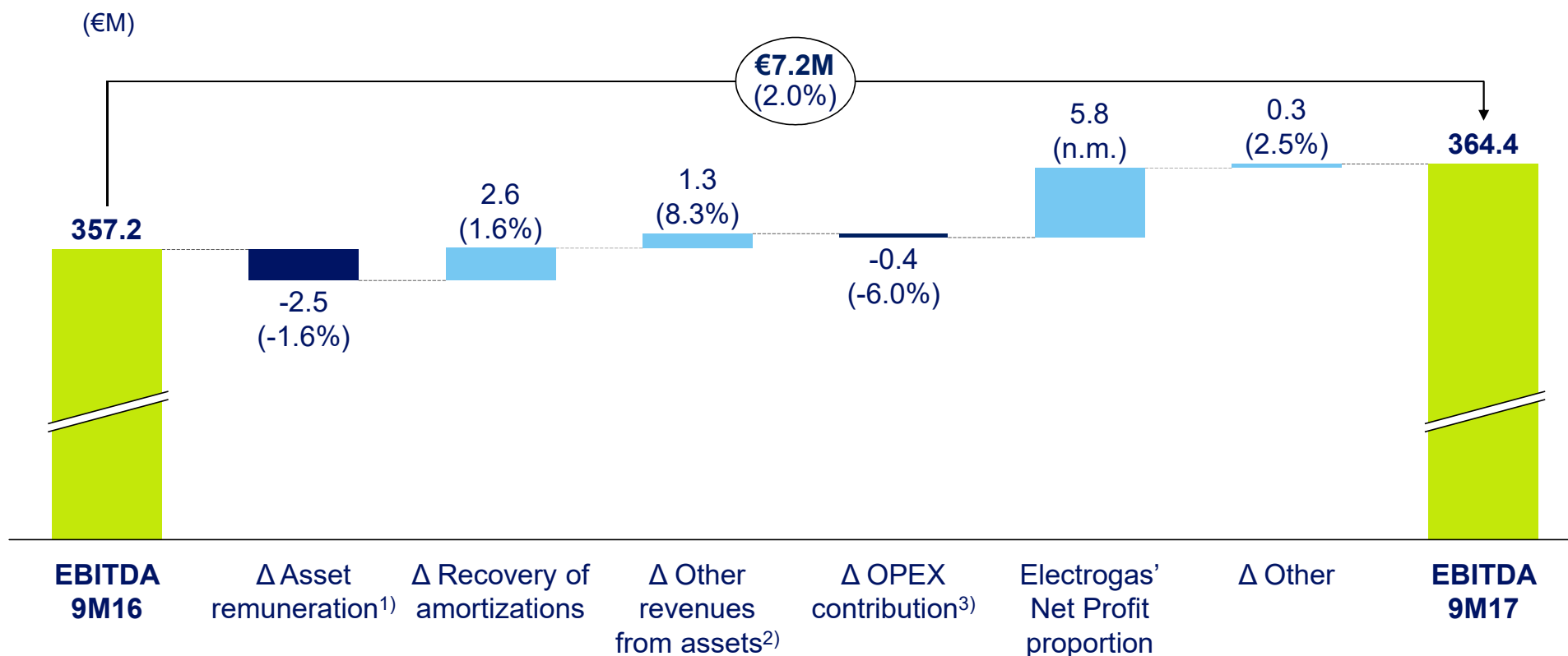


- ▶ Despite the favourable contribution from electricity with premium, average RAB fell by 1.1%;
- ▶ In the electricity business, the base rate of return (RoR) increased to 6.3% from 6.1%. Electricity with premium (with a 7.1% RoR) was up by €35.0M vs 9M16, while lands, the category with the lowest RoR (0.4%), saw a decrease in the value of its average RAB of €12.8M, to €257.2M;
- ▶ In natural gas, the average RAB had a decrease of €40.4M (RoR 6.1%);
- ▶ At the end of 9M17, electricity accounted for 61.5% of the average RAB, natural gas for 31.1% and lands for the remaining 7.4%.

1) RoR is equal to the specific asset remuneration, divided by the average RAB.

EBITDA MAINTAINED ITS TREND

Electrogas contributed with €5.8M



(1) Includes Δ€1.7M of NG tariff smoothing effect;

(2) Includes Δ€1.3M of Remuneration of fully amortized assets;

(3) Includes €1.2M and €0.8M related to the one-off costs with Electrogas and EDPG acquisitions (respectively) and Δ€1.1M of OPEX own works.

FINANCIAL ASSETS

	% owned
Associates	
Electrogas	42.5%
OMIP	40%
Nester	50%
Available-for-sale financial assets	
REE	1%
HCB	7.5%
OMEL	10%
MIBGás	6.67%
Coreso	8.317%

Electrogas is an associate in which REN has significant influence but does not hold control (usually used for stakes between 20% and 50% of the share capital)

Applicable consolidation methodology:

Equity method

(in accordance with IAS 28)

APPLYING THE EQUITY METHOD:

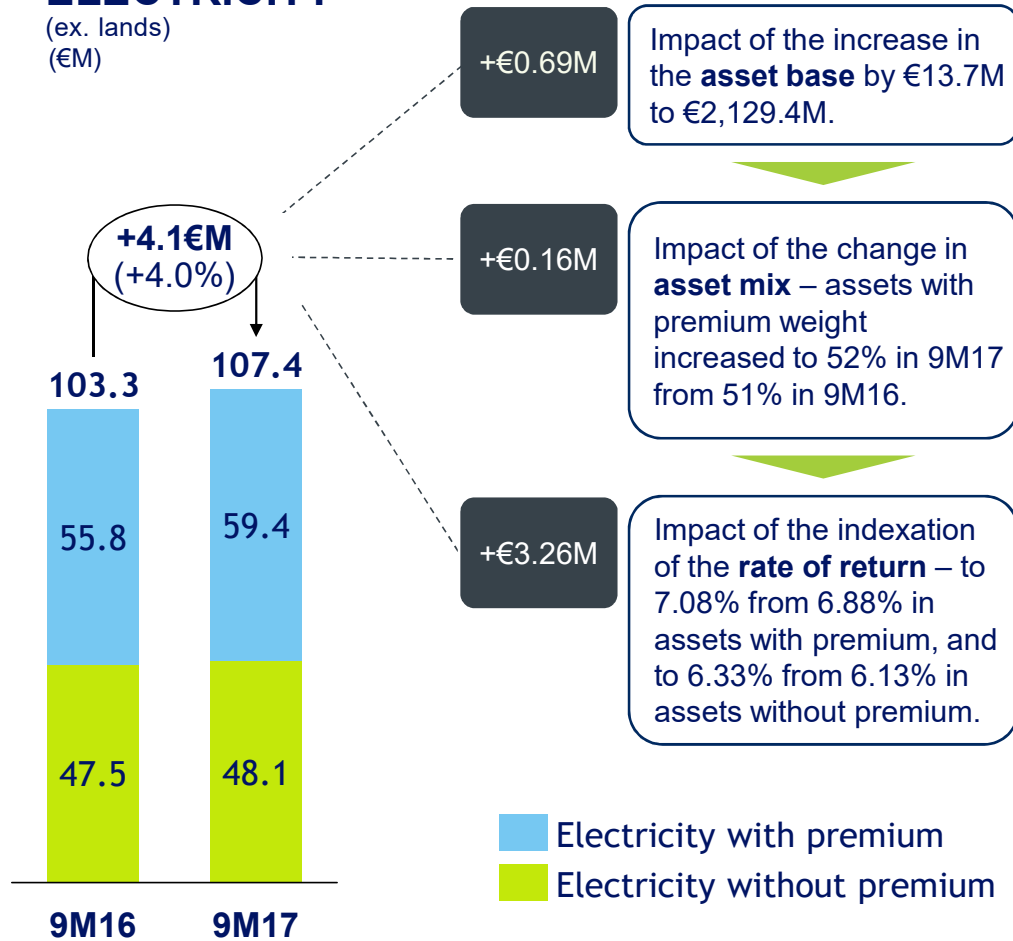
- Investments in associates are initially recorded (in Balance sheet) at cost and are subsequently adjusted to reflect the investor's share of the net profit of the associate;
- A proportional value of the results of these entities (in this case, 42.5%) is accounted as operating income (and as EBITDA by choice);
- Dividends received from the associate company reduce the carrying amount of the investment, against cash inflow;
- On the other hand, in investment in associates with no significant influence or control (usually, holdings of less than 20%), the dividends are recognized as other financial income, by offsetting a cash inflow item. These investments are classified as assets available-for-sale (in the Balance sheet) in accordance with IAS 39 (as REE and HCB stake).

RETURN ON RAB DROPPED BY €4.2M VS 9M16

Despite the positive contribution of electricity

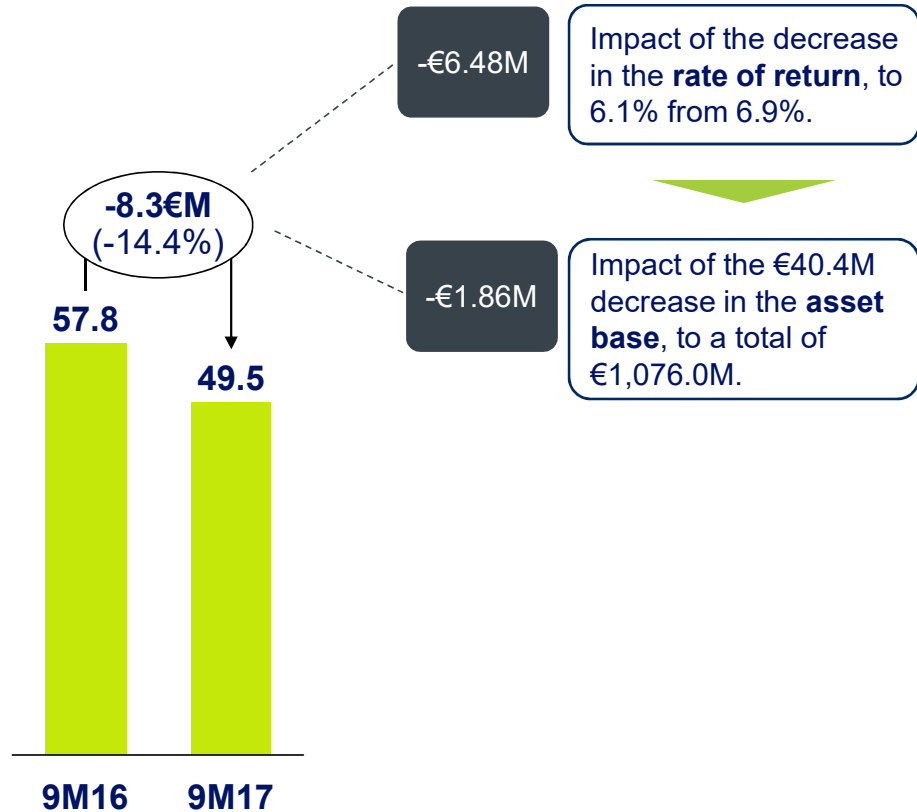
RAB REMUNERATION ELECTRICITY

(ex. lands)
(€M)



RAB REMUNERATION NATURAL GAS

(ex. tariff smoothing effect)
(€M)



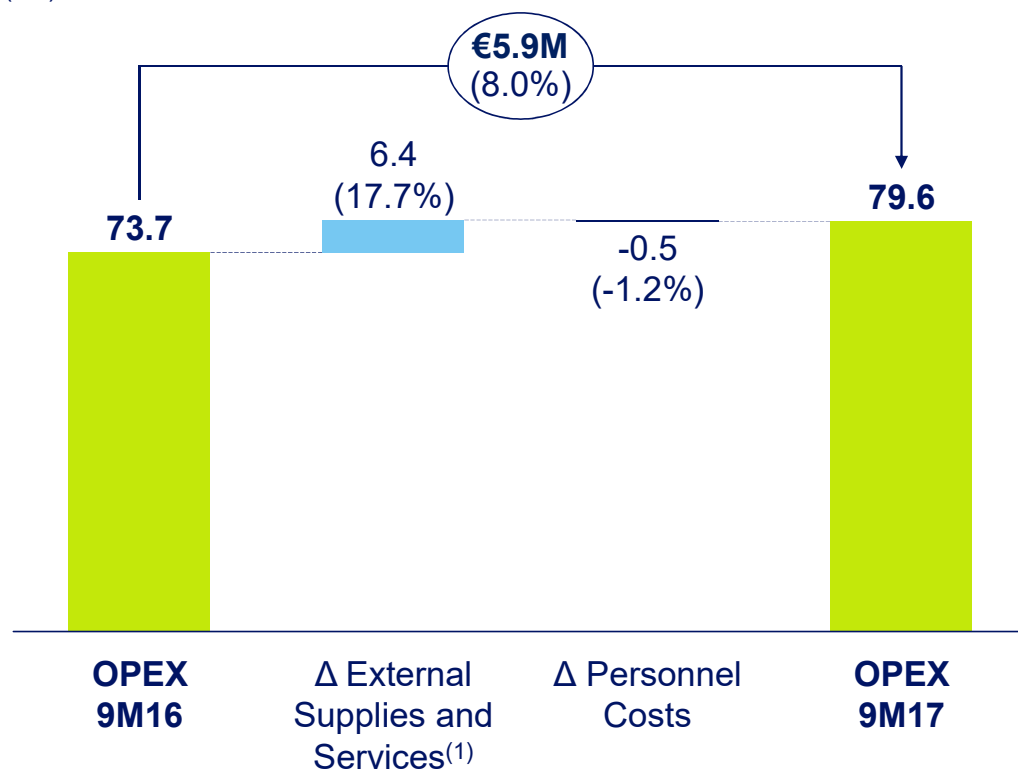
OPEX WAS €5.9M ABOVE THE 9M16 VALUE

Driven by non recurrent, non core and revenue related costs



OPERACIONAL COSTS

(€M)



- ▶ The **External Supplies and Services** increase was mainly due to: (1) €2.0M from the EDPG and Electrogas acquisitions; (2) €1.7M from electricity costs related to the increase in the LNG Terminal activity; and (3) €1.6M from ITC mechanism costs⁽²⁾.

⁽¹⁾ Include Δ€0.5M of Other Operating Costs;

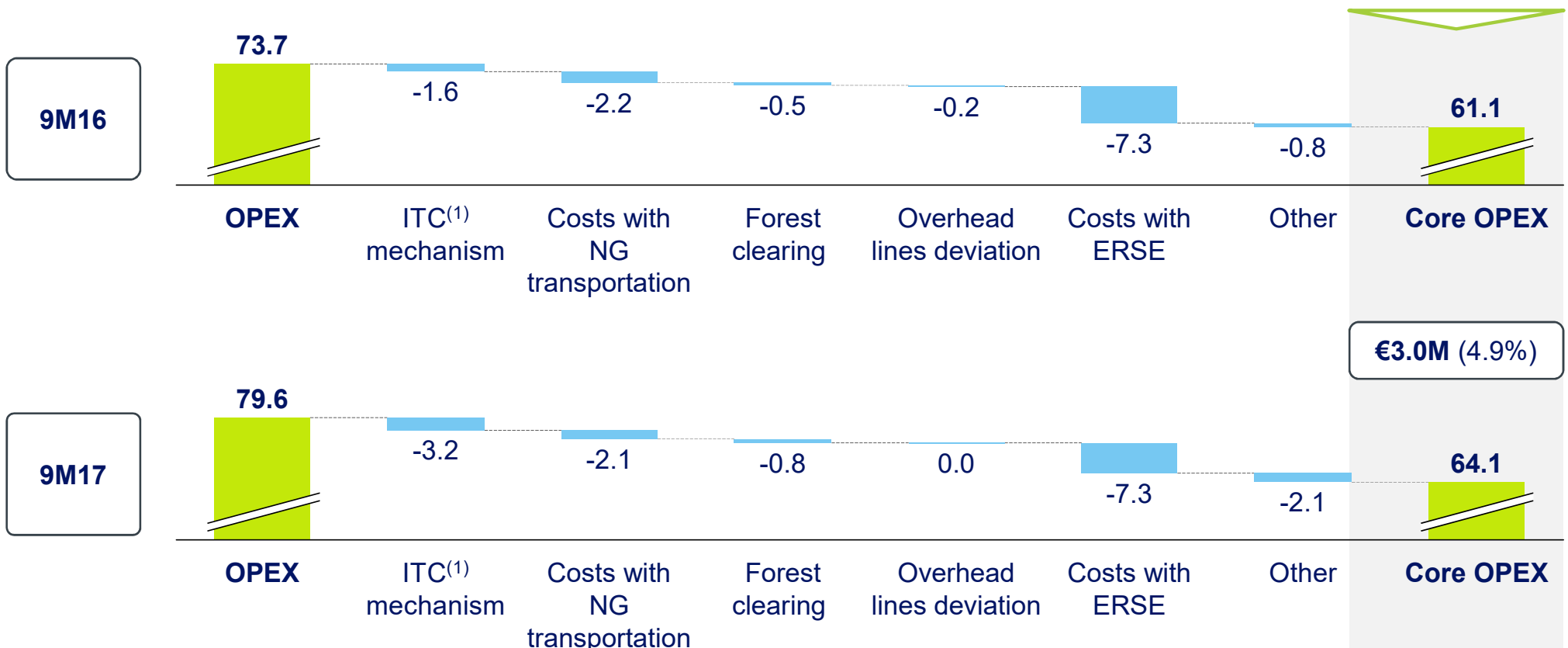
⁽²⁾ Note: (2) and (3) are pass-through costs.

CONTROLLABLE COSTS INCREASED BY €3.0M



CORE OPEX

(€M)



(1) ITC - Inter Transmission System Operator Compensation for Transits.

BELOW EBITDA

Recurrent Results go up by €20.5M



RESULTS
REPORT

€M	9M17	9M16	Δ%	Δ Abs.
EBITDA	364.4	357.2	2.0%	7.2
Depreciations and amortizations	162.8	160.5	1.4%	2.3
Financial Result	-44.5	-63.4	29.8%	18.9
Profit before income tax and levy	157.1	133.3	17.9%	23.8
Taxes	42.4	36.9	15.0%	5.5
Extraordinary levy	25.8	25.9	-0.5%	-0.1
Net Profit	88.9	70.5	26.1%	18.4
Recurrent Net Profit	116.9	96.4	21.3%	20.5

- ▶ The **average cost of debt** was **2.6%** versus 3.4% in 9M16;
- ▶ **Financial Result** improved to **-€44.5M**, representing a positive yoy evolution of €18.9M.

- ▶ **Depreciations and amortizations** increased by €2.3M (1.4%) to €162.8M;
- ▶ Reported **Income Tax** rose by €5.5M to €42.4M, affected by the increase in results. The effective tax rate reached by **43.4%**;
- ▶ In 9M17, the Group was taxed at a Corporate Income Tax rate of 21%, added by a municipal surcharge up the maximum of 1.5% over the taxable profit plus (i) a State surcharge of an additional 3.0% of taxable profit between €1.5M and €7.5M; (ii) an additional 5.0% of taxable profit in excess of €7.5M and up to €35.0M; and (iii) 7.0% over the taxable profit in excess of €35.0M.

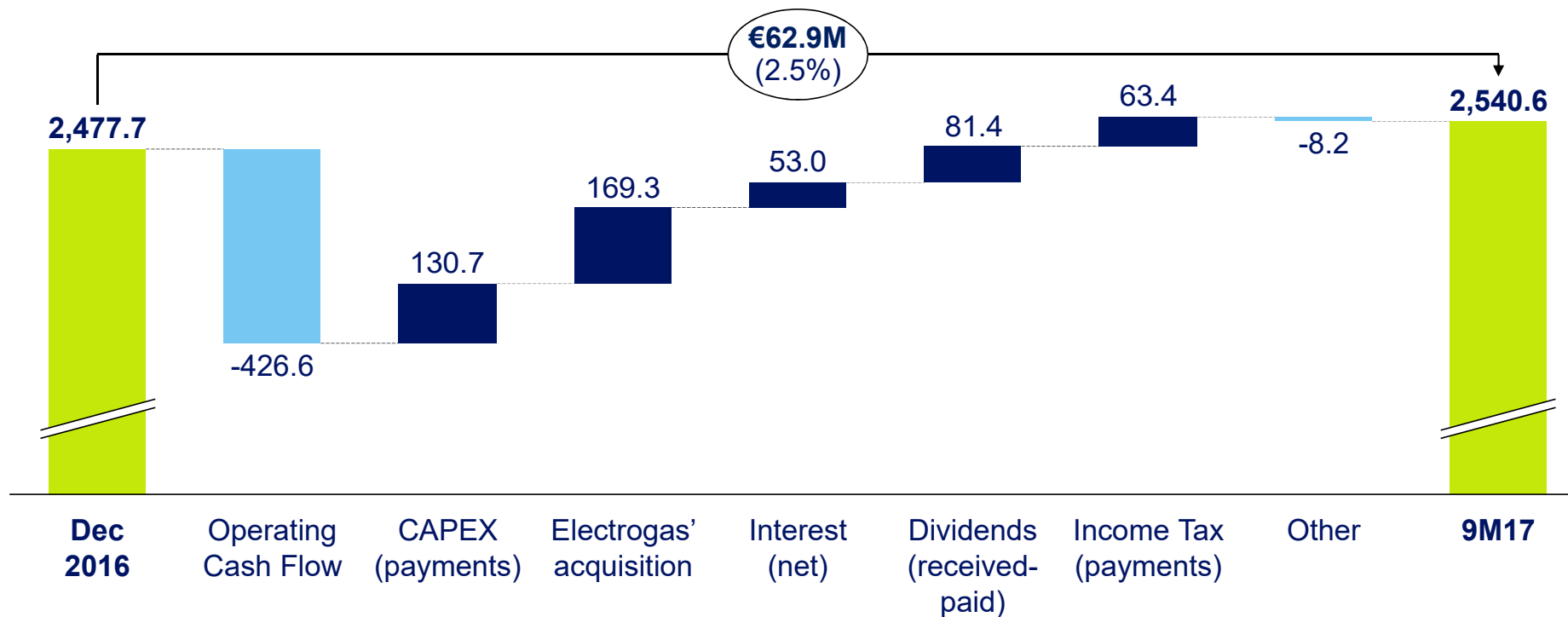
NET DEBT WAS UP BY 2.5% TO €2,540.6M

Despite being positively affected by tariff deviations



NET DEBT

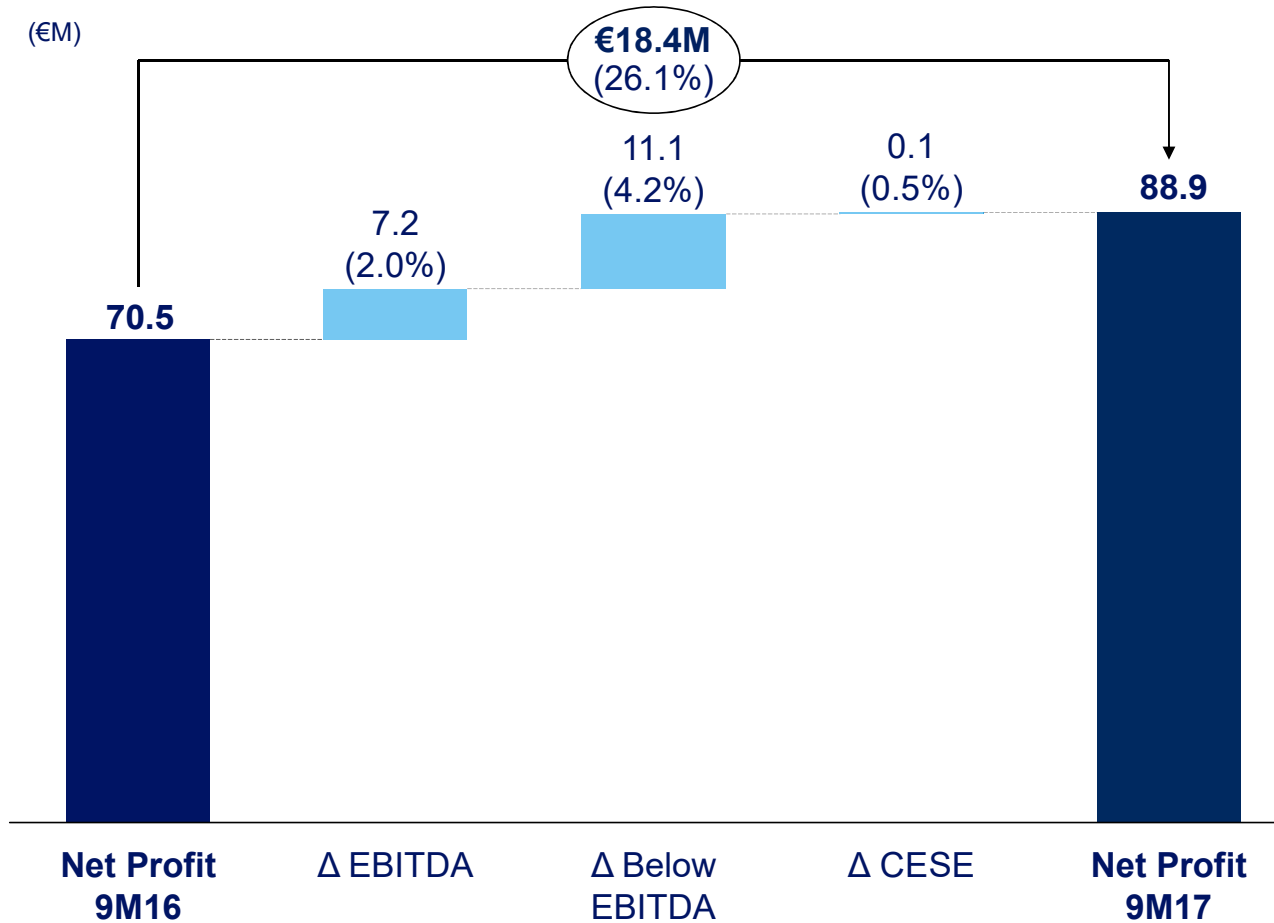
(€M)



- ▶ **Average cost of debt** decreased consistently over the year (2.6% in 9M17 vs 3.2% in 2016);
- ▶ **FFO/Net Debt** ratio stood at 11.2%.

NET PROFIT IMPROVED BY €18.4M

With strong operational and financial metrics



REN IS ALREADY FUNDED OVER THE NEXT TWO YEARS



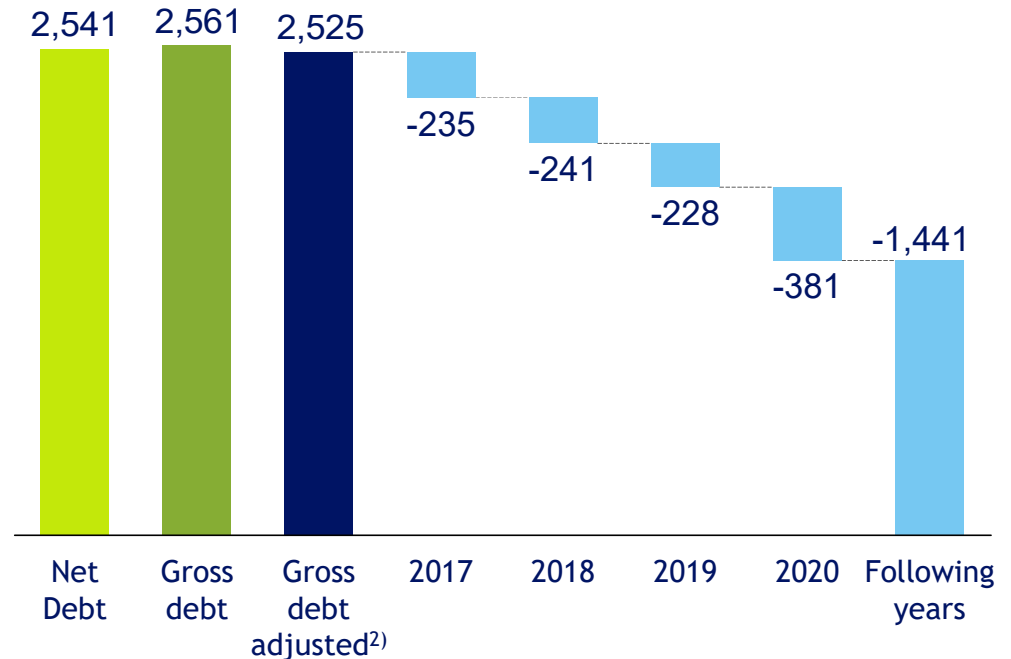
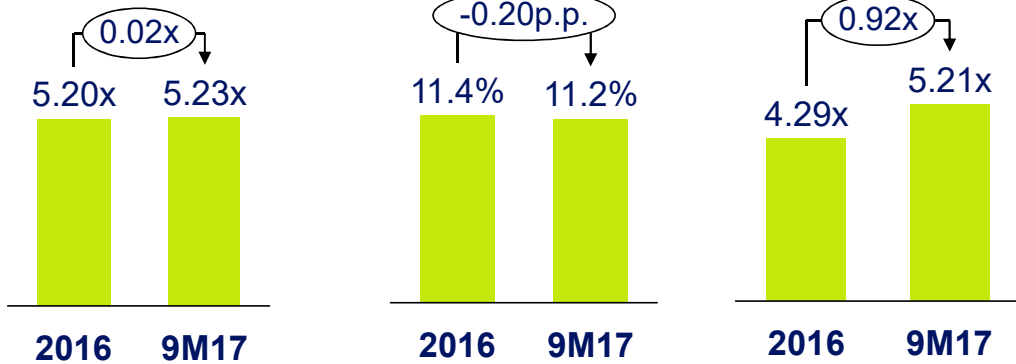
Net Debt / EBITDA¹⁾

FFO / Net Debt

FFO interest coverage

DEBT MATURITY SCHEDULE

(€M)



► In 9M17, the cost of REN's debt continued to come down, thus maintaining the trend set in 2014. This reduction was due to the relevant improvements in market conditions and REN's own risk profile that warrants its debt as investment grade by the three major rating agencies - S&P, Fitch and Moody's;

► The average debt maturity is currently **4.38** years.

1) The ratio was impacted by the Electrogas acquisition;

2) Value adjusted by interest accruals and hedging on yen denominated debt.

€M	9M17	2016
Fixed assets RAB related	3,731.1	3,818.2
Investments and goodwill ¹	328.4	190.3
Tariff deviations	77.5	138.8
Receivables ²	398.4	383.0
Cash	6.4	10.8
Other ³	13.1	8.7
Total assets	4,554.8	4,549.8
Shareholders equity	1,145.9	1,159.2
Debt (end of period)	2,561.4	2,515.1
Provisions	6.3	7.0
Tariff deviations	69.7	21.7
Payables ⁴	642.2	707.9
Other ⁵	129.3	138.9
Total equity and liabilities	4,554.8	4,549.8

- ▶ The total amount of **fixed assets RAB related** decreased to **€3,731.1M** (this value includes investment subsidies);
- ▶ **Investments and goodwill** (1) increased to €328.4M from €190.3M at the end of 2016. This item includes goodwill, available-for-sale financial assets, derivative financial instruments, investments in associates (including Electrogas) and other investments;
- ▶ **Receivables** (2) related to trade and other receivables, deferred tax assets and current income tax recoverable, reached €398.4M in 9M17, an increase from €383.0M at the end of 2016;
- ▶ **Other Assets** (3) stood at €13.1M. This item consists of inventories, guarantee deposits, fixed assets and assets in progress (not RAB related);
- ▶ **Payables** (4) include trade and other payables, deferred tax liabilities and income tax payable. These totalized €642.2M at the end of the period, versus €707.9M in 2016;
- ▶ **Other liabilities** (5) stood at €129.3M. These include retirement and other benefit obligations, derivative financial instruments and guarantee deposits (€138.9M in 2016).

THE BALANCE OF TARIFF DEVIATIONS WAS DOWN TO €102.8M

To be received from tariffs over the next two years



TARIFF DEVIATIONS

€M	9M17	2016
Electricity ¹⁾	132.0	176.3
Trading	27.8	27.0
Natural gas	-57.0	8.8
TOTAL	102.8	212.1

- ▶ The value of the tariff deviations is paid in full and with interest over a two year period from the moment it is created.

1) Value adjusted to include €95M in 9M17 to be received from the Fund for the Systemic Sustainability of the Energy Sector (FSSSE) related with the PPA's (€95M in 2016).

BORROWINGS

€M	Current	Non Current	TOTAL
Bonds	192.8	1,465.0	1,657.8
Bank borrowings	46.9	456.8	503.7
Commercial paper	225.2	150.0	375.2
Bank overdrafts	13.8	0.0	13.8
Finance lease	1.1	1.3	2.5
TOTAL	479.8	2,073.2	2,553.0
Accrued interest	44.0	0.0	44.0
Prepaid interest	-18.4	-17.3	-35.7
TOTAL	505.5	2,055.9	2,561.4

- ▶ In the end of September 2017 REN's total liquidity reached €979M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- ▶ **Bank borrowings** were mainly represented by EIB loans (€459M);
- ▶ The Group had **credit lines** negotiated and not used in the amount of €80M, maturing up to one year, which are automatically renewed periodically (if they are not resigned in the contractually specified period for that purpose);
- ▶ REN also had five active **commercial paper** programmes in the amount of €1,075M, of which €700M were available for use;
- ▶ The balance of prepaid interest included €28M (as of 31 December 2016 it was €31M) related to the refinancing of bond issues through an Exchange Offer, carried out during the year 2016.
- ▶ REN's financial liabilities had the following main types of covenants: Cross Default, Pari Passu, Negative Pledge, Leverage ratios and Gearing (ratio of total consolidated equity with the total consolidated regulated assets). The Group's gearing ratio comfortably met the limits contractually set, thus being above the limit by 66%;
- ▶ The borrowings from the EIB included covenants relating to rating and other financial ratios. In the event of ratings below the specified levels, REN can be called to provide a guarantee acceptable to the EIB.

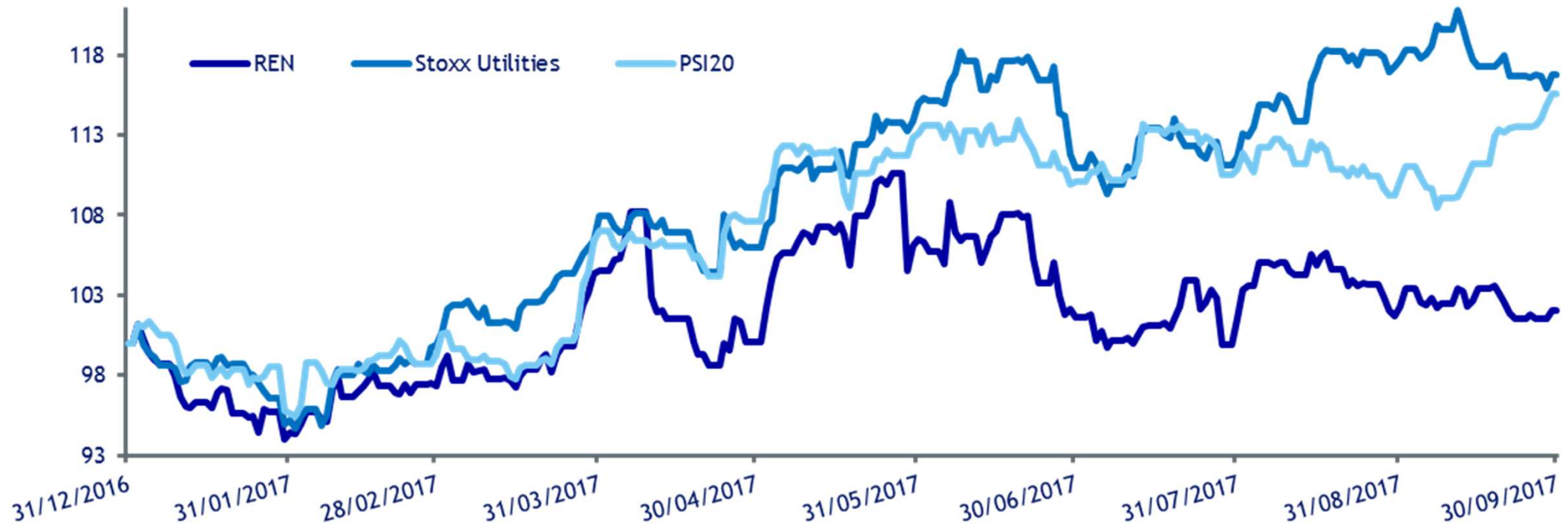
SHARE PERFORMANCE

REN ended 9M17 with a total return of 8.3% (YTD)



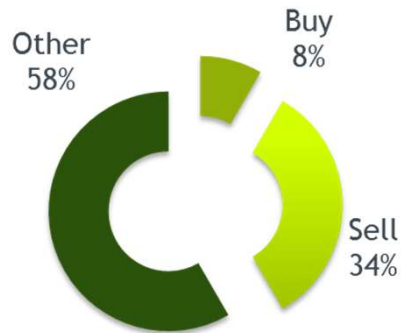
RESULTS
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ANNUALIZED CLOSING PRICES



ANALYST RECOMMENDATIONS⁽¹⁾

- ▶ **Average price target**
€2.82
- ▶ **Upside/Downside^(+/-)**
3.8%



CMVM: MAIN PRESS RELEASES

(from January 2017)

- ▶ **Jan-09:** Summary of annual information disclosed in 2016
- ▶ **Feb-07:** Purchase of stake in Chilean gas pipeline
- ▶ **Mar-28:** Qualified shareholding (The Capital Group Companies, Inc.)
- ▶ **Mar-30:** 2016 consolidated results
- ▶ **Apr-07:** Acquisition of the EDP Gás distribution business
- ▶ **May-11:** Facility agreement with a syndicate of banks
- ▶ **May-16:** Payment of dividends
- ▶ **Jun-02:** Searches conducted by the Portuguese judicial police
- ▶ **Jun-28:** EDP's ABB on REN's shares
- ▶ **Jul-27:** 1H17 consolidated results
- ▶ **Aug-01:** Qualified shareholding (Lazard Asset Management LLC)
- ▶ **Sep-21:** Approval of acquisition of the EDP Gás Distribution business
- ▶ **Oct-04:** Completion of the acquisition of the EDP Gás distribution business
- ▶ **Oct-13:** ERSE's proposal for tariffs and prices for electricity for 2018 and parameters for the 2018-2020 regulatory period
- ▶ **Oct-27:** Qualified shareholding from Lazard Asset Management LLC
- ▶ **Nov-01:** Bank Facility with CDB

(1) Oct 30th, 2017.

REN'S TOTAL SHAREHOLDER RETURN WAS +85.1% (ITD)



REN	9M17	2016
END OF PERIOD		
Price (€)		
Close	2.754	2.698
Average	2.746	2.663
High YTD	2.984	2.928
Low YTD	2.536	2.464
<i>Variation YTD</i>	2.1%	-3.0%
Market cap. (€M)	1,471	1,441
Number of shares (M)	534	534
Own shares (M)	3.9	3.9
Volume (M shares)	0.766	0.491
Volume WAP	2.705	2.662
Performance indicators		
Dividend yield	6.2%	6.3%
PER	9.6x	11.8x
Total shareholder return YTD	8.3%	3.3%
Cumulative total return*		
REN	85.1%	71.0%
PSI20	-39.6%	-46.0%
EuroStoxx Utilities	-10.8%	-23.1%

* Inception to date (July 09th 2007).
Source: Bloomberg



APPENDIX

RESULTS BREAKDOWN



€M	9M17	9M16	2016	9M17/9M16	
				Δ %	Δ Abs.
1) TOTAL REVENUES	512.1	493.0	739.0	3.9%	19.1
Revenues from assets	338.4	337.0	451.7	0.4%	1.4
Return on RAB	156.9	161.1	214.9	-2.6%	-4.2
Electricity	107.4	103.3	140.2	4.0%	4.1
Natural gas	49.5	57.8	74.8	-14.4%	-8.3
Hydro land remuneration	0.2	0.2	0.3	-4.7%	0.0
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Remuneration of fully amortized assets	16.2	14.9	20.8	8.8%	1.3
Tariff smoothing effect (natural gas)	0.6	-1.1	-0.9		1.7
Recovery of amortizations (net from subsidies)	150.5	147.8	197.8	1.8%	2.7
Subsidies amortization	13.5	13.6	18.1	-0.6%	-0.1
Revenues of OPEX	75.2	70.8	98.6	6.2%	4.4
Other revenues	18.3	11.9	17.4	54.2%	6.4
Construction revenues (IFRIC 12)	80.2	73.3	171.2	9.3%	6.8
2) OPEX	79.6	73.7	107.5	8.0%	5.9
Personnel costs	37.3	37.8	50.5	-1.2%	-0.5
External supplies and services	32.0	26.1	43.9	22.7%	5.9
Other operational costs	10.3	9.9	13.0	4.6%	0.5
3) Construction costs (IFRIC 12)	67.8	61.9	155.2	9.5%	5.9
4) Depreciations and amortizations	162.8	160.5	214.8	1.4%	2.3
5) Other	0.3	0.2	0.2		0.1
6) EBIT	201.6	196.6	261.3	2.5%	4.9
7) Depreciations and amortizations	162.8	160.5	214.8	1.4%	2.3
8) EBITDA	364.4	357.2	476.0	2.0%	7.2
9) Depreciations and amortizations	162.8	160.5	214.8	1.4%	2.3
10) Financial result	-44.5	-63.4	-79.9	29.8%	18.9
11) Income tax expense	42.4	36.9	55.3	15.0%	5.5
12) Extraordinary contribution on energy sector	25.8	25.9	25.9	-0.5%	-0.1
13) NET PROFIT	88.9	70.5	100.2	26.1%	18.4
14) Non recurrent items*	28.0	25.9	26.2	8.0%	2.1
15) RECURRENT NET PROFIT	116.9	96.4	126.3	21.3%	20.5

* NON RECURRENT ITEMS:

9M17: i) Extraordinary energy sector levy, as established in the 2017 State budget law (€25.8M); and ii) Financial and operational one-off costs with EDPG and Electrogas acquisitions (€3.1M, €2.2M after taxes);

9M16: Extraordinary energy sector levy, as established in the 2016 State budget law (€25.9M).

OTHER OPERACIONAL REVENUES AND COSTS BREAKDOWN



RESULTS
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€M	9M17	9M16	2016	9M17/9M16	
				Δ %	Δ Abs.
Other revenues	18.3	11.9	17.4	54.2%	6.4
Allowed incentives	2.4	2.1	3.1	15.0%	0.3
Interest on tariff deviation	1.1	1.5	1.9	-26.4%	-0.4
Telecommunication sales and services rendered	3.8	4.0	5.5	-6.3%	-0.3
Consultancy services and other services provided	1.0	2.0	2.9	-50.2%	-1.0
Other revenues	10.0	2.3	4.1		7.8
Other costs	10.3	9.9	13.0	4.6%	0.5
Costs with ERSE	7.3	7.3	9.7	0.6%	0.0
Other	3.0	2.6	3.3	16.2%	0.4

EBITDA BREAKDOWN (ELECTRICITY¹)



€M	9M17	9M16	2016	9M17/9M16	
				Δ %	Δ Abs.
1) REVENUES	369.0	349.1	539.7	5.7%	19.9
Revenues from assets	242.7	235.0	317.3	3.3%	7.7
Return on RAB	107.4	103.3	140.2	4.0%	4.1
Hydro land remuneration	0.2	0.2	0.3	-4.7%	0.0
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Remuneration of fully amortized assets	16.2	14.9	20.8	8.8%	1.3
Recovery of amortizations (net from subsidies)	109.3	106.9	143.1	2.2%	2.3
Subsidies amortization	9.1	9.2	12.2	-0.6%	-0.1
Revenues of OPEX	45.8	44.4	62.3	3.3%	1.4
Other revenues	5.7	1.1	2.6		4.6
Interest on tariff deviation	0.7	0.1	0.1		0.6
Other	5.0	1.0	2.5		4.1
Construction revenues (IFRIC 12)	74.8	68.6	157.5	9.0%	6.2
2) OPEX	36.4	34.5	51.9	5.4%	1.9
Personnel costs	14.7	15.3	20.5	-3.8%	-0.6
External supplies and services	14.9	12.9	23.2	15.1%	2.0
Other operational costs	6.8	6.3	8.2	7.9%	0.5
3) Construction costs (IFRIC 12)	64.0	58.7	143.6	9.0%	5.3
4) Depreciations and amortizations	117.5	115.6	154.7	1.6%	1.9
5) Other	0.1	0.3	-0.1	-74.0%	-0.2
6) EBIT (1-2-3-4-5)	151.0	139.9	189.7	7.9%	11.0
7) Depreciations and amortizations	117.5	115.6	154.7	1.6%	1.9
8) EBITDA (6+7)	268.5	255.5	344.4	5.1%	13.0

(1) Includes Electricity and Enondas (wave energy concession).

EBITDA BREAKDOWN (NATURAL GAS)



€M	9M17	9M16	2016	9M17/9M16	
				Δ %	Δ Abs.
1) REVENUES	131.0	134.8	186.5	-2.8%	-3.8
Revenues from assets	95.7	101.9	134.4	-6.1%	-6.3
Return on RAB	49.5	57.8	74.8	-14.4%	-8.3
Tariff smoothing effect (natural gas)	0.6	-1.1	-0.9		1.7
Recovery of amortizations (net from subsidies)	41.3	40.9	54.7	0.9%	0.4
Subsidies amortization	4.4	4.4	5.9	-0.5%	0.0
Revenues of OPEX	29.3	26.5	36.3	10.8%	2.9
Other revenues	0.6	1.7	2.1	-64.2%	-1.1
Interest on tariff deviation	0.2	0.7	0.8	-61.9%	-0.4
Other services provided	0.1	0.9	1.2	-88.9%	-0.8
Other	0.2	0.1	0.2		0.1
Construction revenues (IFRIC 12)	5.4	4.7	13.8	14.1%	0.7
2) OPEX	19.4	17.4	24.6	11.0%	1.9
Personnel costs	5.4	6.0	7.9	-9.5%	-0.6
External supplies and services	10.7	8.3	12.7	29.2%	2.4
Other operational costs	3.2	3.1	4.0	2.3%	0.1
3) Construction costs (IFRIC 12)	3.8	3.2	11.7	18.2%	0.6
4) Depreciations and amortizations	45.1	44.7	59.8	0.9%	0.4
5) Other	0.0	0.0	0.0		0.0
6) EBIT	62.8	69.4	90.5	-9.6%	-6.7
7) Depreciations and amortizations	45.1	44.7	59.8	0.9%	0.4
8) EBITDA	107.9	114.2	150.2	-5.5%	-6.3

EBITDA BREAKDOWN (OTHER¹)



€M	9M17	9M16	2016	9M17/9M16	
				Δ %	Δ Abs.
1) TOTAL REVENUES	12.0	9.1	12.7	32.2%	2.9
Revenues of OPEX	0.1	0.0	0.0		0.1
Recovery of net OPEX	0.1	0.0	0.0		0.1
Other revenues	12.0	9.1	12.7	31.3%	2.8
Allowed incentives	2.4	2.1	3.1	15.0%	0.3
Interest on tariff deviation	0.2	0.7	1.0	-77.8%	-0.6
Telecommunication sales and services rendered	3.8	4.0	5.5	-6.3%	-0.3
Consultancy services and other services provided	0.9	1.1	1.7	-17.8%	-0.2
Other	4.8	1.2	1.4		3.6
Construction revenues (IFRIC 12)	0.0	0.0	0.0		0.0
2) OPEX	23.9	21.8	31.0	9.6%	2.1
Personnel costs	17.2	16.5	22.2	4.1%	0.7
External supplies and services	6.3	4.8	8.0	31.6%	1.5
Other operational costs	0.4	0.5	0.9	-22.4%	-0.1
3) Construction costs (IFRIC 12)	0.0	0.0	0.0		0.0
4) Depreciations and amortizations	0.2	0.2	0.2	-3.8%	0.0
5) Other	0.2	-0.1	0.3		0.3
6) EBIT	-12.2	-12.7	-18.9	-4.2%	0.5
7) Depreciations and amortizations	0.2	0.2	0.2	-3.8%	0.0
8) EBITDA	-12.0	-12.6	-18.6	-4.2%	0.5

(1) Includes REN SGPS, REN Serviços, REN Telecom, REN Trading, REN Finance B.V. and Aerio Chile.

CAPEX AND RAB



€M	9M17	9M16	2016	9M17/9M16	
				Δ %	Δ Abs.
CAPEX*	80.3	73.4	171.5	9.4%	6.9
Electricity	74.8	68.6	157.5	9.0%	6.2
Natural gas	5.4	4.7	13.8	14.1%	0.7
Other	0.1	0.1	0.2		0.1
Transfers to RAB**	36.1	21.1	154.2	70.7%	14.9
Electricity	34.4	20.2	140.1	70.6%	14.2
Natural gas	1.7	1.0	14.1	72.4%	0.7
Average RAB	3,462.5	3,502.0	3,537.1	-1.1%	-39.5
Electricity	2,129.4	2,115.6	2,152.6	0.6%	13.7
With premium	1,117.5	1,082.5	1,105.0	3.2%	35.0
Without premium	1,011.9	1,033.1	1,047.6	-2.1%	-21.2
Land	257.2	269.9	268.3	-4.7%	-12.8
Natural gas	1,076.0	1,116.4	1,116.1	-3.6%	-40.4
RAB e.o.p.	3,405.2	3,437.7	3,519.8	-0.9%	-32.6
Electricity	2,096.6	2,076.1	2,162.0	1.0%	20.4
Land	252.4	265.1	262.0	-4.8%	-12.8
Natural gas	1,056.2	1,096.5	1,095.8	-3.7%	-40.3
RAB's variation e.o.p.	-114.6	-128.6	-46.5		
Electricity	-65.4	-79.1	6.8		
Land	-9.6	-9.6	-12.8		
Natural gas	-39.6	-39.9	-40.6		
RAB's remuneration	157.6	161.8	215.9	-2.6%	-4.2
Electricity	107.4	103.3	140.2	4.0%	4.1
With premium	59.4	55.8	76.0	6.3%	3.5
Without premium	48.1	47.5	64.2	1.2%	0.6
Land	0.7	0.7	1.0	-2.1%	0.0
Natural gas	49.5	57.8	74.8	-14.4%	-8.3
RoR's RAB	6.1%	6.2%	6.1%		-0.1p.p.
Electricity	6.0%	5.8%	6.5%		0.2p.p.
With premium	7.1%	6.9%	6.9%		0.2p.p.
Without premium	6.3%	6.1%	6.1%		0.2p.p.
Land	0.4%	0.4%	0.4%		0.0p.p.
Natural gas	6.1%	6.9%	6.7%		-0.8p.p.

* Total costs;

** Transfers to RAB include direct acquisitions RAB related.

	9M17	9M16	2016
Net Debt (€M)	2,540.6	2,484.9	2,477.7
Average cost	2.6%	3.4%	3.2%
Average maturity (years)	4.4	4.7	5.1

DEBT BREAKDOWN

Funding sources			
Bond issues	65%	58%	67%
EIB	18%	21%	20%
Loans	2%	2%	3%
Other	15%	20%	10%

TYPE

Float	40%	49%	36%
Fixed	60%	51%	64%

CREDIT METRICS

Net Debt / EBITDA	5.2x	5.2x	5.2x
FFO / Net Debt	11.2%	11.5%	11.4%
FFO Interest Coverage	5.2x	4.1x	4.3x

RATING

	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	04/12/2017
Standard & Poor's	BBB-	A-3	Positive	10/26/2017
Fitch	BBB	F3	Stable	04/20/2017



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

Financial position (teuros)



RESULTS
REPORT

	Sep 2017	Dec 2016
ASSETS		
Non-current assets		
Property, plant and equipment	498	578
Goodwill	3,114	3,397
Intangible assets	3,742,511	3,825,712
Investments in associates and joint ventures	165,211	14,657
Available-for-sale financial assets	150,574	150,118
Derivative financial instruments	9,431	20,425
Other financial assets	24	14
Trade and other receivables	49,545	10,145
Deferred tax assets	71,666	62,825
	4,192,573	4,087,871
Current assets		
Inventories	1,204	1,028
Trade and other receivables	354,648	448,826
Other financial assets	0	1,317
Cash and cash equivalents	6,372	10,783
	362,225	461,954
TOTAL ASSETS	4,554,798	4,549,825

	Sep 2017	Dec 2016
EQUITY		
Shareholders' equity:		
Share capital	534,000	534,000
Treasury shares	-10,728	-10,728
Other reserves	307,317	319,204
Retained earnings	226,369	216,527
Other changes in equity	30	30
Net profit for the period	88,867	100,183
TOTAL EQUITY	1,145,856	1,159,217
LIABILITIES		
Non-current liabilities		
Borrowings	2,055,911	2,298,543
Liability for retirement benefits and others	121,653	125,673
Derivative financial instruments	7,615	12,212
Provisions	6,347	6,154
Trade and other payables	352,484	318,126
Deferred tax liabilities	53,567	73,027
	2,597,577	2,833,735
Current liabilities		
Borrowings	505,460	216,594
Provisions	0	801
Trade and other payables	270,517	311,539
Income tax payable	35,388	26,875
Derivative financial instruments	0	1,063
	811,364	556,873
TOTAL LIABILITIES	3,408,941	3,390,608
TOTAL EQUITY AND LIABILITIES	4,554,798	4,549,825

CONSOLIDATED STATEMENTS

Profit and loss (teuros)



RESULTS REPORT

	Sep 2017	Sep 2016
Sales	23	201
Services rendered	408,058	403,632
Revenue from construction of concession assets	80,161	73,320
Gains / (losses) from associates and joint ventures	4,469	983
Other operating income	19,621	15,320
Operating income	512,332	493,455
Cost of goods sold	-146	-250
Cost with construction of concession assets	-67,800	-61,910
External supplies and services	-32,253	-26,283
Employee compensation and benefit expense	-37,031	-37,563
Depreciation and amortizations	-162,809	-160,529
Provisions	27	-322
Impairments	-293	120
Other expenses	-10,197	-9,633
Operating costs	-310,502	-296,372
Operating results	201,831	197,083
Financial costs	-54,353	-74,001
Financial income	4,566	5,911
Investment income - dividends	5,013	4,260
Financial results	-44,774	-63,830
Profit before income tax	157,057	133,253
Income tax expense	-42,392	-36,862
Energy sector extraordinary contribution	-25,798	-25,938
Net profit for the period	88,867	70,453
Attributable to:		
Equity holders of the Company	88,867	70,453
Non-controlled interest	0	0
Consolidated profit for the period	88,867	70,453

CONSOLIDATED STATEMENTS

Cash flow (teuros)



	Sep 2017	Sep 2016
Cash flow from operating activities		
Cash receipts from customers (a)	1,801,293	1,385,544
Cash paid to suppliers (a)	-1,315,949	-1,036,350
Cash paid to employees	-50,171	-47,828
Income tax received/(paid)	-63,381	-21,858
Other receipts/(payments) relating to operating activities	-8,532	-32,844
Net cash flows from operating activities (1)	363,261	246,663
Cash flow from investing activities		
Receipts related to:		
Other financial assets	1,309	0
Grants related to assets	5,647	100
Interests and other similar income	12	5
Dividends	9,250	5,466
Payments related to:		
Investments in associates and joint ventures	-169,285	0
Available-for-sale	0	-202
Property, plant and equipment	-239	-19
Intangible assets - Concession assets	-130,460	-110,462
Net cash flow used in investing activities (2)	-283,766	-105,111
Cash flow from financing activities		
Receipts related to:		
Borrowings	3,618,800	4,313,500
Payments related to:		
Borrowings	-3,581,052	-4,267,284
Interests and other similar expense	-46,293	-101,697
Dividends	-90,650	-90,650
Net cash (used in)/from financing activities (3)	-99,196	-146,132
Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)	-19,701	-4,580
Effect of exchange rates	1,582	0
Cash and cash equivalents at the beginning of the year	10,680	63,539
Cash and cash equivalents at the end of the period	-7,440	58,960
Detail of cash and cash equivalents		
Cash	21	21
Bank overdrafts	-13,812	-12,764
Bank deposits	6,351	71,703
	-7,440	58,960

(a) These amounts include payments and receipts relating to activities in which the Group acts as agent, income and costs being reversed in the consolidated statement of profit and loss.

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