



# 2015 1<sup>st</sup> QUARTER RESULTS REPORT

May 11<sup>th</sup>, 2015



# 1Q15 Highlights

## MAIN INDICATORS

€M	1Q15	1Q14	Δ%	Δ Abs.
EBITDA	138.3	126.5	9.4%	11.8
Financial Results <sup>(1)</sup>	-24.5	-29.3	16.5%	4.8
Recurrent Net Profit	30.3	33.3	-8.8%	-2.9
Net Profit	39.4	26.3	49.8%	13.1
Average RAB	3,512.4	3,501.7	0.3%	10.7
CAPEX	8.4	9.5	-12.0%	-1.1
Net Debt	2,371.7	2,366.6	0.2%	5.1

(1) Excludes (1) Financial cost from the interconnection capacity auctions between Spain and Portugal (€0.5M in 1Q14 and -€0.1M in 1Q15) - known as FTR (Financial Transaction Rights) - reclassified as Revenues.

▶ **EBITDA** reached €138.3M, an increase of 9.4% (+€11.8M) versus 1Q14. This growth benefited from the capital gains with the sale of REN's stake in Enagás (+€20.1M), despite the negative impact of the recent regulatory changes in the electricity sector;

▶ **Financial Results** stood at -€24.5M (vs -€29.3M in 1Q14), profiting from a significant reduction in the company's average cost of debt, which was down to 4.1% from 4.8% in 1Q14. Net debt showed a flattish QoQ evolution (+0.2%), with the slowdown in CAPEX;

▶ **Net Profit** was up to €39.4M, a 49.8% (+€13.1M) increase when compared to the same period of the previous year. Excluding extraordinary effects, **Recurrent Net Profit** was down by €2.9M to €30.3M.

# Average RAB increased €10.7M

## CAPEX and RAB

€M	1Q15	1Q14	Δ%	Δ Abs.
<b>Average RAB</b>	3,512.4	3,501.7	0.3%	10.7
Electricity	2,127.1	2,100.3	1.3%	26.8
Land	286.0	299.2	-4.4%	-13.2
Natural gas	1,099.2	1,102.1	-0.3%	-2.9
<b>RAB end of period</b>	<b>3,487.8</b>	<b>3,481.8</b>	<b>0.2%</b>	<b>6.0</b>
Electricity	2,110.7	2,088.2	1.1%	22.5
Land	284.4	297.6	-4.4%	-13.1
Natural gas	1,092.8	1,096.1	-0.3%	-3.3
<b>CAPEX</b>	<b>8.4</b>	<b>9.5</b>	<b>-12.0%</b>	<b>-1.1</b>
Electricity	6.9	7.0	-1.9%	-0.1
Natural gas	1.5	2.5	-40.5%	-1.0
Other	0.0	0.0	-	0.0
<b>RAB variation e.o.p.</b>	<b>-49.0</b>	<b>-40.0</b>		
Electricity	-32.8	-24.6		
Land	-3.2	-3.3		
Natural gas	-13.0	-12.1		

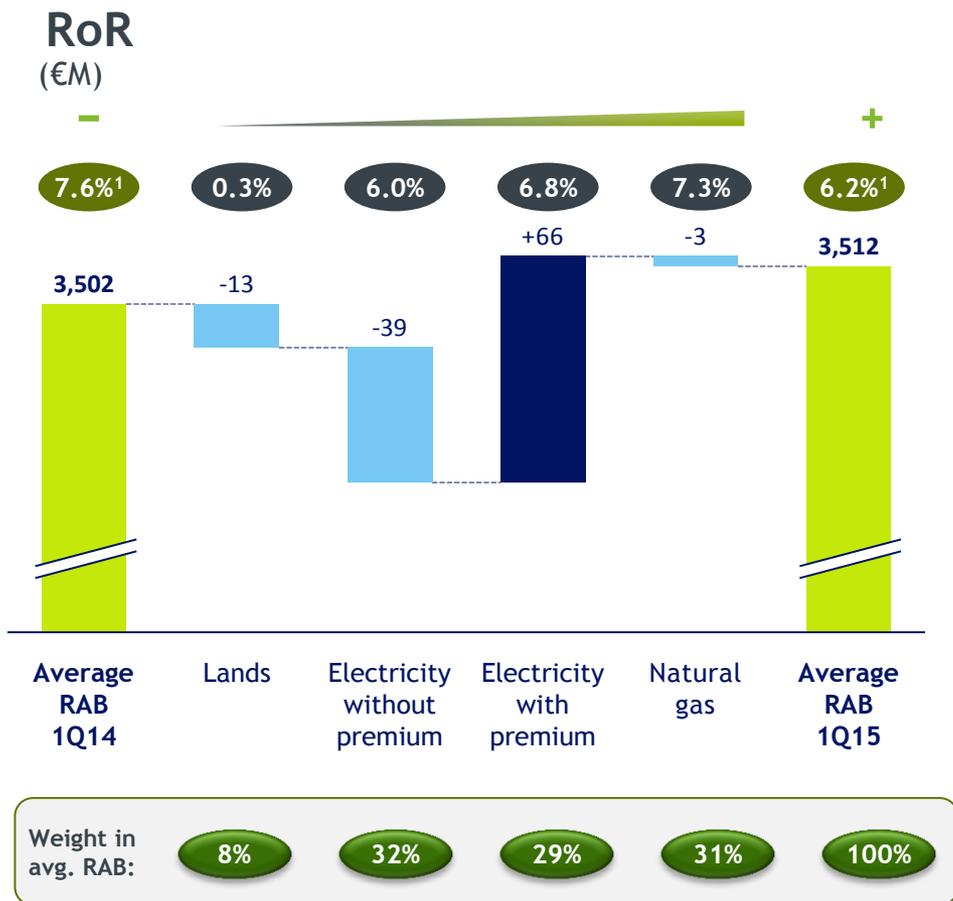
▶ Despite the increase in average RAB (+€10.7M) reaching €3,512.4M, CAPEX amounted to €8.4M, -€1.1M than in 1Q14;

▶ In 1Q15, the most relevant investments in the electricity business were the beginning of construction of (1) the substation of Vila Nova de Famalicão (400 kV), in the axis of the future Portugal-Spain interconnection, which will link the future substations of Ponte de Lima (Portugal) and Fontefría (Spain) and; (2) the substation of Alto de São João (220 kV), which will feed the distribution grid in the city of Lisbon;

▶ In the Natural Gas business, there were no relevant projects to highlight this quarter.

# RAB growth with focus on Electricity Assets with premium

(RoR 6.8%, +€66M)

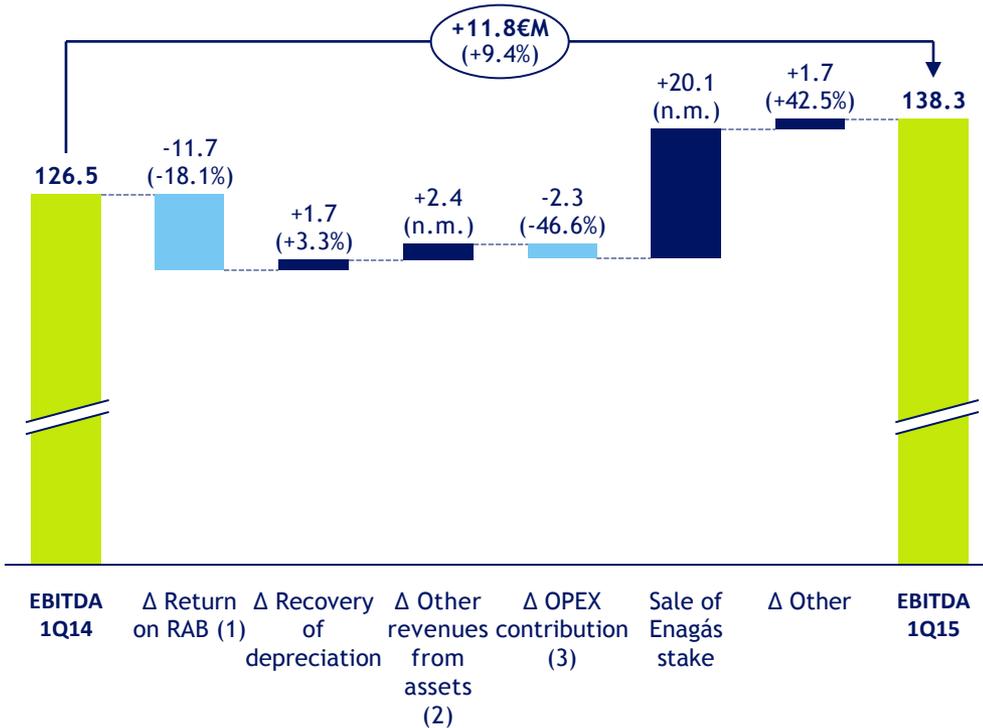


- ▶ Average RAB increased by €10.7M. This growth was driven by Electricity with premium;
- ▶ The base rate of return in the electricity business dropped to 6.0% from 7.9% in 1Q14. Electricity average RAB with premium (with a 6.8% RoR) was up by €65.9M vs 1Q14, while lands, the category with the lowest rate of return (0.3% RoR), suffered a decrease in the value of its average RAB of €13.2M, to €286.0M;
- ▶ In Natural gas, the average RAB had a decrease of €2.9M (RoR 7.3%);
- ▶ At the end of 1Q15, electricity accounted for 60.6% of the average RAB, natural gas for 31.3% and lands for the remaining 8.1%.

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

# EBITDA increased to €138.3M sustained by the sale of Enagás' stake

(€M)



- ▶ EBITDA increased by €11.8M, benefitting from the sale of Enagás' stake (+€20.1M);
- ▶ There was a negative impact from Return on RAB (-€11.7M) and OPEX contribution (-€2.3M), partially offset by the increase in Other revenues from assets (+€2.4M) and Recovery of depreciation (+€1.7M), consistent with a higher asset base.

(1) Includes Δ+€1.0M of NG tariff smoothing effect;

(2) Related to the variation of Remuneration of fully depreciated assets;

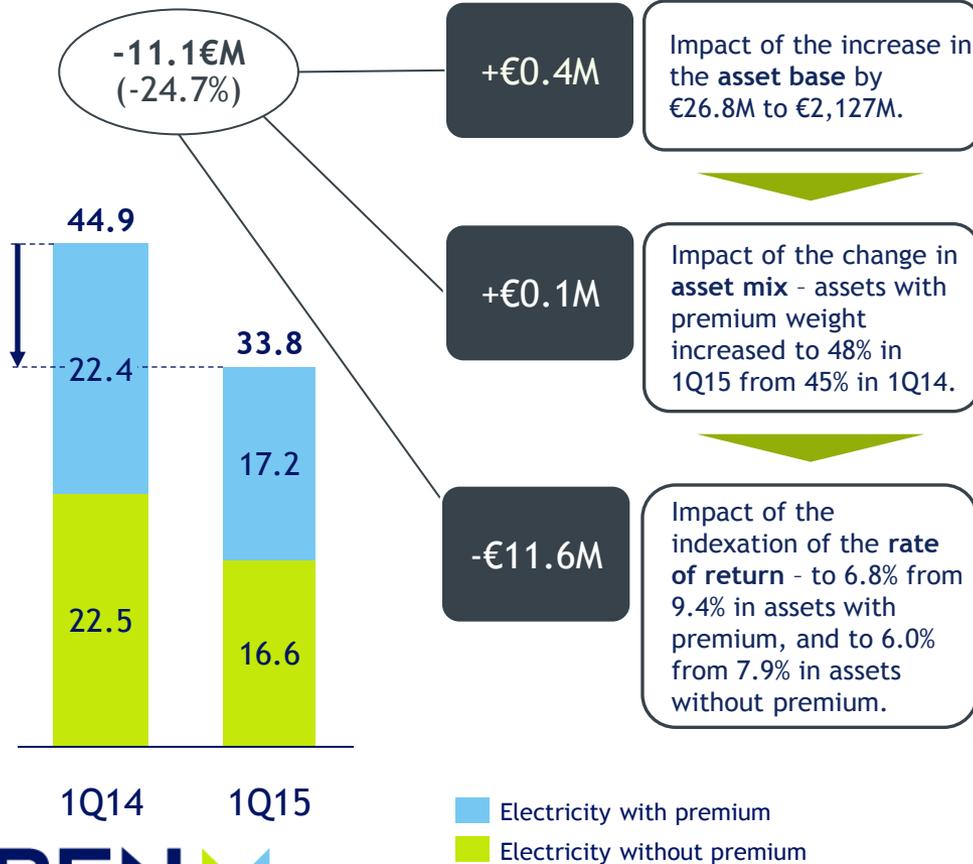
(3) Includes Δ-€0.5M of Opex own works.

# RAB remuneration negatively impacted by a lower RoR

## Nevertheless, average RAB showed a positive evolution

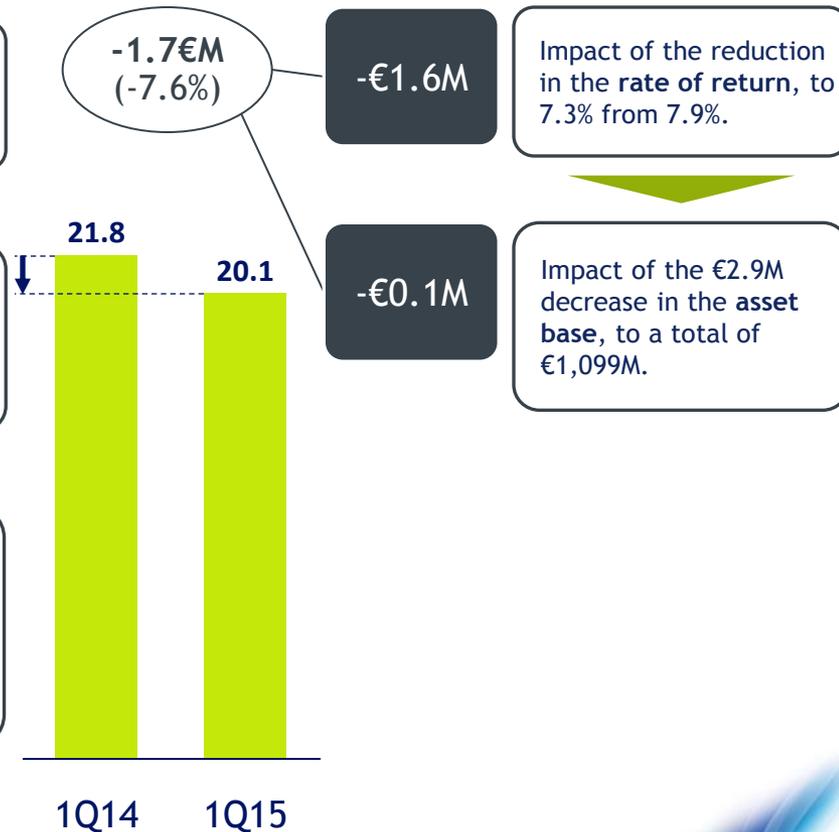
### RAB REMUNERATION ELECTRICITY (ex. lands)

(€M)



### RAB REMUNERATION NATURAL GAS (ex. tariff smoothing effect)

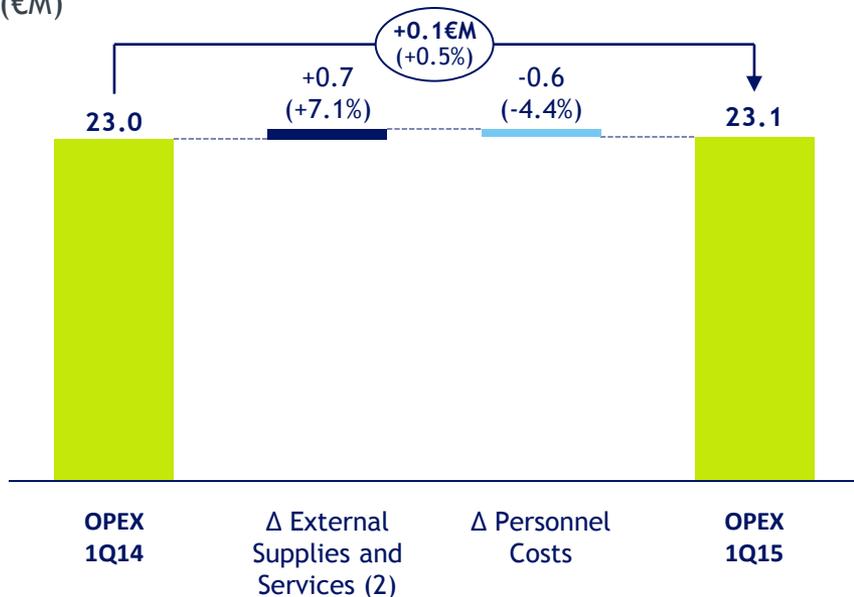
(€M)



# OPEX was flat due to Bond issuance costs

## OPERATIONAL COSTS<sup>(1)</sup>

(€M)



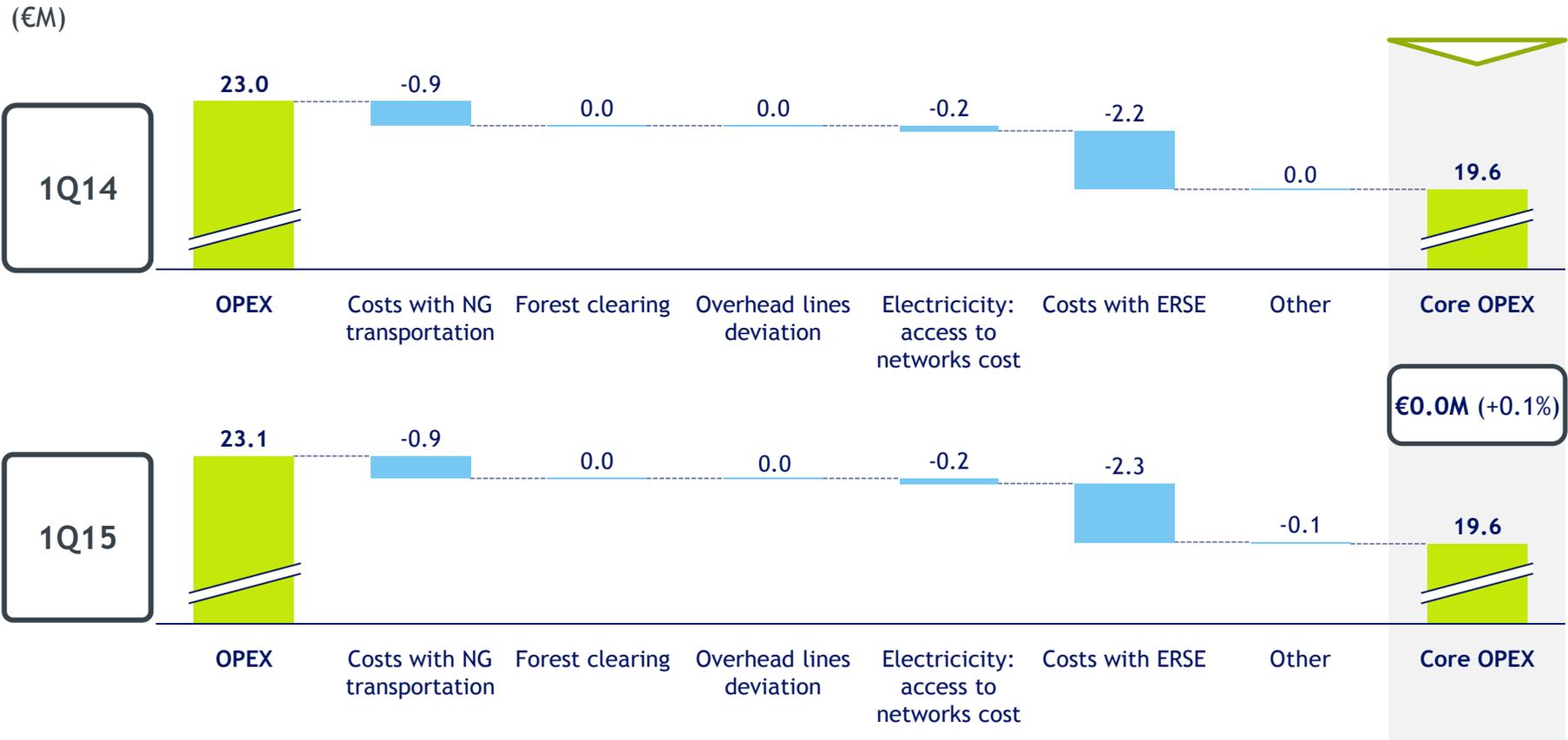
- ▶ External Supplies and Services (ESS) increased 7.1% (+€0.7M) due to the issue of debt instruments; Other Operational costs (included in ESS) were up by €0.2M (+6.5%);
- ▶ Personnel costs had a €0.6M decrease, mainly due to the post-employment benefits costs.

(1) Includes re-classification of training costs, from external supplies and services to personnel costs (Δ-€0.05M);

(2) Includes Δ+€0.2M of Other Operating Costs.

Note: Values do not include costs incurred with the construction of concession assets (IFRIC 12): €4.9M in 1Q14 and €4.7M in 1Q15.

# Excluding pass-through costs, Core OPEX stood at €19.6M



Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €4.9M in 1Q14 and €4.7M in 1Q15.

# Financial Results improved €4.8M

## reflecting the strengthening of the company's liquidity profile

### NET PROFIT

€M	1Q15	1Q14	Δ%	Δ Abs.
EBITDA	138.3	126.5	9.4%	11.8
Depreciation	51.9	50.4	3.0%	1.5
Financial results <sup>(1)</sup>	-24.5	-29.3	16.5%	4.8
Profit before income tax and levy	61.9	46.7	32.5%	15.2
Taxes	16.2	14.2	13.7%	1.9
Extraordinary levy	6.4	6.2	2.3%	0.1
Net profit	39.4	26.3	49.8%	13.1
Recurrent net profit	30.3	33.3	-8.8%	-2.9

(1) Excludes the Financial cost as of the interconnection capacity auctions between Spain and Portugal (€0.5M in 1Q14 and -€0.1M in 1Q15), known as FTR (Financial Transaction Rights), that were reclassified to Revenues.

- ▶ The average cost of debt was 4.1% versus 4.8% in March 2014;
- ▶ Financial results stood at -€24.5M, representing an improvement of 16.5% when compared with 1Q14;

▶ In 1Q15, Net profit increased by 49.8% QoQ, reaching €39.4M, with the improvement in Financial results (+€4.8M) on the back of a lower average cost of debt (to 4.1% from 4.8%). Net profit benefitted from the sale of the Enagás' stake, but was negatively affected by the energy sector extraordinary levy and the changes in the new electricity regulatory framework;

▶ Income tax increased by 13.7%, to €16.2M;

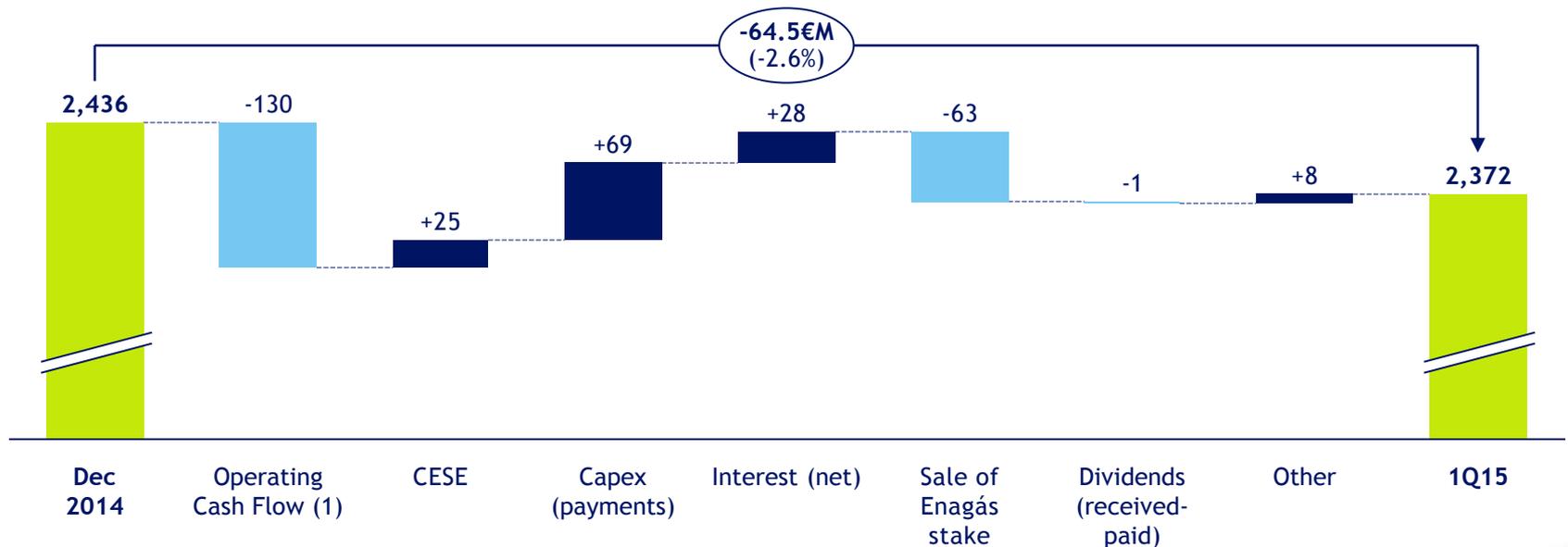
▶ In 2015, the Group is being taxed at a Corporate Income Tax rate of 21%, added by a municipal surcharge up to the maximum of 1.5% over the taxable profit and (i) a State surcharge of an additional 3.0% of taxable profit between €1.5M and €7.5M, (ii) an additional 5.0% of taxable profit in excess of €7.5M and up to €35.0M and (iii) 7.0% over the taxable profit in excess of €35.0M.

# Average cost of debt decreased by 60 b.p. to 4.1%

▶ Net debt decreased to €2,372M in 1Q15 from €2,436M in December 2014 (-2.6%);

▶ The average cost of debt was down to 4.1% (from 4.7% at the end of 2014).

## NET DEBT (€M)



# REN is already funded beyond 2016

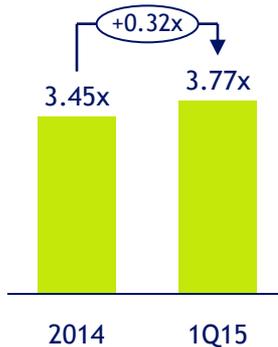
Net debt / EBITDA



FFO / Net debt



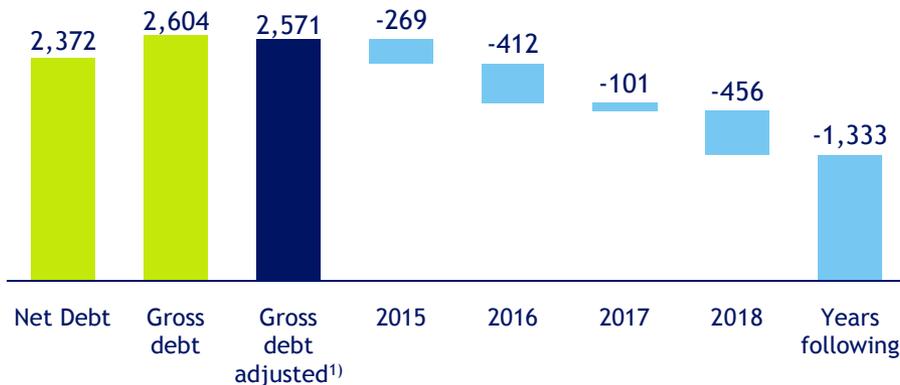
FFO interest coverage



▶ The Portuguese economy has continued its recovery path. The country's macro-economic environment allowed REN to adjust the marginal cost of debt to the credit market conditions. REN has taken advantage from the current financial environment to proceed with the reorganization of its debt, reinforcing liquidity and financial solidity, promoting the diversification of its sources of funding and lender base while also reducing the risk of refinancing;

## DEBT MATURITY SCHEDULE

(€M)



▶ Aligned with its financial health REN enjoys an investment grade rating from both Moody's and Fitch. That fact contributes to a more favorable climate among REN's creditors and can open the door for future issues of debt securities at lower costs;

▶ The average debt maturity is currently 4.79 years.

1) Adjusted by interest accruals and hedging on yen denominated debt.

# Balance sheet

€M	1Q15	2014
Fixed assets RAB related	3,784.5	3,827.6
Investments and goodwill <sup>1</sup>	294.4	347.6
Tariff deviations	201.6	206.6
Receivables <sup>2</sup>	270.3	415.6
Cash	151.2	114.3
Other <sup>3</sup>	12.5	13.1
<b>Total assets</b>	<b>4,714.3</b>	<b>4,924.8</b>
Shareholders equity	1,158.5	1,135.6
Debt (end of period)	2,603.5	2,604.5
Provisions	7.2	7.3
Tariff deviations	55.0	58.2
Payables <sup>4</sup>	744.1	968.0
Other <sup>5</sup>	146.1	151.2
<b>Total equity and liabilities</b>	<b>4,714.3</b>	<b>4,924.8</b>

- ▶ The total amount of *fixed assets RAB related* decreased to €3,784.5M (this value includes investment subsidies);
- ▶ *Investments and goodwill* (1) decreased to €294.4M from €347.6M at the end of 2014. This item includes Goodwill, available-for-sale financial assets, derivative financial instruments, investments in associates and other investments;
- ▶ *Receivables* (2) related to trade and other receivables, deferred tax assets and current income tax recoverable, reached €270.3M in 1Q15, a decrease from €415.6M at the end of 2014;
- ▶ *Other Assets* (3) stood at €12.5M, which 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 €744.1M at the end of 1Q15, versus €968.0M in 2014;
- ▶ *Other liabilities* (5) stood at €146.1M, which includes retirement and other benefit obligations, derivative financial instruments and guarantee deposits (€151.2M in 2014).

# The balance of tariff deviation totalized €146.6M to be received from tariffs

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## TARIFF DEVIATIONS

€M	1Q15	1Q14
Electricity	84.8	39.3
Natural gas	61.8	74.2
<b>TOTAL</b>	<b>146.6</b>	<b>113.5</b>

# Increased diversification of funding sources

## BORROWINGS

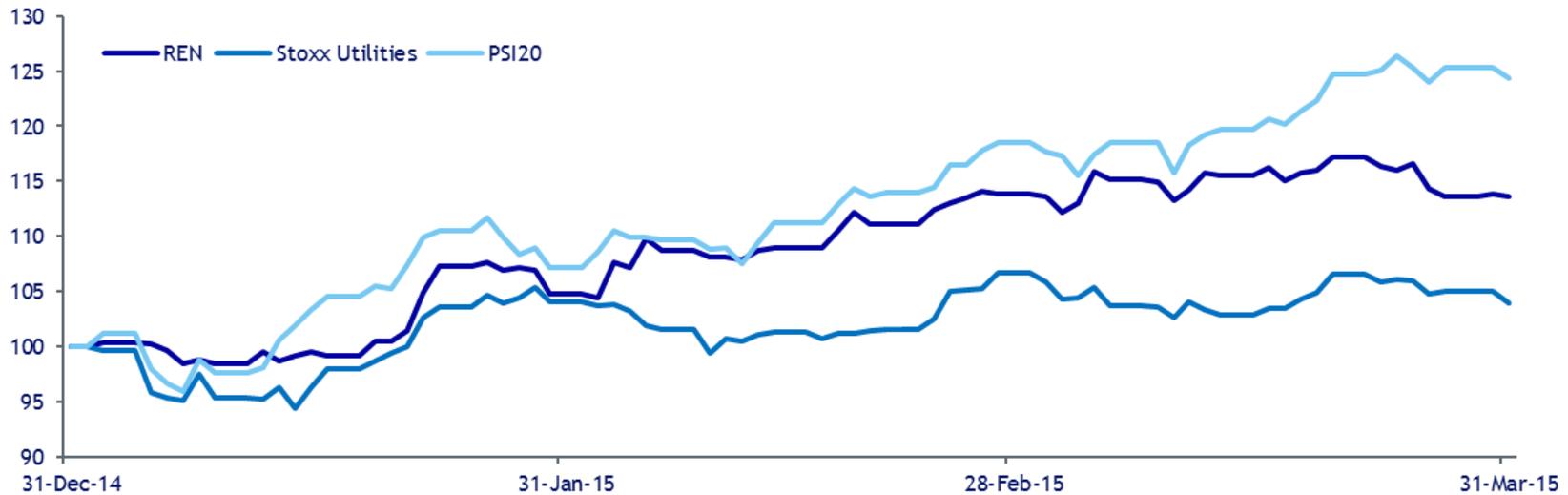
€M	Current	Non Current	TOTAL
Bonds	80.0	1,521.3	1,601.3
Bank borrowings	100.4	758.5	858.9
Commercial paper	106.0	30.0	136.0
Bank overdrafts	0.5	0.0	0.5
Finance lease	1.0	1.9	3.0
<b>TOTAL</b>	<b>287.9</b>	<b>2,311.7</b>	<b>2,599.7</b>
Accrued interest	20.4	0.0	20.4
Prepaid interest	-5.4	-11.2	-16.6
<b>TOTAL</b>	<b>303.0</b>	<b>2,300.5</b>	<b>2,603.5</b>

- ▶ The Group had five active commercial paper programmes, in the amount of €900M, of which €764M were available to be used. From the total amount of commercial paper programs, €575M had subscription guarantees;

- ▶ In the first quarter, the following changes were made: (1) REN issued debt in the amount of €300M at a fixed rate; (2) As part of the financing agreement that REN signed in 2010 with the EIB (to finance projects on the electricity sector) the second tranche in the amount of €75M was disbursed;
- ▶ The bank loans were mainly (€614M) represented by EIB loans;
- ▶ The Group also 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's financial liabilities had the following main types of covenants: Cross default, Pari Passu, Negative Pledge, Gearing (ratio of total consolidated equity to the amount of the Group's total concession assets). The Gearing ratio comfortably met the limits defined, being 104% above the minimum level;
- ▶ The borrowings from the EIB included ratings covenants. In the event of ratings below the levels specified, REN can be called to provide a guarantee acceptable to the EIB.

# Share performance: REN ended 1Q15 with a total return of +13.5% (YTD)

## ANNUALIZED CLOSING PRICES



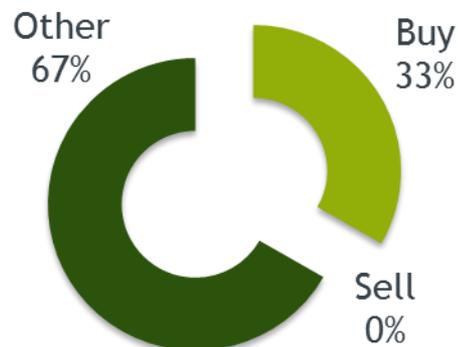
Source: Bloomberg

# Market information

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## ANALYST RECOMMENDATIONS

- ▶ Average price target  
**€2.82**
- ▶ Upside/Downside<sub>(+/-)</sub>  
**+3.2%**



## CMVM: MAIN PRESS RELEASES (from January 2015)

- ▶ **Jan-23:** Resignation of member of the Board of Directors
- ▶ **Jan-30:** S&P affirms REN's rating with positive outlook
- ▶ **Feb-05:** Issue of debt instruments
- ▶ **Feb-10:** Extraordinary contribution over the energy sector
- ▶ **Feb-11:** Qualified shareholding (Fidelidade)
- ▶ **Mar-19:** 2014 Annual results presentation
- ▶ **Mar-27:** Qualified shareholding (EGF)
- ▶ **Apr-17:** Resolutions approved at the General Shareholders meeting
- ▶ **Apr-24:** Payment of dividends

# REN's total shareholder return was +15.5% (ITD)

REN	1Q15
END OF PERIOD	
<b>Price (€)</b>	
Close	2.732
High YTD	2.820
Low YTD	2.367
<i>Variation YTD</i>	<i>13.5%</i>
Nr. of shares (M)	534
Own shares (M)	3.9
Market cap. (€M)	1,458.9
Volume (M shares)	1.016
Volume WAP	2.645
<b>Performance indicators</b>	
Dividend yield	6.3%
PER	10.5x
Total shareholder return YTD	13.5%
Cumulative total return*	
REN	15.5%
PSI20	-34.5%
EuroStoxx Utilities	-16.6%

\* Inception to date (July 9<sup>th</sup> 2007)

Source: Bloomberg

**REN** 

**APPENDIX**

# EBITDA breakdown

€M	1Q15	1Q14	2014	1Q15/1Q14	
				Δ %	Δ Abs.
<b>1) TOTAL REVENUES</b>	<b>166.1</b>	<b>154.3</b>	<b>755.7</b>	<b>7.6%</b>	<b>11.7</b>
Revenues from assets	109.9	117.6	469.7	-6.5%	-7.6
Return on RAB	54.0	66.7	262.8	-19.1%	-12.7
Electricity	33.8	44.9	180.0	-24.7%	-11.1
Natural gas	20.1	21.8	82.8	-7.6%	-1.7
Hydro land remuneration	0.1	0.0	0.2	69.0%	0.0
Lease revenues from hydro protection zone	0.2	0.2	0.7	-1.2%	0.0
Remuneration of fully depreciated assets	4.6	2.2	8.6	110.6%	2.4
Tariff smoothing effect (natural gas)	-0.9	-2.0	-5.5	52.9%	1.0
Recovery of depreciation (net from subsidies)	47.6	46.0	185.0	3.6%	1.6
Subsidies amortization	4.5	4.4	17.8	0.6%	0.0
Revenues of OPEX	22.6	24.2	103.1	-6.9%	-1.7
Other revenues	25.2	3.0	19.7		22.2
Construction revenues (IFRIC 12)	8.4	9.5	163.2	-12.1%	-1.2
<b>2) OPEX</b>	<b>23.1</b>	<b>23.0</b>	<b>106.2</b>	<b>0.5%</b>	<b>0.1</b>
Personnel costs	12.5	13.1	53.4	-4.4%	-0.6
External supplies and services	7.1	6.6	40.2	7.4%	0.5
Other operational costs	3.4	3.2	12.6	6.5%	0.2
<b>3) Construction costs (IFRIC 12)</b>	<b>4.7</b>	<b>4.9</b>	<b>142.8</b>	<b>-4.3%</b>	<b>-0.2</b>
4) Depreciation	51.9	50.4	202.6	3.0%	1.5
5) Other	0.0	0.0	1.5		0.0
<b>6) EBIT</b>	<b>86.4</b>	<b>76.0</b>	<b>302.6</b>	<b>13.6%</b>	<b>10.3</b>
7) Depreciation	51.9	50.4	202.6	3.0%	1.5
<b>8) EBITDA</b>	<b>138.3</b>	<b>126.5</b>	<b>505.2</b>	<b>9.4%</b>	<b>11.8</b>
9) Depreciation	51.9	50.4	202.6	3.0%	1.5
10) Financial results	-24.5	-29.3	-113.8	16.5%	4.8
11) Income tax expense	16.2	14.2	51.0	13.7%	1.9
12) Extraordinary contribution on energy sector	6.4	6.2	25.1	2.3%	0.1
<b>13) NET PROFIT</b>	<b>39.4</b>	<b>26.3</b>	<b>112.8</b>	<b>49.8%</b>	<b>13.1</b>
14) Non recurrent items*	-9.1	7.0	27.6		-16.0
<b>15) RECURRENT NET PROFIT</b>	<b>30.3</b>	<b>33.3</b>	<b>140.3</b>	<b>-8.8%</b>	<b>-2.9</b>

## Non recurrent items:

\* 1Q15: i) Cost of carry of EIB escrow account of €1.0M (€0.7M after taxes); ii) Energy sector Extraordinary levy (€6.4M); iii) capital gains with the sale of the group's stake in Enagás (-€20.1M, -€16.1M after taxes);

1Q14: i) Cost of carry of EIB escrow account of €1.1M (€0.7M after taxes); ii) Energy sector Extraordinary levy (€6.2M).

# Other operational revenues and costs breakdown

€M	1Q15	1Q14	2014	1Q15/1Q14	
				Δ %	Δ Abs.
<b>Other revenues</b>	<b>25.2</b>	<b>3.0</b>	<b>19.7</b>		<b>22.2</b>
Allowed incentives	1.2	0.6	3.1		0.6
Interest on tariff deviation	0.7	0.3	1.2		0.4
Available incentive	0.0	0.0	1.0		0.0
Gains in related companies	20.1	0.0	0.0		20.1
Telecommunication sales and services rendered	1.3	1.2	5.5	1.7%	0.0
Consultancy services and other services provided	1.1	0.2	4.4		0.9
Other revenues	0.9	0.7	4.6	24.5%	0.2
<b>Other costs</b>	<b>3.4</b>	<b>3.2</b>	<b>12.6</b>	<b>6.5%</b>	<b>0.2</b>
Costs with ERSE	2.3	2.2	9.0	2.4%	0.1
Other	1.1	1.0	3.6	16.2%	0.2

# EBIT breakdown (Electricity<sup>1</sup>)

€M	1Q15	1Q14	2014	1Q15/1Q14	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	<b>98.9</b>	<b>107.4</b>	<b>547.8</b>	<b>-7.9%</b>	<b>-8.5</b>
Revenues from assets	76.3	83.7	336.1	-8.8%	-7.3
Return on RAB	33.8	44.9	180.0	-24.7%	-11.1
Hydro land remuneration	0.1	0.0	0.2	69.0%	0.0
Lease revenues from hydro protection zone	0.2	0.2	0.7	-1.2%	0.0
Remuneration of fully depreciated assets	4.6	2.2	8.6	110.6%	2.4
Recovery of depreciation (net from subsidies)	34.7	33.4	134.4	3.9%	1.3
Subsidies amortization	3.0	3.0	12.1	0.9%	0.0
<b>Revenues of OPEX</b>	<b>13.6</b>	<b>15.7</b>	<b>68.4</b>	<b>-13.2%</b>	<b>-2.1</b>
<b>Other revenues</b>	<b>2.1</b>	<b>1.0</b>	<b>5.9</b>	<b>103.0%</b>	<b>1.0</b>
Allowed incentives	1.2	0.6	3.1	105.0%	0.6
Interest on tariff deviation	0.4	0.0	0.1		0.4
Other	0.5	0.4	2.8	17.8%	0.1
Construction revenues (IFRIC 12)	6.9	7.0	137.4	-1.9%	-0.1
<b>2) OPEX</b>	<b>10.3</b>	<b>10.5</b>	<b>52.3</b>	<b>-2.0%</b>	<b>-0.2</b>
Personnel costs	5.5	6.0	24.2	-8.8%	-0.5
External supplies and services	2.6	2.5	20.4	5.3%	0.1
Other operational costs	2.2	2.0	7.7	8.9%	0.2
<b>3) Construction costs (IFRIC 12)</b>	<b>3.8</b>	<b>3.2</b>	<b>120.6</b>	<b>16.3%</b>	<b>0.5</b>
<b>4) Depreciation</b>	<b>37.7</b>	<b>36.5</b>	<b>146.8</b>	<b>3.2%</b>	<b>1.2</b>
<b>5) Other</b>	<b>0.0</b>	<b>0.0</b>	<b>1.0</b>		<b>0.0</b>
<b>6) EBIT (1-2-3-4-5)</b>	<b>47.2</b>	<b>57.2</b>	<b>227.2</b>	<b>-17.5%</b>	<b>-10.0</b>
7) Depreciation	37.7	36.5	146.8	3.2%	1.2
<b>8) EBITDA (6+7)</b>	<b>84.8</b>	<b>93.6</b>	<b>374.0</b>	<b>-9.4%</b>	<b>-8.8</b>

<sup>1</sup> Includes Electricity, REN Trading and Enondas (wave energy concession).

# EBIT breakdown (Natural gas)

€M	1Q15	1Q14	2014	1Q15/1Q14	
				Δ %	Δ Abs.
<b>1) REVENUES</b>	45.0	45.4	200.1	-0.8%	-0.4
<b>Revenues from assets</b>	33.6	33.9	133.6	-0.8%	-0.3
Return on RAB	20.1	21.8	82.8	-7.6%	-1.7
Tariff smoothing effect (natural gas)	-0.9	-2.0	-5.5	52.9%	1.0
Recovery of depreciation (net from subsidies)	13.0	12.6	50.6	2.7%	0.3
Subsidies amortization	1.4	1.4	5.7	0.0%	0.0
<b>Revenues of OPEX</b>	8.9	8.5	34.6	4.7%	0.4
<b>Other revenues</b>	1.0	0.5	6.1		0.5
Interest on tariff deviation	0.3	0.3	1.2	11.7%	0.0
Other	0.7	0.2	4.9		0.5
Construction revenues (IFRIC 12)	1.5	2.5	25.8	-40.5%	-1.0
<b>2) OPEX</b>	5.9	6.1	24.6	-3.2%	-0.2
Personnel costs	1.9	1.9	7.8	-3.6%	-0.1
External supplies and services	3.0	3.1	12.7	-4.4%	-0.1
Other operational costs	1.1	1.1	4.2	1.3%	0.0
<b>3) Construction costs (IFRIC 12)</b>	0.9	1.7	22.2	-44.5%	-0.7
<b>4) Depreciation</b>	14.2	13.9	55.6	2.5%	0.3
<b>5) Other</b>	0.0	0.0	0.4		0.0
<b>6) EBIT</b>	24.0	23.7	97.3	0.9%	0.2
7) Depreciation	14.2	13.9	55.6	2.5%	0.3
<b>8) EBITDA</b>	38.2	37.6	152.9	1.5%	0.6

# EBIT breakdown (Other<sup>1</sup>)

€M	1Q15	1Q14	2014	1Q15/1Q14	
				Δ %	Δ Abs.
<b>1) TOTAL REVENUES</b>	<b>22.2</b>	<b>1.6</b>	<b>7.7</b>		<b>20.6</b>
<b>Other revenues</b>	<b>22.2</b>	<b>1.6</b>	<b>7.7</b>		<b>20.6</b>
Consulting and other services	0.5	0.0	1.0		0.5
Telecommunication sales and services rendered	1.3	1.2	5.5	1.7%	0.0
Gains in related companies	20.1	0.0	0.0		20.1
Other	0.3	0.3	1.3	10.6%	0.0
<b>2) OPEX</b>	<b>6.9</b>	<b>6.4</b>	<b>29.3</b>	<b>8.3%</b>	<b>0.5</b>
Personnel costs	5.2	5.2	21.5	0.3%	0.0
External supplies and services	1.5	1.0	7.1	47.6%	0.5
Other operational costs	0.1	0.1	0.7	14.0%	0.0
<b>3) Depreciation</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>-19.9%</b>	<b>0.0</b>
<b>4) Other</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>		<b>0.0</b>
<b>5) EBIT</b>	<b>15.2</b>	<b>-4.9</b>	<b>-21.9</b>		<b>20.1</b>
<b>6) Depreciation</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>-19.9%</b>	<b>0.0</b>
<b>7) EBITDA</b>	<b>15.3</b>	<b>-4.8</b>	<b>-21.7</b>		<b>20.1</b>

<sup>1</sup> Includes REN SGPS, REN Serviços, REN Telecom and REN Finance.

# CAPEX and RAB

€M	1Q15	1Q14	2014	1Q15/1Q14	
				Δ %	Δ Abs.
<b>CAPEX*</b>	<b>8.4</b>	<b>9.5</b>	<b>163.3</b>	<b>-12.0%</b>	<b>-1.1</b>
Electricity	6.9	7.0	137.4	-1.9%	-0.1
Natural gas	1.5	2.5	25.8	-40.5%	-1.0
Other	0.0	0.0	0.1		0.0
<b>Transfers to RAB**</b>	<b>0.6</b>	<b>6.2</b>	<b>194.2</b>	<b>-90.0%</b>	<b>-5.6</b>
Electricity	0.6	5.7	146.0	-89.0%	-5.0
Natural gas	0.0	0.5	48.2		-0.5
<b>Average RAB</b>	<b>3,512.4</b>	<b>3,501.7</b>	<b>3,529.2</b>	<b>0.3%</b>	<b>10.7</b>
Electricity	2,127.1	2,100.3	2,128.0	1.3%	26.8
With premium	1,020.2	954.3	994.4	6.9%	65.9
Without premium	1,106.9	1,146.0	1,133.6	-3.4%	-39.1
Land	286.0	299.2	294.3	-4.4%	-13.2
Natural gas	1,099.2	1,102.1	1,107.0	-0.3%	-2.9
<b>RAB e.o.p.</b>	<b>3,487.8</b>	<b>3,481.8</b>	<b>3,536.8</b>	<b>0.2%</b>	<b>6.0</b>
Electricity	2,110.7	2,088.2	2,143.4	1.1%	22.5
Land	284.4	297.6	287.6	-4.4%	-13.1
Natural gas	1,092.8	1,096.1	1,105.7	-0.3%	-3.3
<b>RAB's variation e.o.p.</b>	<b>-49.0</b>	<b>-40.0</b>	<b>15.0</b>		
Electricity	-32.8	-24.6	30.7		
Land	-3.2	-3.3	-13.2		
Natural gas	-13.0	-12.1	-2.4		
<b>RAB's remuneration</b>	<b>54.2</b>	<b>66.9</b>	<b>263.7</b>	<b>-19.0%</b>	<b>-12.7</b>
Electricity	33.8	44.9	180.0	-24.7%	-11.1
With premium	17.2	22.4	92.1	-23.0%	-5.1
Without premium	16.6	22.5	88.0	-26.4%	-5.9
Land	0.2	0.2	0.9	11.2%	0.0
Natural gas	20.1	21.8	82.8	-7.6%	-1.7
<b>RoR's RAB</b>	<b>6.2%</b>	<b>7.6%</b>	<b>7.5%</b>		<b>-1.5p.p.</b>
Electricity	6.4%	8.6%	8.5%		-2.2p.p.
With premium	6.8%	9.4%	9.3%		-2.6p.p.
Without premium	6.0%	7.9%	7.8%		-1.9p.p.
Land	0.3%	0.3%	0.3%		0.0p.p.
Natural gas	7.3%	7.9%	7.5%		-0.6p.p.

\* Total costs

\*\* Transfers to RAB include direct acquisitions RAB related

# DEBT

	1Q15	1Q14	2014
Net debt (€M)	2,371.7	2,366.6	2,436.2
Average cost	4.1%	4.8%	4.7%
Average maturity (years)	4.8	4.3	3.9

## DEBT BREAKDOWN

### Funding sources

Bond issues	61%	63%	52%
EIB	25%	25%	22%
Loans	9%	5%	6%
CDB	0%	4%	6%
Other	5%	3%	15%

### TYPE

Fixed	42%	55%	45%
Float	58%	45%	55%

### CREDIT METRICS

Net Debt / EBITDA	4.8x	4.7x	4.8x
FFO / Net debt	11.4%	12.4%	12.4%
FFO interest coverage	3.8x	3.5x	3.5x

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	10/21/2014
Standard & Poor's	BB+	B	Positive	01/30/2015
Fitch	BBB	F3	Stable	01/15/2015



# **CONSOLIDATED FINANCIAL STATEMENTS**

# Consolidated Statements:

## Financial Position (tEuros)

	Mar 2015	Dec 2014
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	629	682
Goodwill	3,774	3,774
Intangible assets	3,794,694	3,838,228
Investments in associates and joint ventures	12,788	12,575
Available-for-sale financial assets	147,868	144,443
Derivative financial instruments	27,601	21,970
Other financial assets	93,466	93,482
Trade and other receivables	110,282	86,182
Deferred tax assets	65,822	65,982
	<b>4,256,925</b>	<b>4,267,320</b>
<b>Current assets</b>		
Inventories	1,613	1,779
Trade and other receivables	285,523	459,785
Available-for-sale financial assets	0	62,530
Current income tax recoverable	10,219	10,219
Other financial assets	8,864	8,864
Cash and cash equivalents	151,171	114,258
	<b>457,390</b>	<b>657,435</b>
<b>TOTAL ASSETS</b>	<b>4,714,315</b>	<b>4,924,755</b>

	Mar 2015	Dec 2014
<b>EQUITY</b>		
<b>Shareholders' equity:</b>		
Share capital	534,000	534,000
Own shares	-10,728	-10,728
Reserves	299,188	315,621
Retained earnings	296,673	183,896
Net profit for the period	39,390	112,777
<b>TOTAL EQUITY</b>	<b>1,158,524</b>	<b>1,135,567</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	2,300,504	2,207,514
Liability for retirement benefits and others	125,573	126,617
Derivative financial instruments	20,488	24,581
Provisions	4,947	4,947
Trade and other payables	336,226	328,228
Deferred tax liabilities	86,635	92,270
	<b>2,874,375</b>	<b>2,784,157</b>
<b>Current liabilities</b>		
Borrowings	303,018	396,952
Provisions	2,242	2,369
Trade and other payables	358,790	605,710
Income tax payable	17,366	0
	<b>681,417</b>	<b>1,005,031</b>
<b>TOTAL LIABILITIES</b>	<b>3,555,791</b>	<b>3,789,188</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,714,315</b>	<b>4,924,755</b>

# Consolidated Statements:

## Profit and Loss (tEuros)

	Period ended March	
	2015	2014
Sales	62	21
Services rendered	132,004	139,996
Revenue from construction of concession assets	8,370	9,524
Gains from associates and joint ventures	212	36
Other operating income	25,315	5,296
<b>Operating income</b>	<b>165,964</b>	<b>154,874</b>
Cost of goods sold	-105	-54
Cost with construction of concession assets	-4,693	-4,901
External supplies and services	-7,125	-6,683
Personnel costs	-12,531	-13,058
Depreciation and amortizations	-51,926	-50,417
Impairments	0	-28
Other expenses	-3,321	-3,162
<b>Operating costs</b>	<b>-79,701</b>	<b>-78,302</b>
<b>Operating results</b>	<b>86,263</b>	<b>76,572</b>
Financial costs	-27,969	-32,529
Financial income	3,621	2,685
<b>Financial results</b>	<b>-24,348</b>	<b>-29,844</b>
<b>Profit before income taxes</b>	<b>61,915</b>	<b>46,728</b>
Income tax	-16,166	-14,217
Energy sector extraordinary contribution	-6,360	-6,217
<b>Net profit for the period</b>	<b>39,390</b>	<b>26,293</b>
<b>Attributable to:</b>		
Equity holders of the Company	39,390	26,293
Non-controlled interest	-	-
<b>Consolidated profit for the period</b>	<b>39,390</b>	<b>26,293</b>

# Consolidated Statements:

## Cash Flow (tEuros)

	Period ended March	
	2015	2014
<b>Cash flow from operating activities:</b>		
Cash receipts from customers <sup>(a)</sup>	632,332	1,060,148
Cash paid to suppliers <sup>(a)</sup>	(495,572)	(860,736)
Cash paid to employees	(14,151)	(14,060)
Income tax received/(paid)	(299)	(1,223)
Other receipts/(payments) relating to operating activities	(41,101)	(21,246)
<b>Net flows from operating activities</b>	<b>81,208</b>	<b>162,884</b>
<b>Cash flow from investing activities</b>		
Receipts related to:		
Other financial assets	-	5,000
Grants related to assets	-	177
Available-for-sale	63,278	-
Interests and other similar income	8	4,287
Dividends	1,127	980
Payments related to:		
Other financial assets	-	(57,172)
Available-for-sale	-	(100)
Property, plant and equipment	(2)	(1)
Intangible assets	(69,061)	(40,638)
<b>Net cash used in investing activities</b>	<b>(4,651)</b>	<b>(87,467)</b>
<b>Cash flow from financing activities</b>		
Receipts related to:		
Borrowings	842,000	1,723,000
Interests and other similar income	21	65
Payments related to:		
Borrowings	(846,955)	(1,876,222)
Interests and other similar expense	(33,559)	(34,611)
<b>Net cash (used in)/from financing activities</b>	<b>(38,492)</b>	<b>(187,768)</b>
Net (decrease)/increase in cash and cash equivalents	38,065	(112,351)
Cash and cash equivalents at the beginning of the year	112,599	167,126
Cash and cash equivalents at the end of the period	150,665	54,775
<b>Detail of cash and cash equivalents</b>		
Cash	22	21
Bank overdrafts	(506)	(64)
Bank deposits	151,149	54,817
	<b>150,665</b>	<b>54,775</b>

(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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# REN

