



RESULTS REPORT 9M 2016

November 04th, 2016



MAIN INDICATORS

€M	3Q16	9M16	9M15	Δ%	Δ Abs.
EBITDA	116.9	357.2	372.3	-4.1%	-15.1
Financial Result⁽¹⁾	-21.7	-63.4	-70.5	10.0%	7.1
Net Profit⁽²⁾	29.9	70.5	91.6	-23.1%	-21.2
Recurrent Net Profit	29.9	96.4	93.3	3.3%	3.1
Average RAB	3,502.0	3,502.0	3,534.2	-0.9%	-32.2
CAPEX	35.7	73.4	145.8	-49.7%	-72.4
Net Debt	2,484.9	2,484.9	2,447.0	1.5%	37.9

(1) Excluded Financial result from the interconnection capacity auctions between Spain and Portugal (+€0.3M in 9M15 and -€0.5M in 9M16) – known as FTR (Financial Transaction Rights) – that was reclassified from Financial Result to Revenues;

(2) REN already recognized the full amount of the energy sector extraordinary levy.

- ▶ In 9M16, **EBITDA** stood at €357.2M, a 4.1% decrease mainly explained by the capital gain from the sale of REN's stake in Enagás in 2015 (+€20.1M, at EBITDA level), that was partially offset by the increase in asset remuneration;
- ▶ **Net Profit** amounted to €70.5M (-23.1%) affected by the following 2015 non recurrent items: the capital gain from the sale of REN's Enagás stake (+€16.1M, at Net Profit level) and a tax credit (+€9.9M). The result was also penalized by the maintenance of the payment of the extraordinary levy to the energy sector established in the 2016's State budget law (€25.9M);
- ▶ **Recurrent Net Profit** rose by 3.3% (+€3.1M) to €96.4M, supported by the **Financial Results** attained by the company (+10.0%) following a lower average **cost of debt** (down to 3.4% from 4.0%).

CAPEX and RAB

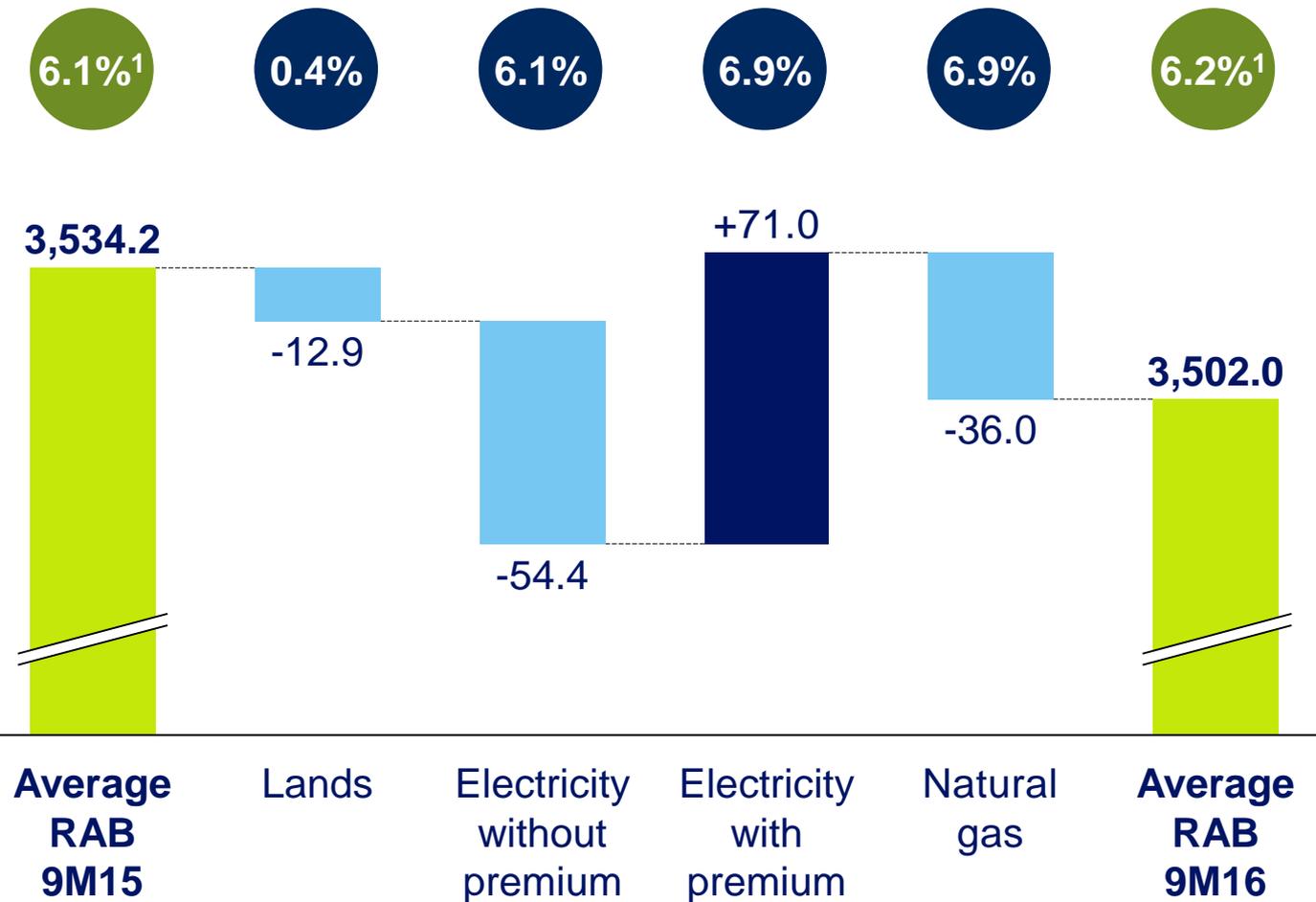
€M	9M16	9M15	Δ%	Δ Abs.
Average RAB	3,502.0	3,534.2	-0.9%	-32.2
Electricity	2,115.6	2,099.0	0.8%	16.7
Land	269.9	282.8	-4.5%	-12.9
Natural gas	1,116.4	1,152.4	-3.1%	-36.0
RAB end of period	3,437.7	3,463.1	-0.7%	-25.4
Electricity	2,076.1	2,054.3	1.1%	21.8
Land	265.1	278.0	-4.6%	-12.8
Natural gas	1,096.5	1,130.8	-3.0%	-34.4
CAPEX	73.4	145.8	-49.7%	-72.4
Electricity	68.6	65.3	5.1%	3.3
Natural gas	4.7	80.2	-94.1%	-75.5
Other	0.1	0.3	-79.6%	-0.2
RAB variation e.o.p.	-128.6	-73.7		
Electricity	-79.1	-89.1		
Land	-9.6	-9.7		
Natural gas	-39.9	25.1		

- ▶ Total CAPEX was €73.4M (€145.8M in 9M15) and Transfers to RAB were €21.1M (€79.6M in 9M15);
- ▶ Within the electricity infrastructures REN initiated the construction of the 400 kV substation in Alcochete (outskirts of Lisbon). The following projects are currently under construction:
 - ✓ Northern region
 - Pedralva - Ponte de Lima 400 kV overhead line;
 - ✓ Greater Lisbon area
 - Global refurbishment of a 150/60 kV substation in Porto Alto;
 - Global reconstruction of a 220/60 kV substation in Carregado.
- ▶ In the natural gas infrastructures, CAPEX is in line with the same period of 2015 with the exception of the acquisition of Galp's NG underground storage assets.

AVERAGE ROR DECREASED TO 6.2% FROM 6.1% Despite focus on Electricity assets with premium

RoR

(€M)



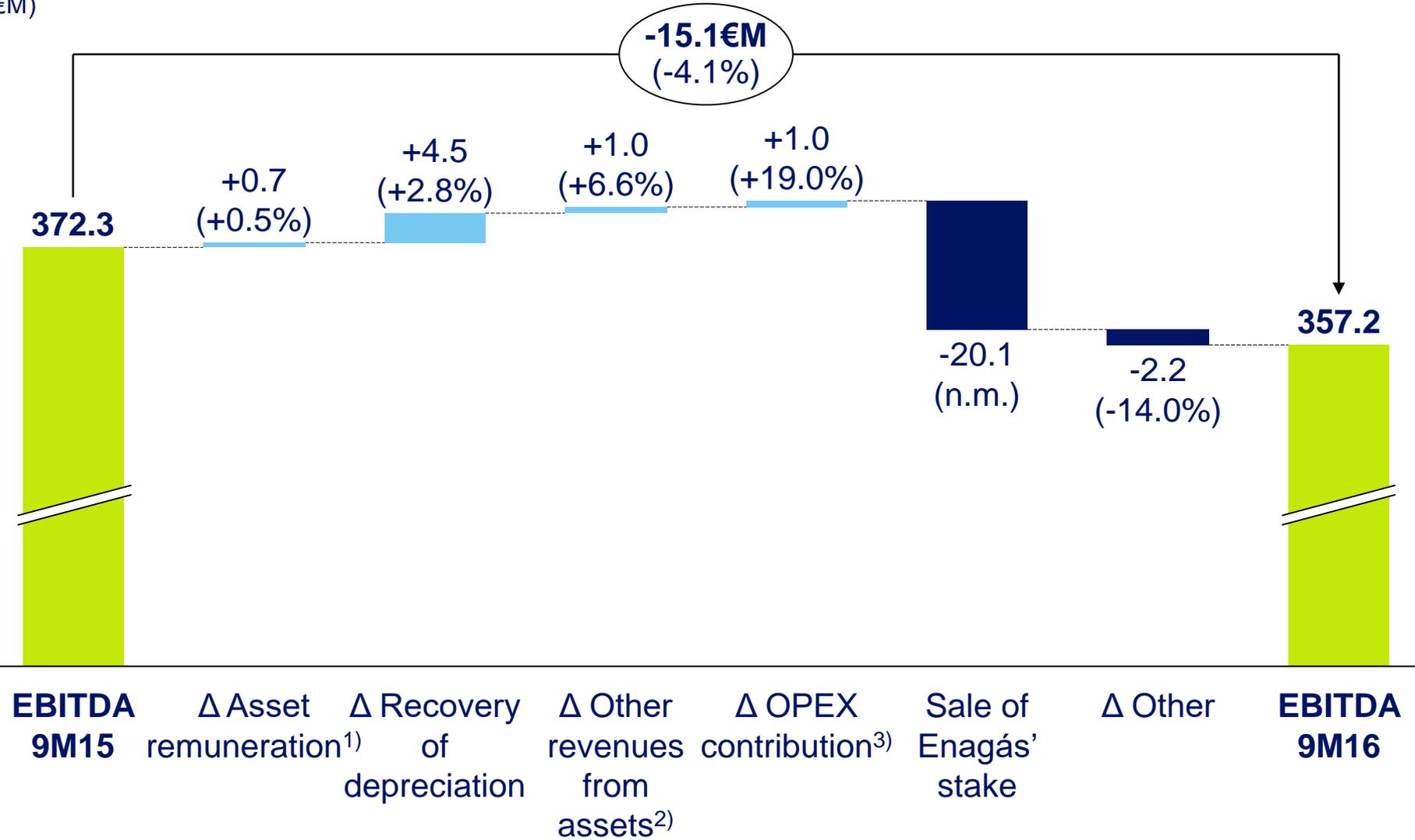
- ▶ Average RAB decreased by 0.9%, despite the favorable contribution from electricity with premium;
- ▶ The base rate of return in the electricity business increased to 6.1% from 6.0%. Electricity with premium (with a 6.9% RoR) was up by €71.0M vs 9M15, while lands, the category with the lowest rate of return (0.4%), suffered a decrease in the value of its average RAB of €12.9M, to €269.9M;
- ▶ In natural gas, the average RAB had a decrease of €36.0M (RoR 6.9%);
- ▶ At the end of 9M16, electricity accounted for 60.4% of the average RAB, natural gas for 31.9% and lands for the remaining 7.7%.

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

EBITDA FELL BY €15.1M AS EXPECTED

Representing a decrease of 4.1% yoy

(€M)



▶ EBITDA evolution was affected by the one-off sale of Enagás' stake in 2015.

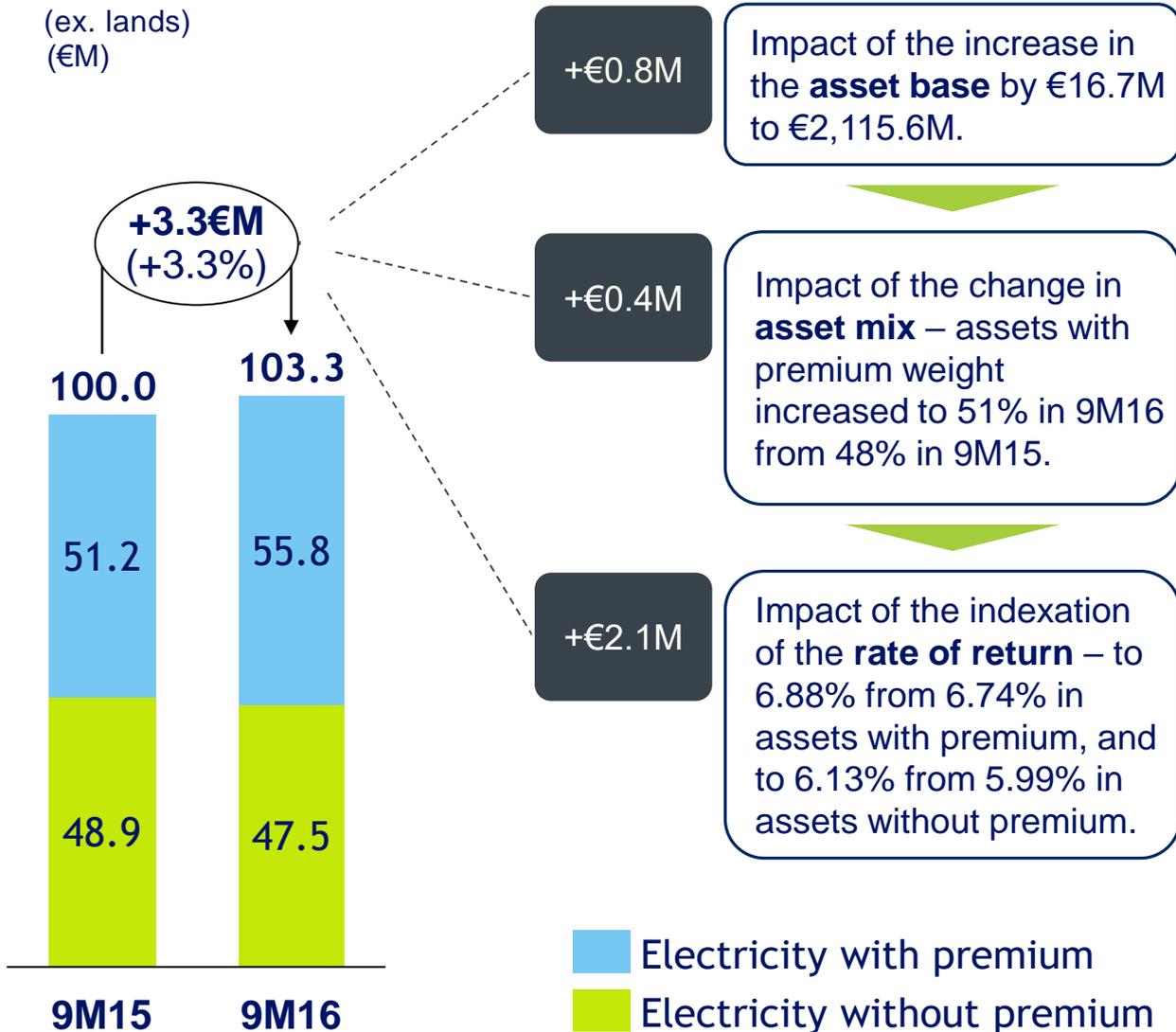
(1) Included Δ+€1.5M of NG tariff smoothing effect;

(2) Included Δ+€1.0M of Remuneration of fully depreciated assets;

(3) Included Δ-€0.6M of OPEX own works.

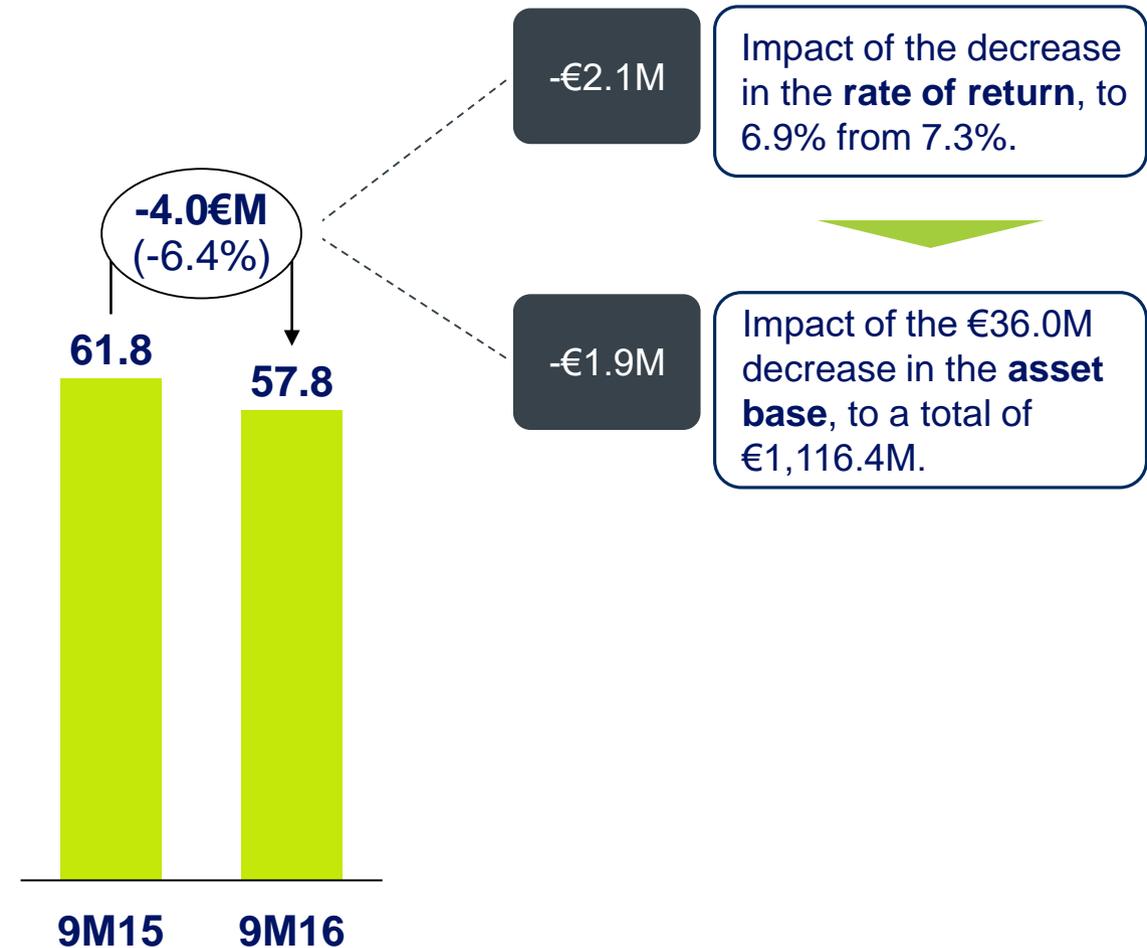
RAB REMUNERATION ELECTRICITY

(ex. lands)
(€M)



RAB REMUNERATION NATURAL GAS

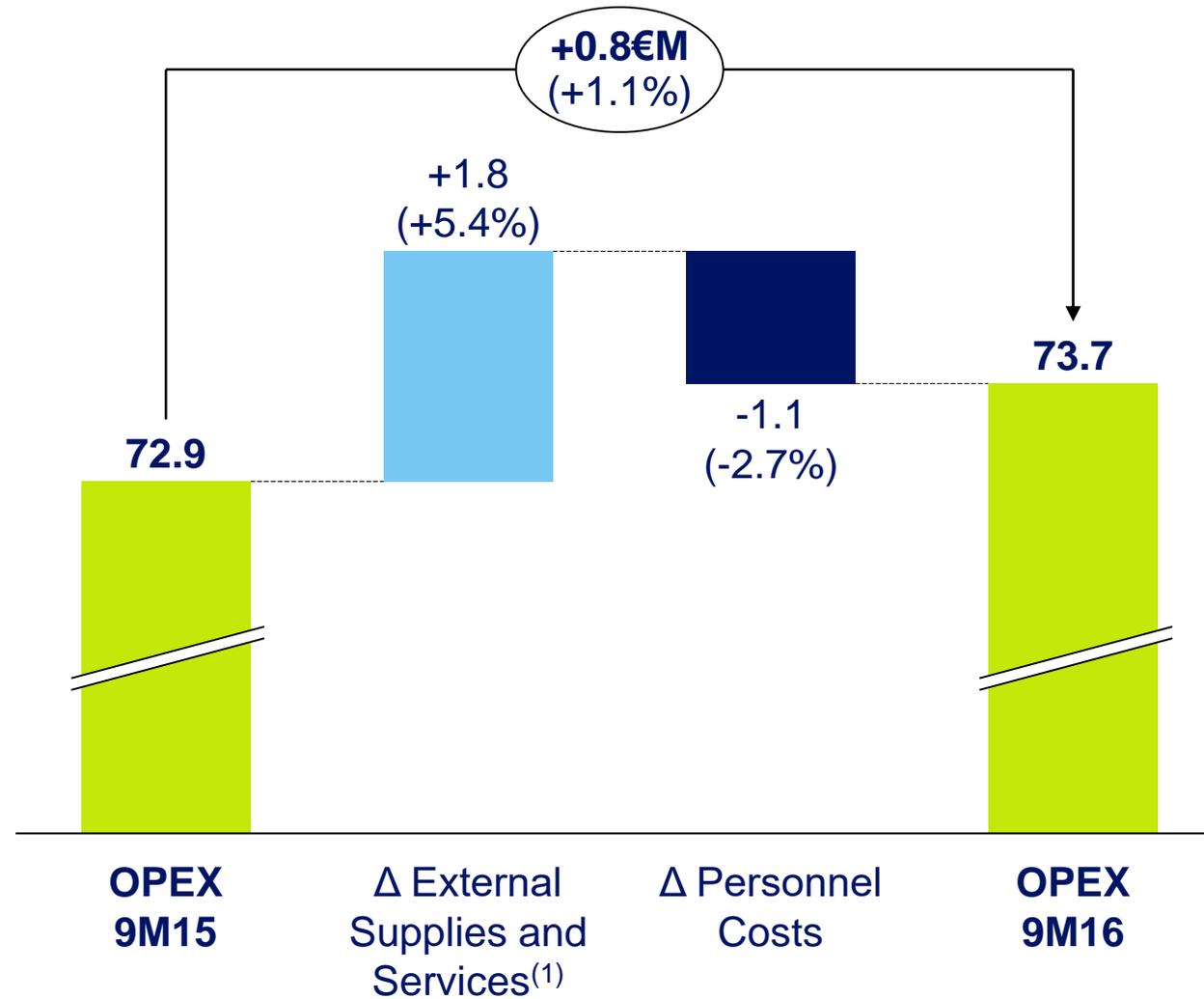
(ex. tariff smoothing effect)
(€M)



OPEX SLIGHTLY ABOVE (+1.1%)

Personnel Costs dropped by 2.7%

OPERACIONAL COSTS (€M)

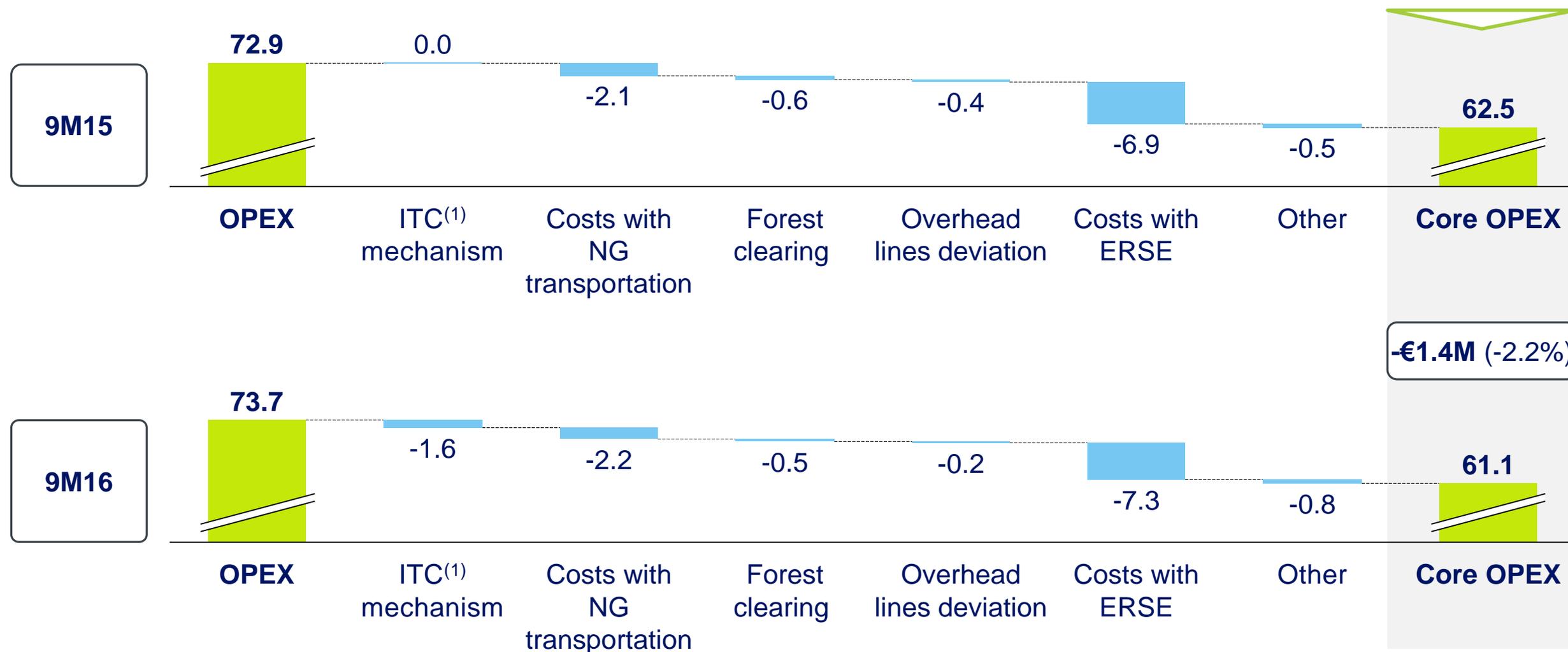


(1) Included Δ+€0.3M of Other Operating Costs.

CORE OPEX IMPROVED BY 2.2% COMPARING WITH 9M15

CORE OPEX

(€M)



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

€M	9M16	9M15	Δ%	Δ Abs.
EBITDA	357.2	372.3	-4.1%	-15.1
Depreciation	160.5	156.4	2.6%	4.1
Financial Result	-63.4	-70.5	10.0%	7.1
Profit before income tax and levy	133.3	145.4	-8.4%	-12.2
Taxes	36.9	28.4	30.0%	8.5
Extraordinary levy	25.9	25.4	1.9%	0.5
Net Profit	70.5	91.6	-23.1%	-21.2
Recurrent Net Profit	96.4	93.3	3.3%	3.1

- ▶ The **average cost of debt** was **3.4%** versus 4.0% in 9M15;
- ▶ **Financial Result** improved to -€63.4M, representing a positive evolution of 10.0% when compared with 9M15;

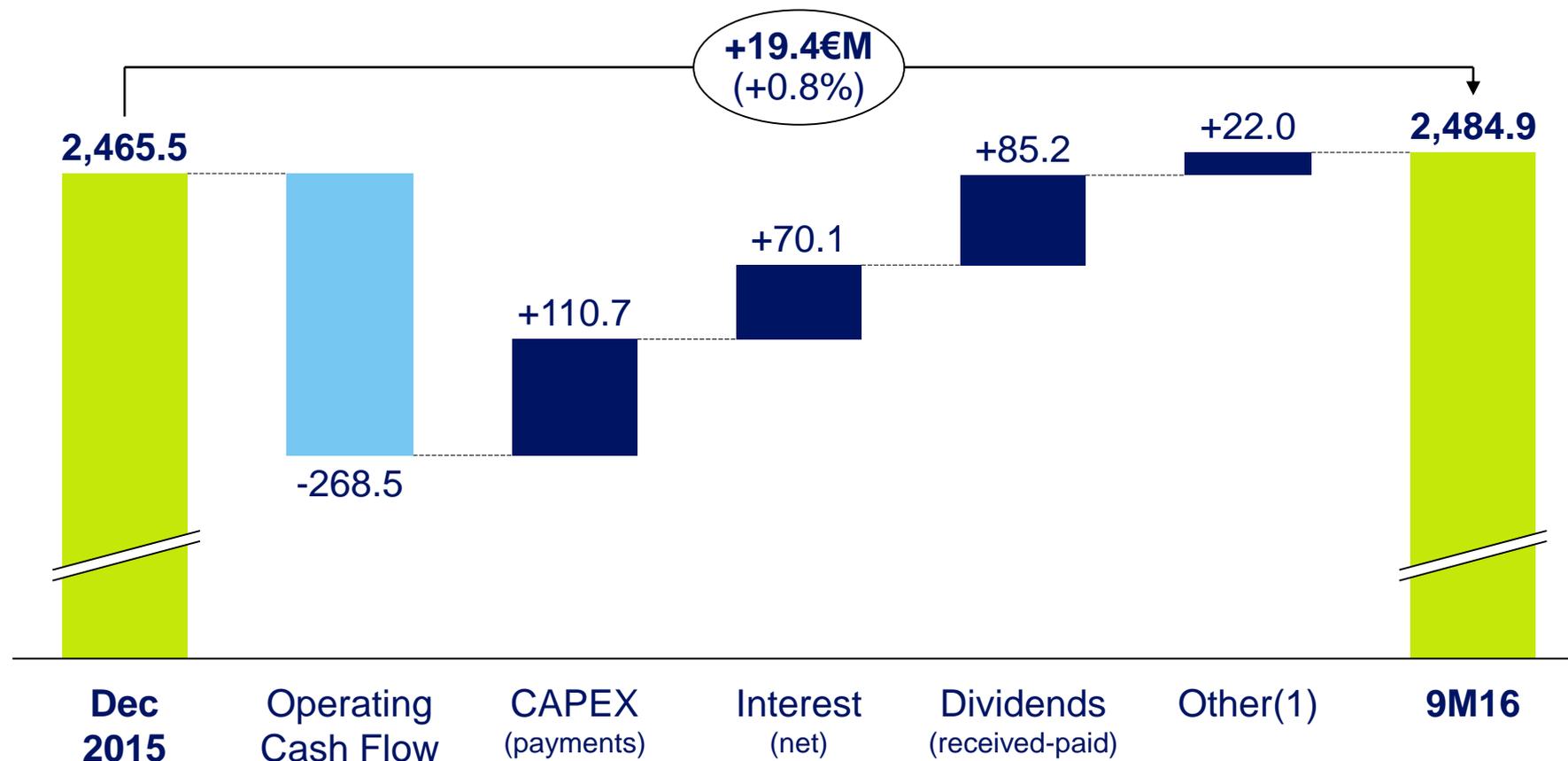
- ▶ **Recurrent Net Profit** increased by 3.3%, reaching €96.4M, with the improvement in Financial Result (+10.0% due to a lower average cost of debt). **Net Profit** was lower in 9M16 than in 9M15 because of the capital gain resulting from the sale of the Enagás' stake (+€16.1M) in 2015, and continued to be negatively affected by the energy sector extraordinary levy;
- ▶ Reported **Income Tax** increased by €8.5M to €36.9M, affected by the increase in the effective tax rate (due to a credit in 2015);
- ▶ In 2016, 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 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, which results in a maximum aggregate tax rate of 29.5%.

NET DEBT ROSE SLIGHTLY IN 9M16

But the average cost of debt declined ahead of expectations

NET DEBT

(€M)

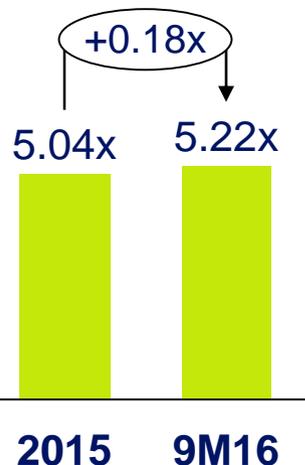


▶ The **average cost of debt** decreased by 61 bps to 3.4%, versus 2015;

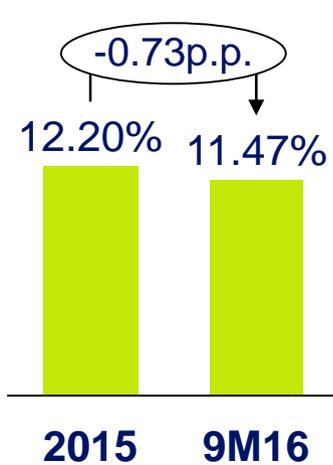
▶ **FFO/Net Debt** decreased to 11.5% (12.2% in 2015).

(1) Included tax payments (+€21.9M).

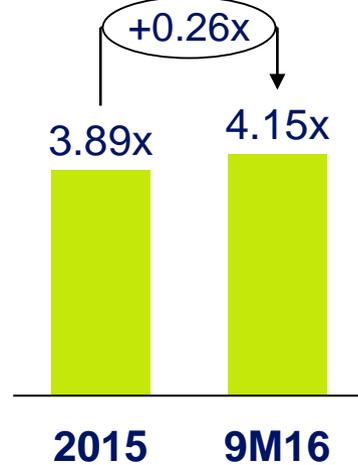
Net Debt / EBITDA



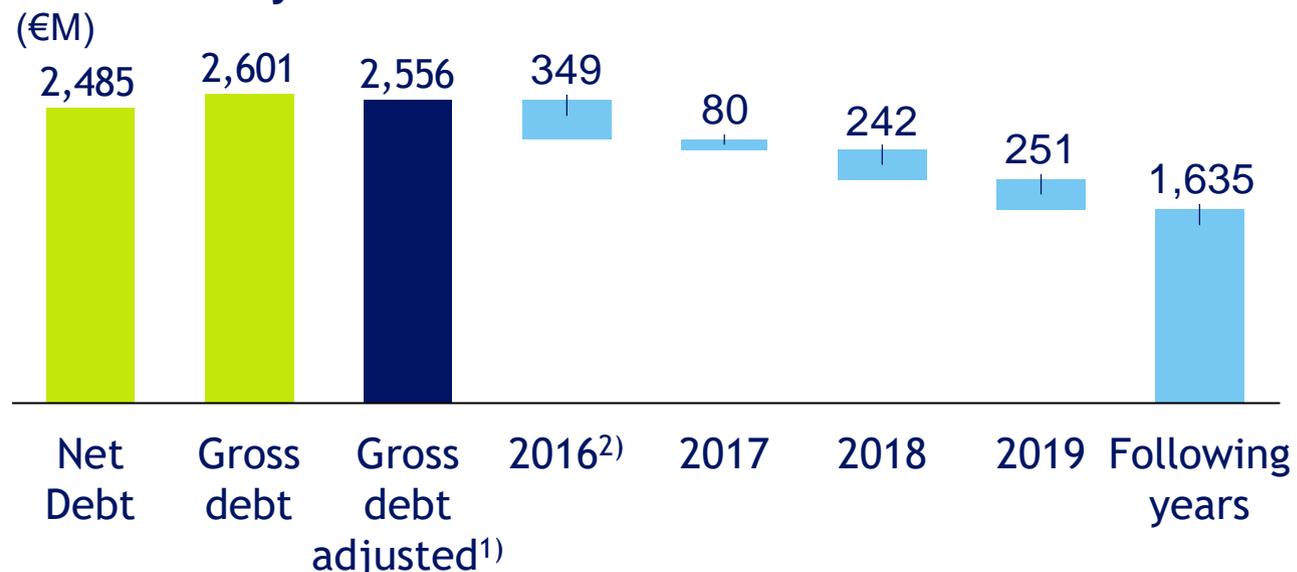
FFO / Net Debt



FFO Interest Coverage



Debt Maturity Schedule (€M)



- ▶ In 9M16, the cost of REN's debt declined ahead of expectations and thus continuing the trend set in 2015. This reduction was the result of the improvement in the country's macro-economic framework and REN's own risk profile;
- ▶ In 7 October, REN issued a new tranche of notes (tap) of €200M, maturing in February 2025. This issue further optimized REN's funding sources and strengthened the Company's liquidity profile;
- ▶ In 17 October, Standard & Poor's (S&P) confirmed REN's rating to investment grade (BBB-, outlook positive). This reinforced REN's position as the Portuguese company with the best rating from all three major agencies;
- ▶ REN's financing strategy has placed special emphasis on the flexibility of the financial instruments contracted, thus allowing the Company to adjust the cost of debt to the improvement seen in credit market conditions both significantly and quickly;
- ▶ The average debt maturity is currently **4.65** years.

1) Adjusted by interest accruals and hedging on yen denominated debt;
 2) Of which €200M were refinanced in October through a tap of the Feb. 2025 bond issue.

€M	9M16	2015
Fixed assets RAB related	3,774.3	3,860.3
Investments and goodwill ¹	214.6	184.9
Tariff deviations	172.5	205.8
Receivables ²	326.2	262.8
Cash	71.7	63.7
Other ³	11.1	12.5
Total assets	4,570.4	4,590.0
Shareholders equity	1,127.0	1,161.3
Debt (end of period)	2,601.0	2,542.0
Provisions	6.8	6.9
Tariff deviations	23.5	28.0
Payables ⁴	662.5	708.2
Other ⁵	149.5	143.6
Total equity and liabilities	4,570.4	4,590.0

- ▶ The total amount of *fixed assets RAB related* decreased to €3,774.3M (this value includes investment subsidies and the caverns purchased from Galp);
- ▶ *Investments and goodwill* (1) increased to €214.6M from €184.9M at the end of 2015. 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 €326.2M in 9M16, an increase from €262.8M at the end of 2015;
- ▶ *Other Assets* (3) stood at €11.1M. 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 €662.5M at the end of the period, versus €708.2M in 2015;
- ▶ *Other liabilities* (5) stood at €149.5M, these include retirement and other benefit obligations, derivative financial instruments and guarantee deposits (€143.6M in 2015).

THE BALANCE OF TARIFF DEVIATIONS added up to €236.5M To be received from tariffs over the next two years

TARIFF DEVIATIONS

€M	9M16	9M15
Electricity	160.7	85.0
Natural gas	24.5	52.3
Trading	51.3	50.8
TOTAL	236.5	188.1

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

BORROWINGS

€M	Current	Non Current	TOTAL
Bonds	30.0	1,487.8	1,517.8
Bank borrowings	48.1	521.5	569.6
Commercial paper	339.0	171.5	510.5
Bank overdrafts	12.8	0.0	12.8
Finance lease	1.1	1.2	2.3
TOTAL	431.0	2,182.0	2,613.0
Accrued interest	29.0	0.0	29.0
Prepaid interest	-7.0	-34.0	-41.0
TOTAL	453.0	2,148.1	2,601.0

- ▶ On 30 September 2016 REN's total liquidity amounted to €1,035M, including credit lines, loans, non-used commercial paper facilities, cash and bank deposits;

- ▶ The Group had five active commercial paper programmes, in the amount of €1,050M, of which €540M were available to be used. From the total amount of commercial paper programs, €650M had subscription guarantees;
- ▶ Bank borrowings were mainly (€505M) represented by EIB loans;
- ▶ In June 2016, under the Euro Medium Term Programme, the Group issued a new bond in the amount of €550M with an associated coupon of 1.750%, with maturing date in June 2023. This issue allowed the refinancing through an Exchange Offer of the following bond issues: (1) €137M of the total issue of €300M, maturing date in January 2018 issued in January 2013 with an associated coupon of 4.125%; (2) €132M of the total issue of €400M, maturing date in October 2020 issued in October 2013 with an associated coupon of 4.750%;
- ▶ The Group proceeded to the total disbursement of the borrowing from the Bank of China in the amount of €10M. Additionally it has agreed to a credit line with the Bank of China in the amount of €250M. In Sep 2016, REN used €10M of this credit facility;
- ▶ 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 with the total consolidated regulated assets). The Group's gearing ratio comfortably met the limits contractually set, thus being above the limit by 62%;
- ▶ The borrowings from the EIB included rating covenants. In the event of ratings below the specified levels, REN can be called to provide a guarantee acceptable to the EIB.

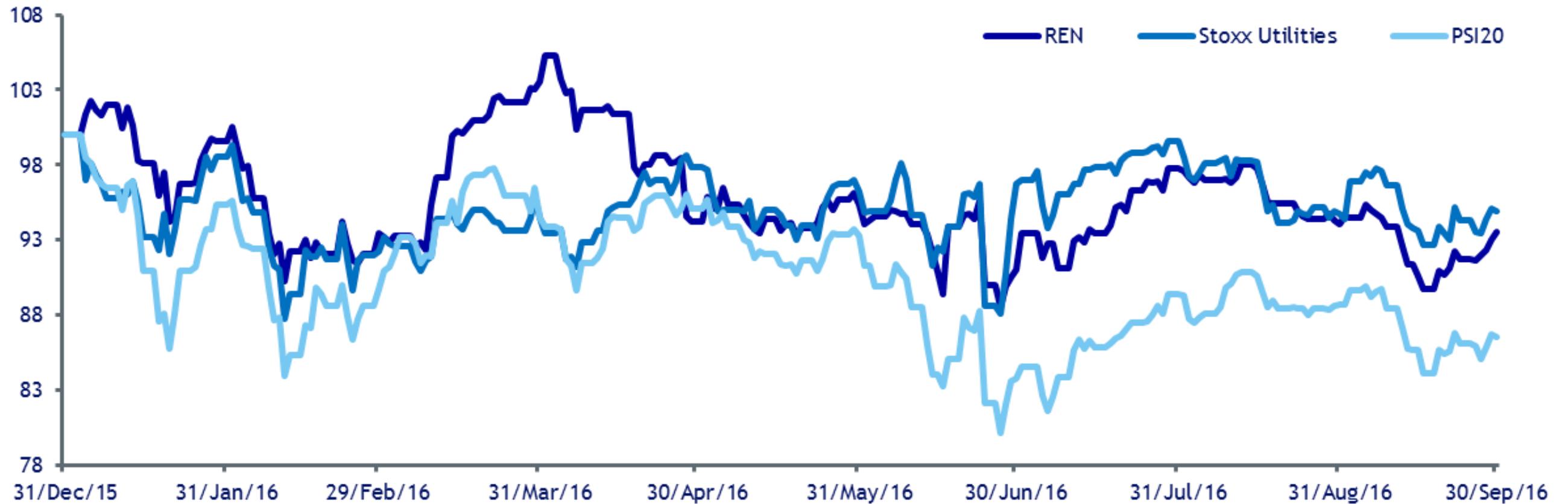
SHARE PERFORMANCE

REN ended 9M16 with a total return of -2.4% (YTD)



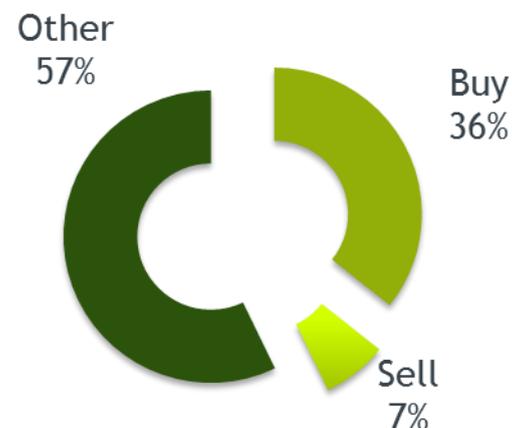
RESULTS
REPORT

ANNUALIZED CLOSING PRICES



ANALYST RECOMMENDATIONS⁽¹⁾

- ▶ **Average price target**
€2.92
- ▶ **Upside/Downside^(+/-)**
+9.8%



CMVM: MAIN PRESS RELEASES

(from January 2016)

- ▶ **Feb-15:** Summary of annual information disclosed in 2015
- ▶ **Mar-07:** Temporary suspension of member of the Board of Directors
- ▶ **Mar-17:** 2015 Annual results presentation
- ▶ **Mar-27:** Transactions over REN shares
- ▶ **Apr-01:** Temporary suspension of member of the Board of Directors
- ▶ **Apr-05:** Qualified shareholding (The Capital Group Companies)
- ▶ **Apr-07:** Qualified shareholding and transactions over REN shares (Gestmin)
- ▶ **Apr-13:** Resignation of member of the Board of Directors
- ▶ **Apr-13:** Resolutions approved in the General Shareholders meeting
- ▶ **Apr-14:** ERSE's proposal for tariffs and prices for natural gas for the 2016-2017 gas year and parameters for the 2016-2019 regulatory period
- ▶ **Apr-21:** Payment of dividends
- ▶ **May-06:** Qualified shareholding (The Capital Group Companies)
- ▶ **May-09:** Transactions over REN shares (Gestmin)

(1) October 19th 2016.

REN'S TOTAL SHAREHOLDER RETURN WAS +61.6% (ITD)

REN	9M16	2015
END OF PERIOD		
Price (€)		
Close	2.603	2.782
Average	2.663	2.683
High YTD	2.928	2.899
Low YTD	2.464	2.367
<i>Variation YTD</i>	-6.4%	15.6%
Market cap. (€M)	1,390.0	1,485.6
Nr. of shares (M)	534	534
Own shares (M)	3.9	3.9
Volume (M shares)	0.646	0.109
Volume WAP	2.678	2.687
Performance indicators		
Dividend yield	6.6%	6.1%
PER	11.5x	9.8x
Total shareholder return YTD	-2.4%	23.0%
Cumulative total return*		
REN	61.6%	65.6%
PSI20	-46.0%	-44.6%
EuroStoxx Utilities	-21.5%	-24.6%

- ▶ **May-13:** 1Q16 Results presentation
- ▶ **May-16:** Tender offer launch announcement
- ▶ **May-24:** Bond issue and tender offer
- ▶ **May-31:** Tender offer results
- ▶ **Jun-16:** Natural gas allowed revenues and regulation
- ▶ **Jun-16:** Facility agreement with the Bank of China
- ▶ **Jul-28:** Qualified shareholding (Gestmin)
- ▶ **Jul-28:** 1H16 results presentation
- ▶ **Jul-29:** Transactions of REN notes
- ▶ **Sep-16:** Disclosure of quarterly financial information
- ▶ **Sep-22:** Transactions over REN shares
- ▶ **Oct-06:** Qualified shareholding (Great-West Lifeco)
- ▶ **Oct-07:** Issue of debt instruments
- ▶ **Oct-11:** Transactions over REN shares
- ▶ **Oct-14:** Manager's transactions over REN shares

* Inception to date (July 9th 2007).
Source: Bloomberg



APPENDIX

€M	9M16	9M15	2015	9M16/9M15	
				Δ %	Δ Abs.
1) TOTAL REVENUES	493.0	579.0	819.3	-14.9%	-86.0
Revenues from assets	337.0	330.8	446.0	1.9%	6.2
Return on RAB	161.1	161.8	219.9	-0.4%	-0.7
Electricity	103.3	100.0	136.8	3.3%	3.3
Natural gas	57.8	61.8	83.1	-6.4%	-4.0
Hydro land remuneration	0.2	0.2	0.3	-4.5%	0.0
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Remuneration of fully depreciated assets	14.9	13.9	18.5	7.1%	1.0
Tariff smoothing effect (natural gas)	-1.1	-2.6	-3.5	56.1%	1.5
Recovery of depreciation (net from subsidies)	147.8	143.5	192.1	3.0%	4.4
Subsidies amortization	13.6	13.5	18.0	0.7%	0.1
Revenues of OPEX	70.8	68.4	94.2	3.6%	2.5
Other revenues	11.9	34.4	39.0	-65.5%	-22.5
Construction revenues (IFRIC 12)	73.3	145.5	240.0	-49.6%	-72.2
2) OPEX	73.7	72.9	106.1	1.1%	0.8
Personnel costs	37.8	38.9	51.4	-2.7%	-1.1
External supplies and services	26.1	24.5	42.3	6.2%	1.5
Other operational costs	9.9	9.6	12.5	3.4%	0.3
3) Construction costs (IFRIC 12)	61.9	133.5	222.6	-53.6%	-71.6
4) Depreciation	160.5	156.4	209.3	2.6%	4.1
5) Other	0.2	0.4	0.9	-43.1%	-0.2
6) EBIT	196.6	215.9	280.4	-8.9%	-19.2
7) Depreciation	160.5	156.4	209.3	2.6%	4.1
8) EBITDA	357.2	372.3	489.7	-4.1%	-15.1
9) Depreciation	160.5	156.4	209.3	2.6%	4.1
10) Financial result	-63.4	-70.5	-98.8	10.0%	7.1
11) Income tax expense	36.9	28.4	40.0	30.0%	8.5
12) Extraordinary contribution on energy sector	25.9	25.4	25.4	1.9%	0.5
13) NET PROFIT	70.5	91.6	116.1	-23.1%	-21.2
14) Non recurrent items*	25.9	1.7	2.0		24.2
15) RECURRENT NET PROFIT	96.4	93.3	118.1	3.3%	3.1

* NON RECURRENT ITEMS:

9M16: Energy sector extraordinary levy, as established in the 2016 State budget law (€25.9M);

9M15: i) Cost of carry of the EIB escrow account of €2.9M (€2.0M after taxes); ii) Energy sector extraordinary levy, as established in the 2015 State budget law (€25.4M); iii) Capital gains with the sale of the Group's stake in Enagás (-€20.1M; -€16.1M after tax); and iv) One-off effect related to the recovery of taxes linked to the re-valuation of assets (-€9.9M; -€9.7M net of associated costs and after taxes).

OTHER OPERACIONAL REVENUES AND COSTS BREAKDOWN

€M	9M16	9M15	2015	9M16/9M15	
				Δ %	Δ Abs.
Other revenues	11.9	34.4	39.0	-65.5%	-22.5
Allowed incentives	2.1	2.3	3.3	-10.9%	-0.3
Interest on tariff deviation	1.5	2.0	2.7	-26.0%	-0.5
Gains in related companies	0.0	20.1	20.1		-20.1
Telecommunication sales and services rendered	4.0	4.3	5.6	-6.1%	-0.3
Consultancy services and other services provided	2.0	2.8	3.3	-30.0%	-0.9
Other revenues	2.3	2.8	4.0	-18.8%	-0.5
Other costs	9.9	9.6	12.5	3.4%	0.3
Costs with ERSE	7.3	6.9	9.2	5.8%	0.4
Other	2.6	2.7	3.2	-2.7%	-0.1

EBITDA BREAKDOWN (ELECTRICITY¹)

€M	9M16	9M15	2015	9M16/9M15	
				Δ %	Δ Abs.
1) REVENUES	349.1	337.5	518.2	3.4%	11.5
Revenues from assets	235.0	227.8	307.7	3.2%	7.2
Return on RAB	103.3	100.0	136.8	3.3%	3.3
Hydro land remuneration	0.2	0.2	0.3	-4.5%	0.0
Lease revenues from hydro protection zone	0.5	0.5	0.7	-1.2%	0.0
Remuneration of fully depreciated assets	14.9	13.9	18.5	7.1%	1.0
Recovery of depreciation (net from subsidies)	106.9	104.0	139.2	2.8%	2.9
Subsidies amortization	9.2	9.1	12.2	0.8%	0.1
Revenues of OPEX	44.4	42.1	58.8	5.4%	2.3
Other revenues	1.1	2.4	3.4	-53.9%	-1.3
Interest on tariff deviation	0.1	0.9	1.2	-88.1%	-0.8
Other	1.0	1.5	2.2	-32.3%	-0.5
Construction revenues (IFRIC 12)	68.6	65.3	148.3	5.1%	3.3
2) OPEX	34.5	34.1	51.5	1.3%	0.5
Personnel costs	15.3	16.7	21.6	-8.3%	-1.4
External supplies and services	12.9	11.4	22.2	12.9%	1.5
Other operational costs	6.3	5.9	7.8	6.1%	0.4
3) Construction costs (IFRIC 12)	58.7	55.1	133.4	6.6%	3.7
4) Depreciation	115.6	112.9	151.0	2.4%	2.7
5) Other	0.3	0.1	0.6		0.2
6) EBIT (1-2-3-4-5)	139.9	135.4	181.5	3.3%	4.5
7) Depreciation	115.6	112.9	151.0	2.4%	2.7
8) EBITDA (6+7)	255.5	248.3	332.5	2.9%	7.2

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

EBITDA BREAKDOWN (NATURAL GAS)

€M	9M16	9M15	2015	9M16/9M15	
				Δ %	Δ Abs.
1) REVENUES	134.8	213.2	269.8	-36.8%	-78.3
Revenues from assets	101.9	103.0	138.4	-1.0%	-1.1
Return on RAB	57.8	61.8	83.1	-6.4%	-4.0
Tariff smoothing effect (natural gas)	-1.1	-2.6	-3.5	56.1%	1.5
Recovery of depreciation (net from subsidies)	40.9	39.4	52.9	3.6%	1.4
Subsidies amortization	4.4	4.4	5.9	0.4%	0.0
Revenues of OPEX	26.5	26.3	35.4	0.7%	0.2
Other revenues	1.7	3.7	4.1	-54.8%	-2.0
Interest on tariff deviation	0.7	0.9	1.1	-26.0%	-0.2
Other	1.0	2.8	3.0	-63.9%	-1.8
Construction revenues (IFRIC 12)	4.7	80.2	91.9	-94.1%	-75.5
2) OPEX	17.4	17.5	25.0	-0.5%	-0.1
Personnel costs	6.0	5.9	8.3	2.8%	0.2
External supplies and services	8.3	8.6	12.7	-3.5%	-0.3
Other operational costs	3.1	3.1	4.0	1.7%	0.1
3) Construction costs (IFRIC 12)	3.2	78.4	89.3	-95.9%	-75.2
4) Depreciation	44.7	43.3	58.0	3.4%	1.5
5) Other	0.0	-0.3	-0.3		0.3
6) EBIT	69.4	74.3	97.9	-6.5%	-4.8
7) Depreciation	44.7	43.3	58.0	3.4%	1.5
8) EBITDA	114.2	117.6	155.9	-2.9%	-3.4

EBITDA BREAKDOWN (OTHER¹)

€M	9M16	9M15	2015	9M16/9M15	
				Δ %	Δ Abs.
1) TOTAL REVENUES	9.1	28.3	31.3	-67.9%	-19.2
Other revenues	9.1	28.3	31.4	-67.9%	-19.2
Allowed incentives	2.1	2.3	3.3	-10.9%	-0.3
Interest on tariff deviation	0.7	0.2	0.3		0.5
Telecommunication sales and services rendered	4.0	4.3	5.6	-6.1%	-0.3
Gains in related companies	0.0	20.1	20.1		-20.1
Consultancy services and other services provided	1.1	0.7	1.1	48.3%	0.4
Other	1.2	0.7	1.1	74.3%	0.5
Construction revenues (IFRIC 12)	0.0	0.0	-0.2		0.0
2) OPEX	21.8	21.3	29.6	2.0%	0.4
Personnel costs	16.5	16.3	21.5	1.0%	0.2
External supplies and services	4.8	4.5	7.4	7.7%	0.3
Other operational costs	0.5	0.6	0.7	-15.7%	-0.1
3) Construction costs (IFRIC 12)	0.0	0.0	-0.2		0.0
4) Depreciation	0.2	0.2	0.3	-11.6%	0.0
5) Other	-0.1	0.6	0.6		-0.7
6) EBIT	-12.7	6.2	1.0		-18.9
7) Depreciation	0.2	0.2	0.3	-11.6%	0.0
8) EBITDA	-12.6	6.4	1.2		-18.9

(1) Included REN SGPS, REN Serviços, REN Telecom, REN Trading and REN Finance B.V.

€M	9M16	9M15	2015	9M16/9M15	
				Δ %	Δ Abs.
CAPEX*	73.4	145.8	240.4	-49.7%	-72.4
Electricity	68.6	65.3	148.2	5.1%	3.3
Natural gas	4.7	80.2	91.8	-94.1%	-75.5
Other	0.1	0.3	0.4	-79.6%	-0.2
Transfers to RAB**	21.1	79.6	231.6	-73.4%	-58.4
Electricity	20.2	8.2	141.3	146.6%	12.0
Natural gas	1.0	71.4	90.4	-98.6%	-70.4
Average RAB	3,502.0	3,534.2	3585.8	-0.9%	-32.2
Electricity	2,115.6	2,099.0	2,149.4	0.8%	16.7
With premium	1,082.5	1,011.5	1,061.2	7.0%	71.0
Without premium	1,033.1	1,087.5	1,088.2	-5.0%	-54.4
Land	269.9	282.8	281.2	-4.5%	-12.9
Natural gas	1,116.4	1,152.4	1,155.2	-3.1%	-36.0
RAB e.o.p.	3,437.7	3,463.1	3,566.3	-0.7%	-25.4
Electricity	2,076.1	2,054.3	2,155.2	1.1%	21.8
Land	265.1	278.0	274.7	-4.6%	-12.8
Natural gas	1,096.5	1,130.8	1,136.4	-3.0%	-34.4
RAB's variation e.o.p.	-128.6	-73.7	29.5		
Electricity	-79.1	-89.1	11.7		
Land	-9.6	-9.7	-12.9		
Natural gas	-39.9	25.1	30.6		
RAB's remuneration	161.8	162.6	220.9	-0.5%	-0.7
Electricity	103.3	100.0	136.8	3.3%	3.3
With premium	55.8	51.2	71.6	9.1%	4.7
Without premium	47.5	48.9	65.2	-2.9%	-1.4
Land	0.7	0.7	1.0	-2.1%	0.0
Natural gas	57.8	61.8	83.1	-6.4%	-4.0
RoR's RAB	6.2%	6.1%	6.2%		0.0p.p.
Electricity	6.5%	6.4%	6.4%		0.2p.p.
With premium	6.9%	6.7%	6.7%		0.1p.p.
Without premium	6.1%	6.0%	6.0%		0.1p.p.
Land	0.4%	0.4%	0.4%		0.0p.p.
Natural gas	6.9%	7.3%	7.3%		-0.4p.p.

* Total costs;

** Transfers to RAB include direct acquisitions RAB related.

	9M16	9M15	2015
Net Debt (€M)	2,484.9	2,447.0	2,465.5
Average cost	3.4%	4.0%	4.1%
Average maturity (years)	4.7	4.5	4.2

DEBT BREAKDOWN

Funding sources			
Bond issues	58%	59%	61%
EIB	21%	23%	23%
Loans	2%	7%	2%
Other	20%	11%	15%

TYPE

Float	49%	60%	47%
Fixed	51%	40%	53%

CREDIT METRICS

Net Debt / EBITDA	5.2x	5.0x	5.0x
FFO / Net Debt	11.5%	12.2%	12.2%
FFO Interest Coverage	4.1x	4.0x	3.9x

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	10/21/2014
Standard & Poor's	BBB-	BB+	Positive	10/17/2016
Fitch	BBB	F3	Stable	03/24/2016



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

Financial position (teuros)

	Sep 2016	Dec 2015
ASSETS		
Non-current assets		
Property, plant and equipment	531	695
Goodwill	3,774	3,774
Intangible assets	3,781,998	3,869,085
Investments in associates and joint ventures	15,571	14,588
Available-for-sale financial assets	155,446	154,862
Derivative financial instruments	37,708	10,157
Other financial assets	12	7
Trade and other receivables	116,693	133,676
Deferred tax assets	66,180	65,838
	4,177,913	4,252,682
Current assets		
Inventories	2,900	2,985
Trade and other receivables	315,735	263,766
Derivative financial instruments	776	0
Current income tax recoverable	0	5,358
Other financial assets	1,340	1,510
Cash and cash equivalents	71,724	63,652
	392,475	337,271
TOTAL ASSETS	4,570,388	4,589,953

	Sep 2016	Dec 2015
EQUITY		
Shareholders' equity:		
Share capital	534,000	534,000
Treasury shares	-10,728	-10,728
Other reserves	315,789	325,619
Retained earnings	217,463	196,253
Other changes in equity	30	30
Net profit for the period	70,453	116,115
TOTAL EQUITY	1,127,008	1,161,289
LIABILITIES		
Non-current liabilities		
Borrowings	2,148,070	1,891,245
Liability for retirement benefits and others	125,766	129,217
Derivative financial instruments	21,526	8,426
Provisions	6,014	5,717
Trade and other payables	322,181	332,232
Deferred tax liabilities	80,402	88,249
	2,703,959	2,455,086
Current liabilities		
Borrowings	452,973	650,755
Provisions	817	1,171
Trade and other payables	267,037	315,735
Income tax payable	16,410	0
Derivative financial instruments	2,184	5,918
	739,422	973,579
TOTAL LIABILITIES	3,443,381	3,428,664
TOTAL EQUITY AND LIABILITIES	4,570,388	4,589,953

CONSOLIDATED STATEMENTS

Profit and loss (teuros)

	Period ended Sep	
	2016	2015
Sales	201	532
Services rendered	403,632	396,493
Revenue from construction of concession assets	73,320	145,490
Gains / (losses) from associates and joint ventures	983	534
Other operating income	15,320	35,869
Operating income	493,455	578,918
Cost of goods sold	-250	-536
Cost with construction of concession assets	-61,910	-133,469
External supplies and services	-26,283	-24,786
Employee compensation and benefit expense	-37,563	-38,762
Depreciation and amortizations	-160,529	-156,417
Provisions	-322	245
Impairments	120	-600
Other expenses	-9,633	-9,021
Operating costs	-296,372	-363,346
Operating results	197,083	215,571
Financial costs	-74,001	-80,553
Financial income	5,911	6,004
Investment income - dividends	4,260	4,387
Financial results	-63,830	-70,163
Profit before income tax	133,253	145,409
Income tax expense	-36,862	-28,354
Energy sector extraordinary contribution	-25,938	-25,445
Net profit for the period	70,453	91,609
Attributable to:		
Equity holders of the Company	70,453	91,609
Non-controlled interest	0	0
Consolidated profit for the period	70,453	91,609

CONSOLIDATED STATEMENTS

Cash flow (teuros)

	Period ended Sep	
	2016	2015
Cash flow from operating activities		
Cash receipts from customers (a)	1,385,544	1,500,688
Cash paid to suppliers (a)	-1,036,350	-1,148,832
Cash paid to employees	-47,828	-46,946
Income tax received/(paid)	-21,858	-19,309
Other receipts/(payments) relating to operating activities	-32,844	-67,292
Net cash flows from operating activities (1)	246,663	218,309
Cash flow from investing activities		
Receipts related to:		
Available-for-sale	0	63,278
Property, plant and equipment	0	3
Other financial assets	0	1,422
Grants related to assets	100	4,123
Interests and other similar income	5	139
Dividends	5,466	5,513
Payments related to:		
Available-for-sale	-202	0
Property, plant and equipment	-19	-2
Intangible assets - Concession assets	-110,462	-175,089
Net cash used in investing activities (2)	-105,111	-100,613
Cash flow from financing activities		
Receipts related to:		
Borrowings	4,313,500	1,824,000
Payments related to:		
Borrowings	-4,267,284	-1,838,764
Interests and other similar expense	-101,697	-70,210
Dividends	-90,650	-90,650
Net cash flows from / (used in) financing activities (3)	-146,132	-175,625
Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)	-4,580	-57,928
Cash and cash equivalents at the beginning of the year	63,539	112,599
Cash and cash equivalents at the end of the period	58,960	54,671
Detail of cash and cash equivalents		
Cash	21	21
Bank overdrafts	-12,764	-14,123
Bank deposits	71,703	68,773
	58,960	54,671

(a) These amounts included 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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