



RESULTS REPORT 1H 2017

July 27th, 2017



MAIN INDICATORS

€M	2Q17	1H17	1H16	Δ%	Δ Abs.
EBITDA⁽¹⁾	119.1	242.7	240.2	1.0%	2.5
Financial Result⁽¹⁾	-12.0	-27.5	-41.7	34.0%	14.2
Net Profit	39.5	53.0	40.5	30.7%	12.4
Recurrent Net Profit	41.6	80.9	66.5	21.7%	14.4
Average RAB	3,470.3	3,470.3	3,522.8	-1.5%	-52.5
CAPEX	27.8	41.0	37.6	8.9%	3.3
Net Debt⁽²⁾	2,577.4	2,577.4	2,526.5	2.0%	50.9

(1) Financial result from the interconnection capacity auctions between Spain and Portugal (-€0.5M in 1H16 and -€0.3M in 1H17) – known as FTR (Financial Transaction Rights) was reclassified from Financial Result to Revenues (EBITDA level);

(2) Fixed/variable rates: 61%/39%.

- ▶ In the first half of 2017, **EBITDA** rose by €2.5M (1.0%) to €242.7M, reflecting the contribution from the 42.5% Electrogas' stake acquired by REN in the first quarter of the year. However, it was negatively affected by a drop in the gas regulatory asset base remuneration (€-7.4M vs 1H16);
- ▶ **Net Profit** increased by €12.4M (30.7%), standing at €53.0M, while **Recurrent Net Profit** grew by €14.4M (21.7%) to €80.9M. The positive results were supported by REN's operational efficiency but mostly by stronger **Financial Results**. These improved by €14.2M (34.0%) to €-27.5M, strengthened by the steady decline in the average cost of debt (to 2.6% from 3.5% in 1H16);
- ▶ **Net Debt** stood at €2,577.4M, showing a small 4.0% increase when compared with the end of 2016 despite the purchase of Electrogas (€169.3M). As in recent years, undermining REN's results were the costs incurred with the extraordinary energy sector levy (€25.8M in 2017);
- ▶ With the purpose of financing the announced acquisition of EDP Gás (EDPG), in 11th May 2017, REN and REN Finance B.V. entered into a **financing agreement** with a syndicate of banks, in the amount of €532.0M, with extension options. EDPG's acquisition is being subjected to standard legal and regulatory approvals, which are expected to be accomplished shortly.

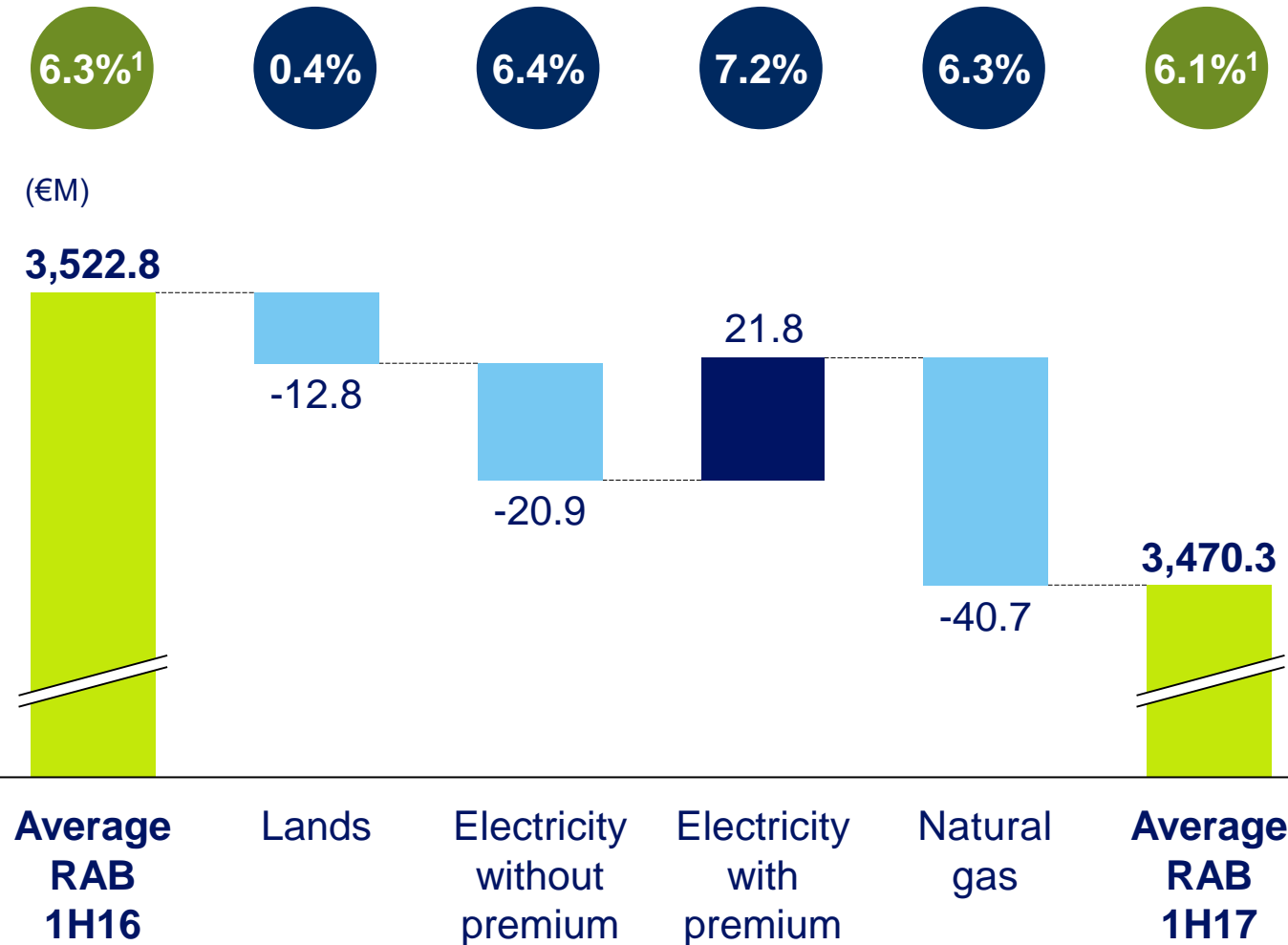
CAPEX and RAB

€M	1H17	1H16	Δ%	Δ Abs.
Average RAB	3,470.3	3,522.8	-1.5%	-52.5
Electricity	2,129.1	2,128.1	0.0%	0.9
Land	258.8	271.5	-4.7%	-12.8
Natural gas	1,082.5	1,123.1	-3.6%	-40.7
RAB end of period	3,420.7	3,479.4	-1.7%	-58.7
Electricity	2,095.9	2,101.1	-0.2%	-5.2
Land	255.6	268.3	-4.8%	-12.8
Natural gas	1,069.2	1,109.9	-3.7%	-40.7
CAPEX	41.0	37.6	8.9%	3.3
Electricity	37.5	34.6	8.5%	3.0
Natural gas	3.3	3.1	8.7%	0.3
Other	0.1	0.0		0.1
RAB variation e.o.p.	-99.1	-86.9		
Electricity	-66.0	-54.0		
Land	-6.4	-6.4		
Natural gas	-26.7	-26.5		

- ▶ Total **CAPEX** reached €41.0M and **Transfers to RAB** amounted to €2.3M (€-9.4M). **Average RAB** stood at €3,470.3M (€-52.5M);
- ▶ The main projects in execution in the **electricity** transmission infrastructures are the following:
 - ✓ Greater Porto area
 - Canelas substation: refurbishment of control and protection systems.
 - ✓ Northern Region
 - Feira substation, 400 kV/150 MVAR shunt reactor.
 - ✓ Center Region
 - Falagueira–Cedillo, 400 kV OHL, Uprating and refurbishment.
- ▶ **Natural Gas** investments were in line with 1H16, with no highlighted projects.

AVERAGE RAB DECREASED BY 1.5%

Despite the increase in Electricity assets with premium (2.0%)

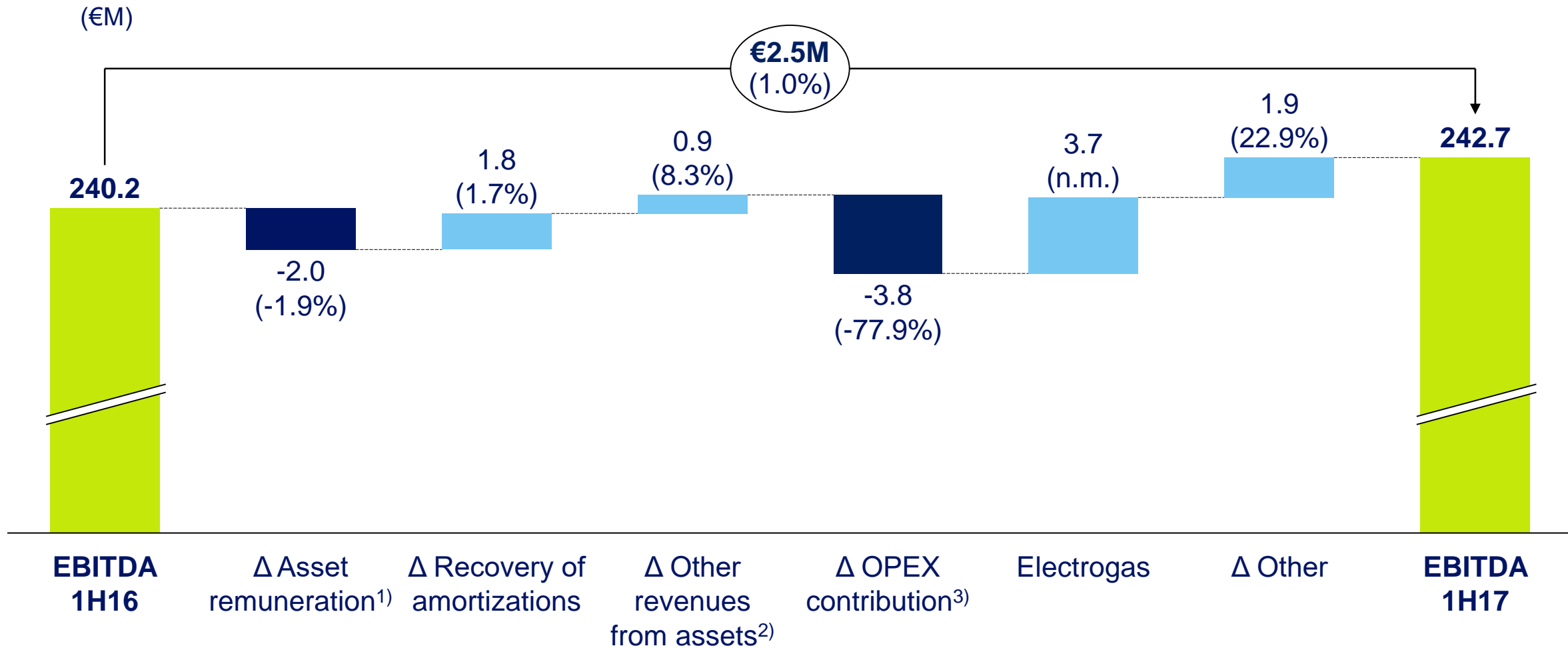


- ▶ Despite the favourable contribution from electricity with premium, average RAB fell by 1.5%;
- ▶ In the electricity business, the base rate of return (RoR) increased to 6.8% from 6.5%. Electricity with premium (with a 7.2% RoR) was up by €21.8M vs 1H16, while lands, the category with the lowest RoR (0.4%), saw a decrease in the value of its average RAB of €12.8M, to €258.8M;
- ▶ In natural gas, the average RAB had a decrease of €40.7M (RoR 6.3%);
- ▶ At the end of 1H17, electricity accounted for 61.4% of the average RAB, natural gas for 31.2% and lands for the remaining 7.5%.

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

EBITDA WAS UP BY €2.5M TO €242.7M

Electrogas contributed with €3.7M



(1) Includes Δ€2.0M of NG tariff smoothing effect;

(2) Includes Δ€0.9M of Remuneration of fully amortized assets;

(3) Includes €1.2M and €0.7M related to the one-off costs with Electrogas and EDPG acquisitions (respectively) and Δ€-1.0M 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:

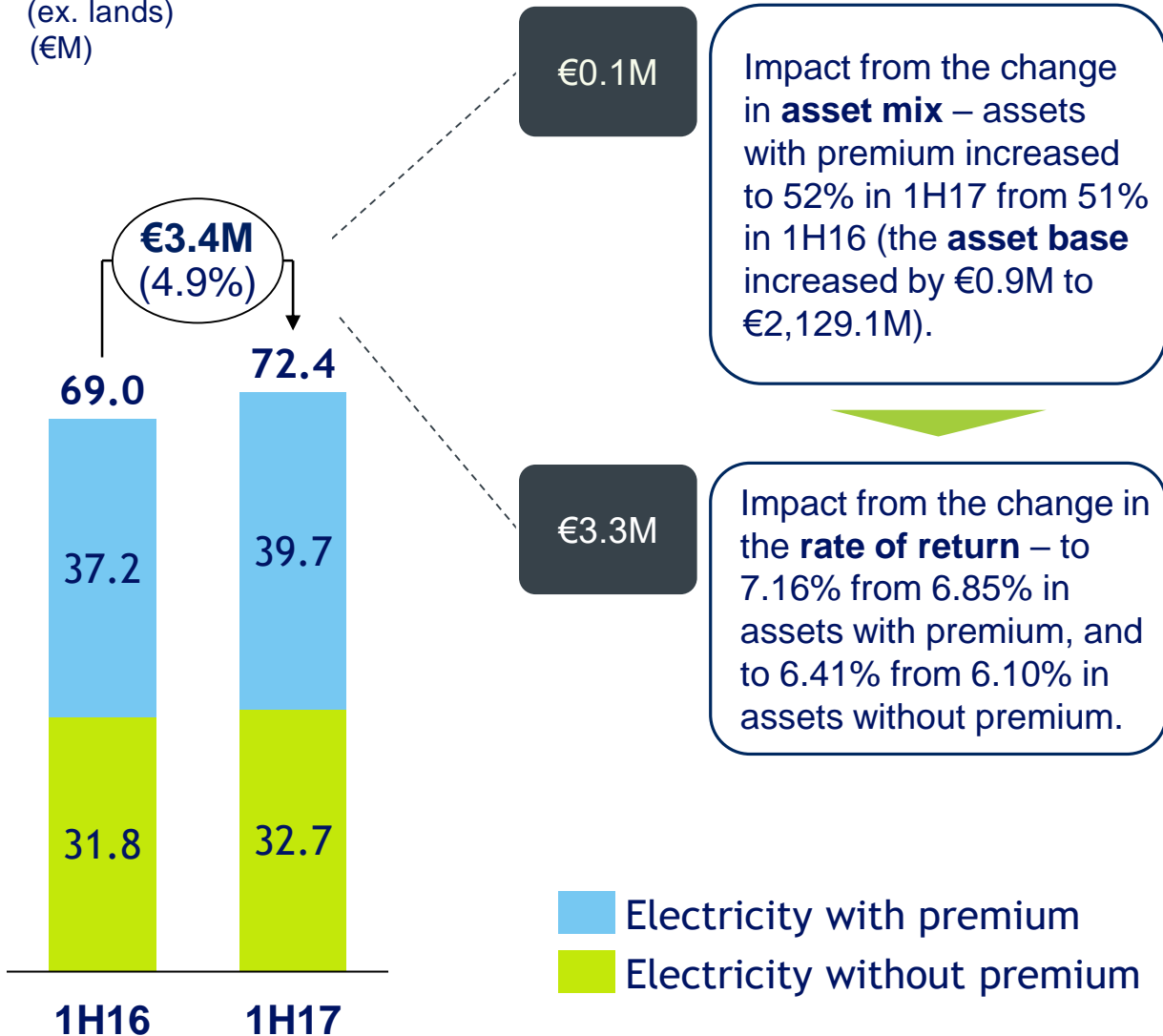
- Investments in associates are initially recorded (in Balance sheet) at cost and are subsequently adjusted to reflect the investor's share of the net profit of the associate;
- A proportional value of the results of these entities (in this case, 42.5%) is accounted as operating income (and as EBITDA 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 €4.0M

Penalized by a lower Rate of Return on gas assets

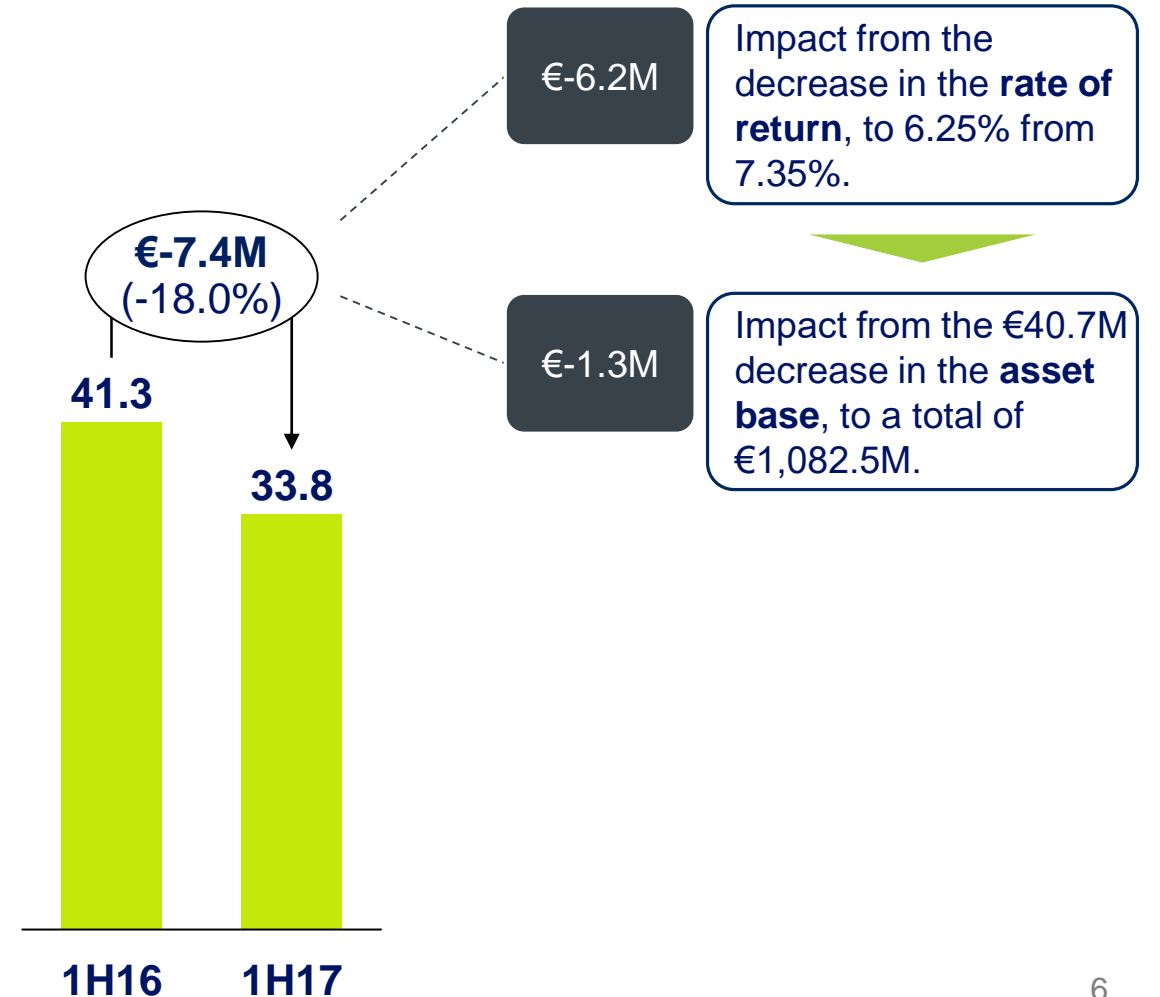
RAB REMUNERATION ELECTRICITY

(ex. lands)
(€M)



RAB REMUNERATION NATURAL GAS

(ex. tariff smoothing effect)
(€M)

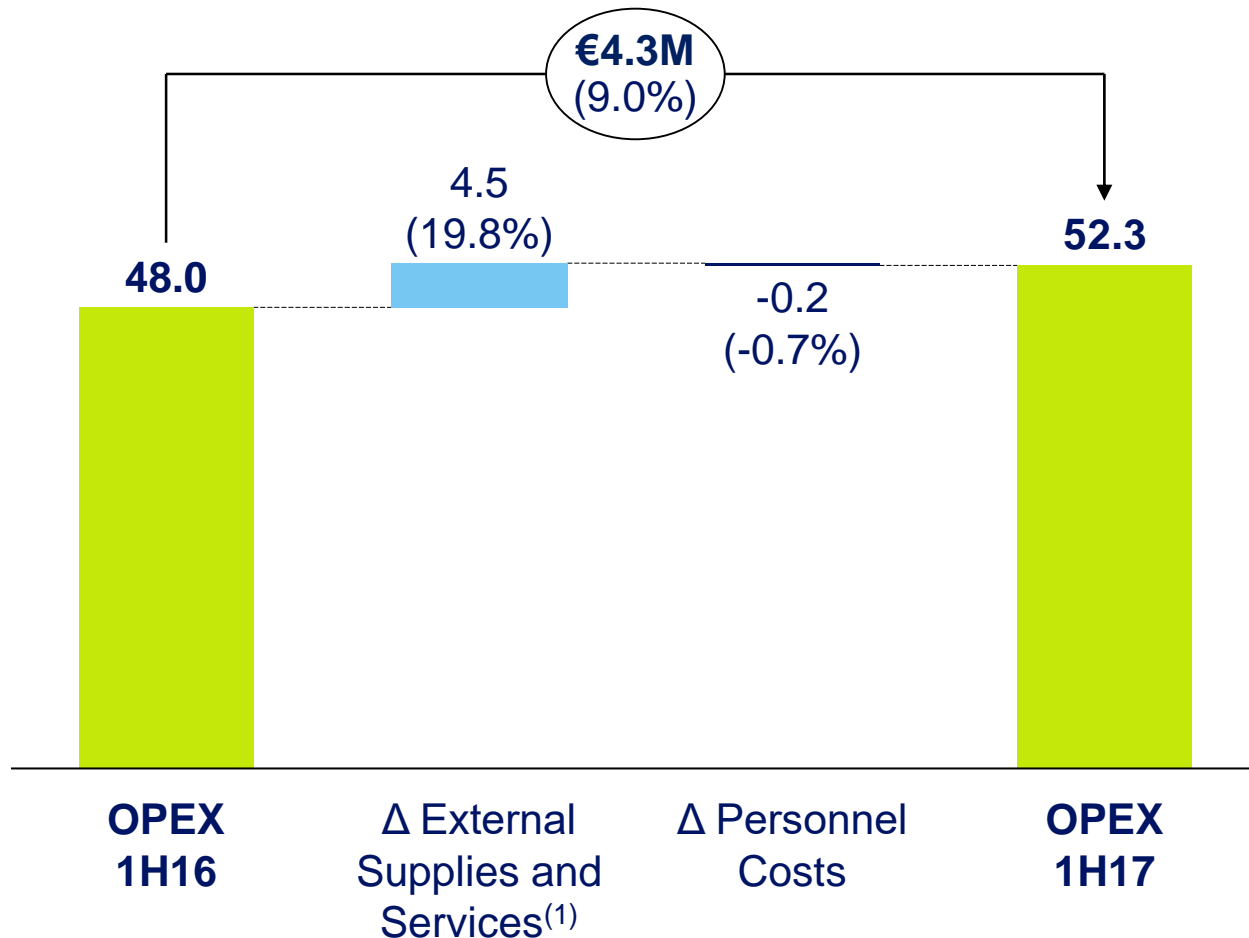


OPEX INCREASED BY €4.3M

Steamed by additional costs with the new acquisitions (€1.9M)

OPERACIONAL COSTS

(€M)



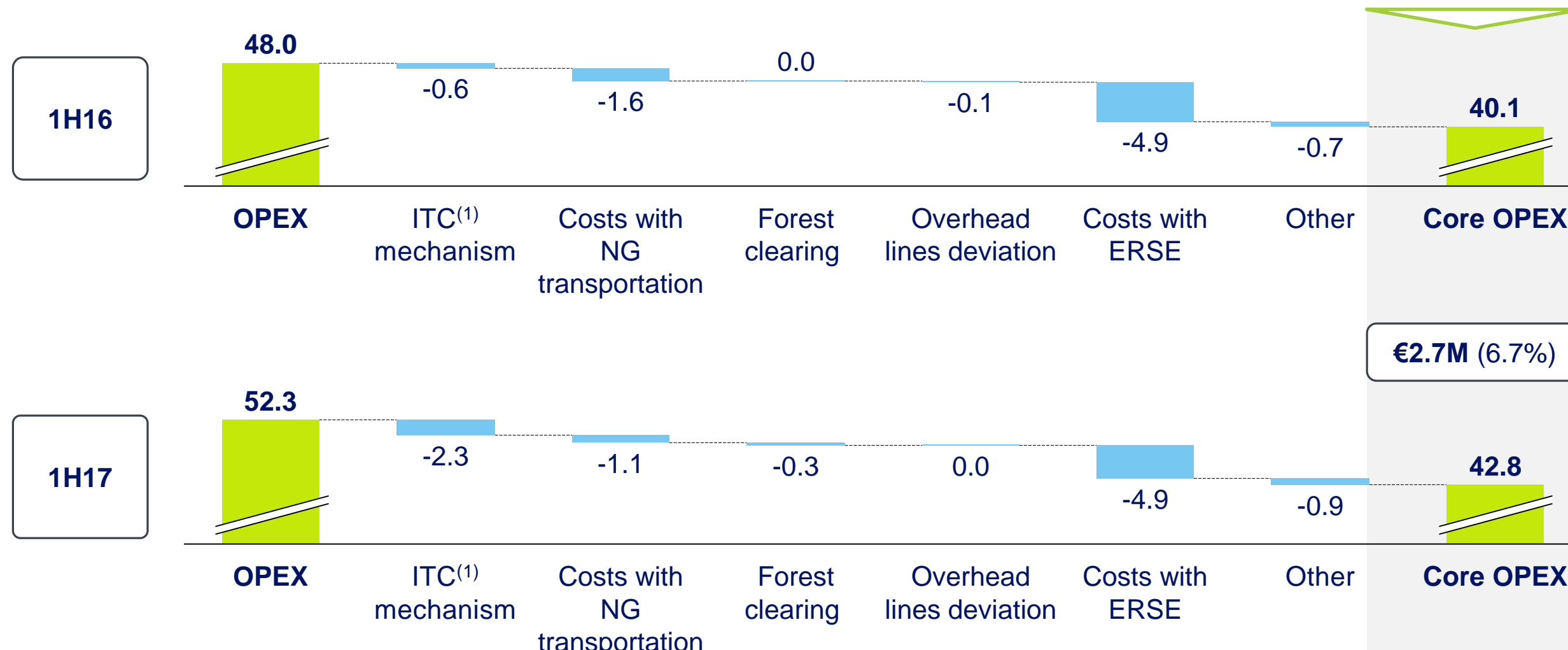
- ▶ The **External Supplies and Services** upsurge was mainly due to: (1) €1.9M from the EDPG (currently underway) and Electrogas acquisitions; (2) €1.0M from electricity costs related to the increase in the LNG Terminal activity; and (3) €1.6M of pass-through costs (mainly cross-border costs).

(1) Include Δ€0.4M of Other Operating Costs.

CONTROLLABLE COSTS INCREASED BY €2.7M

CORE OPEX

(€M)



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

BELOW EBITDA

Recurrent Results go up by €14.4M



€M	1H17	1H16	Δ%	Δ Abs.
EBITDA	242.7	240.2	1.0%	2.5
Depreciations and amortizations	108.6	107.0	1.5%	1.6
Financial Result	-27.5	-41.7	34.0%	14.2
Profit before income tax and levy	106.6	91.6	16.4%	15.1
Taxes	27.9	25.1	11.0%	2.8
Extraordinary levy	25.8	25.9	-0.5%	-0.1
Net Profit	53.0	40.5	30.7%	12.4
Recurrent Net Profit	80.9	66.5	21.7%	14.4

- ▶ **Depreciations and amortizations** increased by €1.6M (1.5%) to €108.6M;
- ▶ Reported **Income Tax** rose by €2.8M to €27.9M, affected by the increase in results;
- ▶ In 1H17, the Group was 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 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.

- ▶ The **average cost of debt** was **2.6%** versus 3.5% in 1H16;
- ▶ **Financial Result** improved to **-€27.5M**, representing a positive yoy evolution of €14.2M.

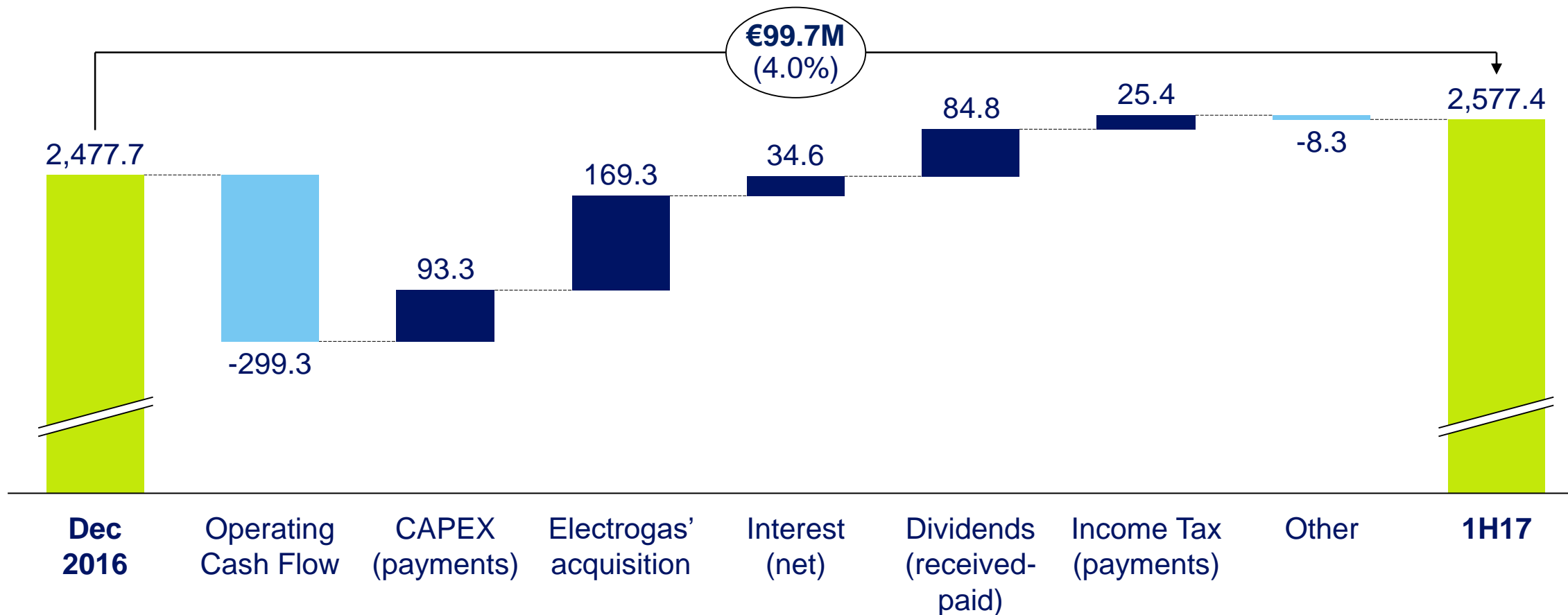
NET DEBT WAS UP BY 4.0% TO €2,577.4M

Despite being positively affected by tariff deviations (-€72.7M)



NET DEBT

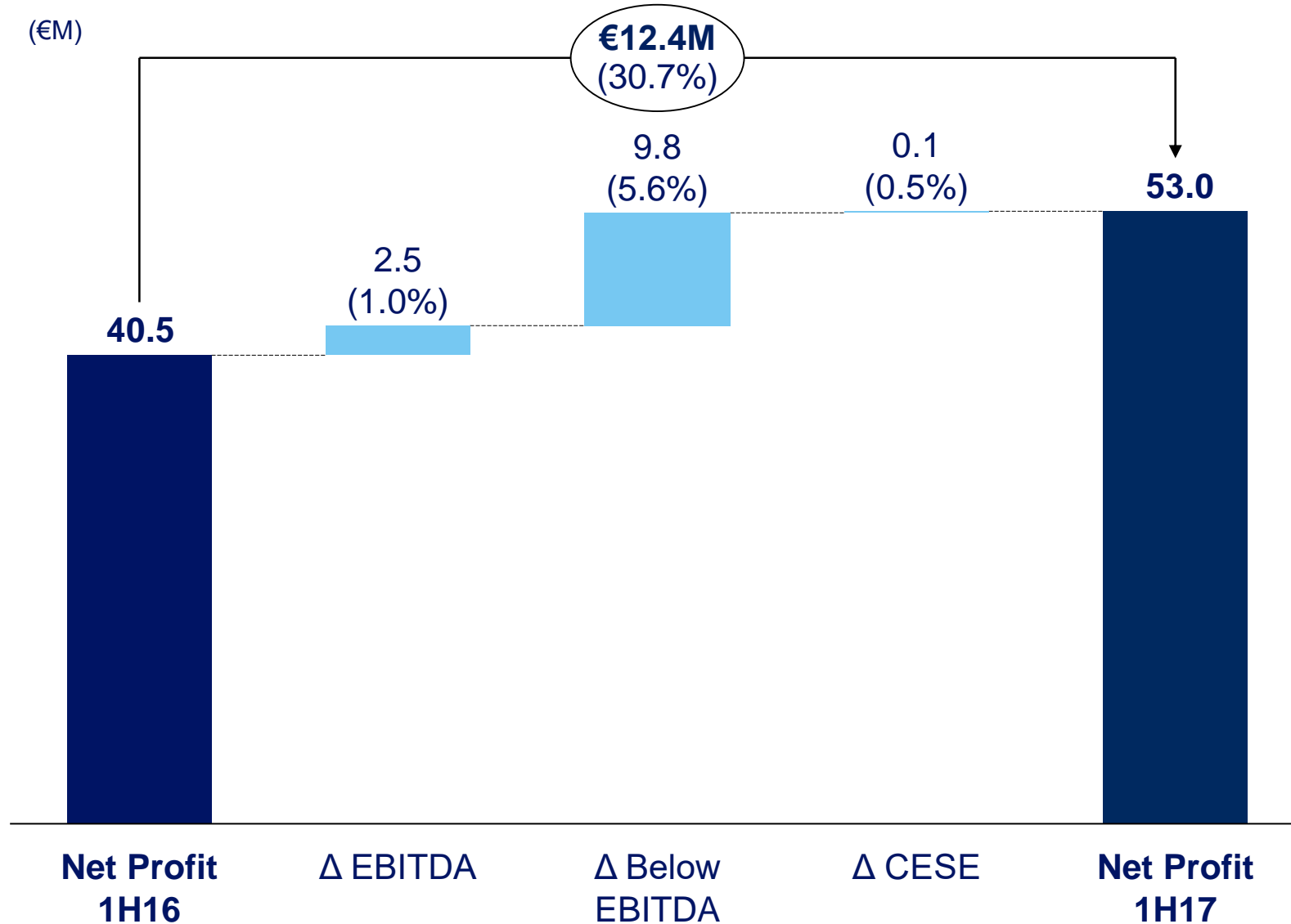
(€M)



- ▶ **Average cost of debt** decreased consistently over the year (2.6% in 1H17 vs 3.2% in 2016);
- ▶ **FFO/Net Debt** ratio stood at 11.2%.

NET PROFIT IMPROVED BY €12.4M

With gains in operational and financial activities



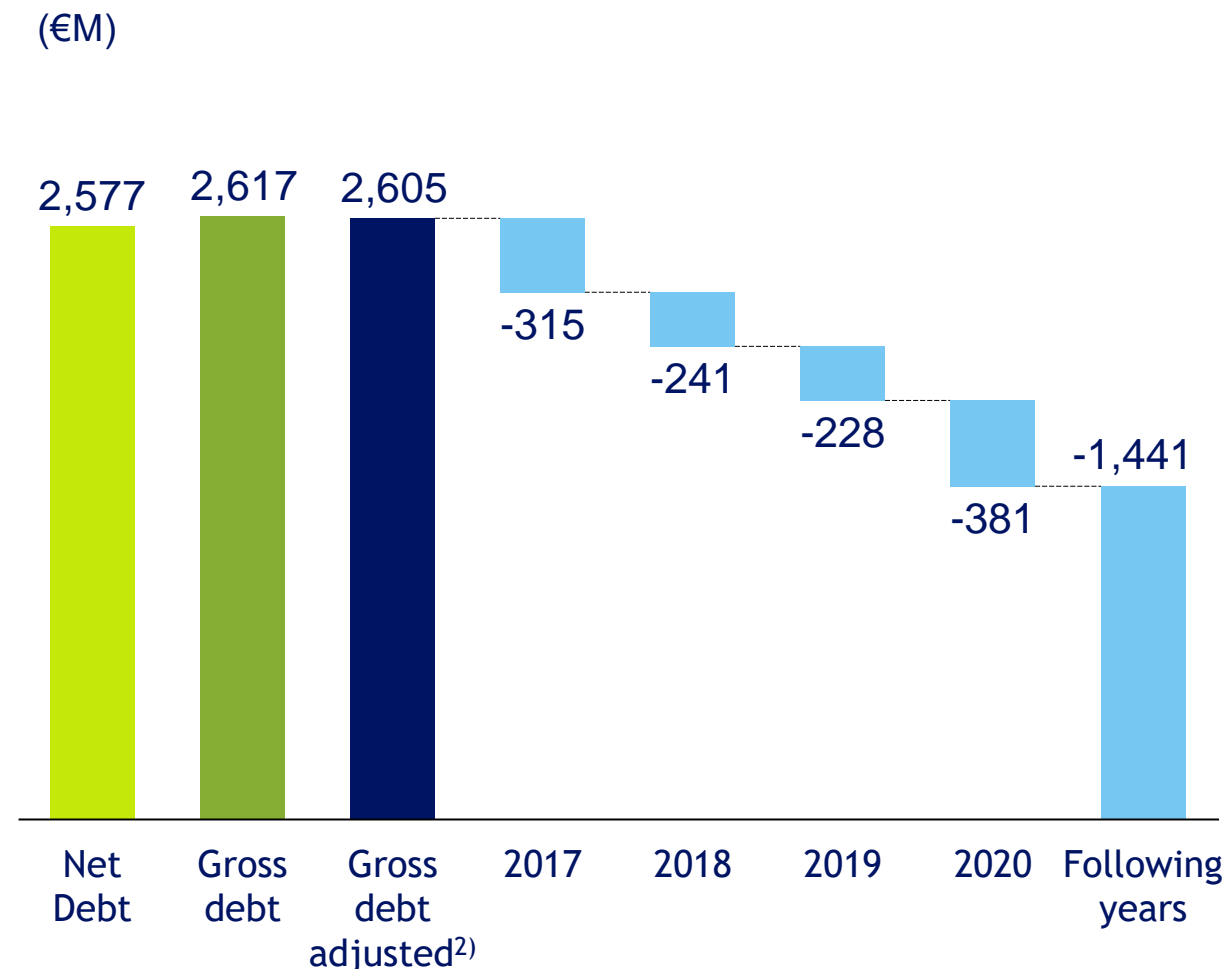
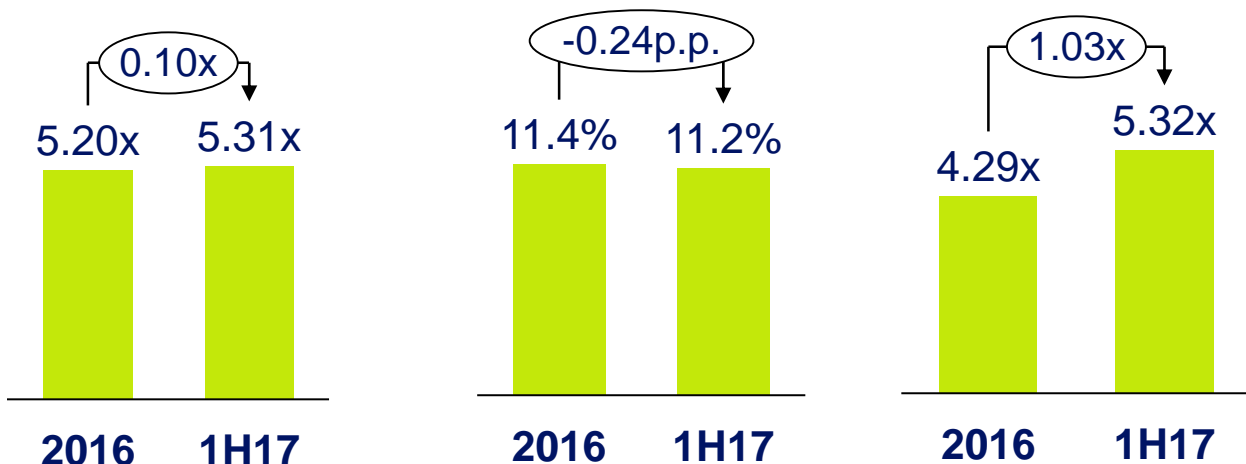
REN IS ALREADY FUNDED OVER THE NEXT TWO YEARS

Net Debt / EBITDA¹⁾

FFO / Net Debt

FFO interest coverage

DEBT MATURITY SCHEDULE (€M)



▶ In 1H17, the cost of REN's debt continued to come down, thus maintaining the trend set in 2014. This reduction was due to the improvement 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 **4.47** years.

1) The ratio was impacted by the Electrogas acquisition;

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

€M	1H17	2016
Fixed assets RAB related	3,750.4	3,818.2
Investments and goodwill ¹	334.8	190.3
Tariff deviations	99.0	138.8
Receivables ²	387.6	383.0
Cash	22.7	10.8
Other ³	8.7	8.7
Total assets	4,603.1	4,549.8
Shareholders equity	1,116.0	1,159.2
Debt (end of period)	2,617.4	2,515.1
Provisions	6.5	7.0
Tariff deviations	54.6	21.7
Payables ⁴	678.1	707.9
Other ⁵	130.4	138.9
Total equity and liabilities	4,603.1	4,549.8

- ▶ The total amount of **fixed assets RAB related** decreased to **€3,750.4M** (this value includes investment subsidies);
- ▶ **Investments and goodwill** (1) increased to €334.8M from €190.3M at the end of 2016. This item includes goodwill, available-for-sale financial assets, derivative financial instruments, investments in associates (include Electrogas) and other investments;
- ▶ **Receivables** (2) related to trade and other receivables, deferred tax assets and current income tax recoverable, reached €387.6M in 1H17, an increase from €383.0M at the end of 2016;
- ▶ **Other Assets** (3) stood at €8.7M. 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 €678.1M at the end of the period, versus €707.9M in 2016;
- ▶ **Other liabilities** (5) stood at €130.4M. 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 €139.4M

To be received from tariffs over the next two years

TARIFF DEVIATIONS

€M	1H17	2016
Electricity ¹⁾	144.7	176.3
Trading	30.6	27.0
Natural gas	-36.0	8.8
TOTAL	139.4	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 1H17 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	1,468.0	1,660.8
Bank borrowings	46.9	481.8	528.7
Commercial paper	280.7	150.0	430.7
Bank overdrafts	0.4	0.0	0.4
Finance lease	1.2	1.4	2.6
TOTAL	521.9	2,101.2	2,623.1
Accrued interest	32.4	0.0	32.4
Prepaid interest	-19.6	-18.4	-38.1
TOTAL	534.7	2,082.7	2,617.4

- ▶ On 30 June 2017 REN's total liquidity reached €1,518M, including credit facilities, loans, non-used commercial paper programmes, cash and bank deposits;
- ▶ **Bank borrowings** were mainly represented by EIB loans (€484M);
- ▶ In 11th May, REN signed a **loan** with a syndicate of banks, in the amount of €532M to be used to purchase EDPG;
- ▶ 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 €644M were available for utilization;
- ▶ 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 61%;
- ▶ The borrowings from the EIB include 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 1H17 with a total return of 7.8% (YTD)



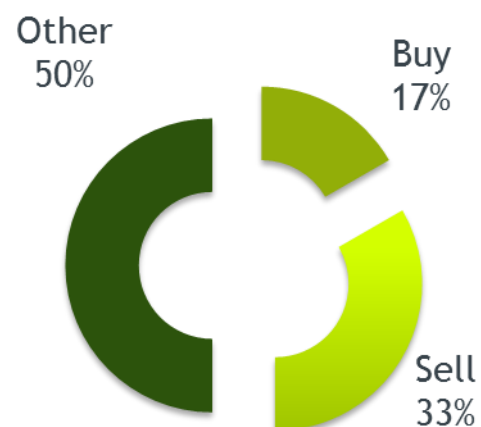
RESULTS
REPORT

ANNUALIZED CLOSING PRICES



ANALYST RECOMMENDATIONS⁽¹⁾

- ▶ **Average price target**
€2.83
- ▶ **Upside/Downside^(+/-)**
2.3%



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
- ▶ **Jun-28:** Loss of qualified shareholding from EDP

(1) Jul 25th, 2017.

REN'S TOTAL SHAREHOLDER RETURN WAS +84.3% (ITD)



REN	1H17	2016
END OF YEAR		
Price (€)		
Close	2.741	2.698
Average	2.734	2.663
High YTD	2.984	2.928
Low YTD	2.536	2.464
<i>Variation YTD</i>	1.6%	-3.0%
Market cap. (€M)	1,463.7	1,441
Number of shares (M)	534	534
Own shares (M)	3.9	3.9
Volume (M shares)	0.548	0.491
Volume WAP	2.698	2.662
Performance indicators		
Dividend yield	6.2%	6.3%
PER	11.1x	11.8x
Total shareholder return YTD	7.8%	3.3%
Cumulative total return*		
REN	84.3%	71.0%
PSI20	-42.6%	-46.0%
EuroStoxx Utilities	-16.1%	-23.1%

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



APPENDIX

€M	1H17	1H16	2016	1H17/1H16	
				Δ %	Δ Abs.
1) TOTAL REVENUES	329.9	318.7	739.0	3.5%	11.2
Revenues from assets	227.5	226.8	451.7	0.3%	0.6
Return on RAB	106.2	110.3	214.9	-3.7%	-4.0
Electricity	72.4	69.0	140.2	4.9%	3.4
Natural gas	33.8	41.3	74.8	-18.0%	-7.4
Hydro land remuneration	0.1	0.1	0.3	-4.7%	0.0
Lease revenues from hydro protection zone	0.4	0.4	0.7	-1.2%	0.0
Remuneration of fully amortized assets	10.8	9.9	20.8	8.9%	0.9
Tariff smoothing effect (natural gas)	0.6	-1.4	-0.9	138.7%	2.0
Recovery of amortizations (net from subsidies)	100.4	98.5	197.8	1.9%	1.8
Subsidies amortization	9.0	9.1	18.1	-0.2%	0.0
Revenues of OPEX	48.3	46.8	98.6	3.2%	1.5
Other revenues	13.2	7.4	17.4	78.0%	5.8
Construction revenues (IFRIC 12)	40.9	37.6	171.2	8.5%	3.2
2) OPEX	52.3	48.0	107.5	9.0%	4.3
Personnel costs	25.1	25.3	50.5	-0.7%	-0.2
External supplies and services	20.0	15.9	43.9	26.0%	4.1
Other operational costs	7.3	6.9	13.0	5.6%	0.4
3) Construction costs (IFRIC 12)	34.7	30.3	155.2	14.6%	4.4
4) Depreciations and amortizations	108.6	107.0	214.8	1.5%	1.6
5) Other	0.2	0.2	0.2		0.0
6) EBIT	134.1	133.2	261.3	0.7%	0.9
7) Depreciations and amortizations	108.6	107.0	214.8	1.5%	1.6
8) EBITDA	242.7	240.2	476.0	1.0%	2.5
9) Depreciations and amortizations	108.6	107.0	214.8	1.5%	1.6
10) Financial result	-27.5	-41.7	-79.9	34.0%	14.2
11) Income tax expense	27.9	25.1	55.3	11.0%	2.8
12) Extraordinary contribution on energy sector	25.8	25.9	25.9	-0.5%	-0.1
13) NET PROFIT	53.0	40.5	100.2	30.7%	12.4
14) Non recurrent items*	27.9	25.9	25.9	7.6%	2.0
15) RECURRENT NET PROFIT	80.9	66.5	126.1	21.7%	14.4

* NON RECURRENT ITEMS:

1H17: 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 potential acquisition currently underway and Electrogas acquisition (€2.9M, €2.1M after taxes);

1H16: Extraordinary energy sector levy, as established in the 2016 State budget law (€25.9M).

OTHER OPERACIONAL REVENUES AND COSTS BREAKDOWN

€M	1H17	1H16	2016	1H17/1H16	
				Δ %	Δ Abs.
Other revenues	13.2	7.4	17.4	78.0%	5.8
Allowed incentives	2.4	1.2	3.1	102.9%	1.2
Interest on tariff deviation	0.8	1.1	1.9	-25.8%	-0.3
Telecommunication sales and services rendered	2.5	2.6	5.5	-2.7%	-0.1
Consultancy services and other services provided	0.5	0.9	2.9	-41.1%	-0.4
Other revenues	7.0	1.6	4.1		5.3
Other costs	7.3	6.9	13.0	5.6%	0.4
Costs with ERSE	4.9	4.9	9.7	-0.1%	0.0
Other	2.4	2.0	3.3	19.3%	0.4

EBITDA BREAKDOWN (ELECTRICITY¹)

€M	1H17	1H16	2016	1H17/1H16	
				Δ %	Δ Abs.
1) REVENUES	234.3	221.1	539.7	6.0%	13.2
Revenues from assets	162.7	156.8	317.3	3.7%	5.9
Return on RAB	72.4	69.0	140.2	4.9%	3.4
Hydro land remuneration	0.1	0.1	0.3	-4.7%	0.0
Lease revenues from hydro protection zone	0.4	0.4	0.7	-1.2%	0.0
Remuneration of fully amortized assets	10.8	9.9	20.8	8.9%	0.9
Recovery of amortizations (net from subsidies)	72.9	71.3	143.1	2.2%	1.6
Subsidies amortization	6.1	6.1	12.2	-0.1%	0.0
Revenues of OPEX	29.8	28.9	62.3	3.1%	0.9
Other revenues	4.3	0.8	2.6		3.5
Interest on tariff deviation	0.5	0.1	0.1		0.4
Other	3.9	0.7	2.5		3.1
Construction revenues (IFRIC 12)	37.5	34.6	157.5	8.5%	3.0
2) OPEX	23.4	21.7	51.9	7.9%	1.7
Personnel costs	9.9	10.1	20.5	-2.0%	-0.2
External supplies and services	8.7	7.2	23.2	20.6%	1.5
Other operational costs	4.8	4.4	8.2	9.7%	0.4
3) Construction costs (IFRIC 12)	32.1	28.2	143.6	13.9%	3.9
4) Depreciations and amortizations	78.4	77.1	154.7	1.8%	1.4
5) Other	0.1	0.3	-0.1	-74.0%	-0.2
6) EBIT (1-2-3-4-5)	100.2	93.7	189.7	6.9%	6.5
7) Depreciations and amortizations	78.4	77.1	154.7	1.8%	1.4
8) EBITDA (6+7)	178.6	170.8	344.4	4.6%	7.8

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

EBITDA BREAKDOWN (NATURAL GAS)



€M	1H17	1H16	2016	1H17/1H16	
				Δ %	Δ Abs.
1) REVENUES	87.1	91.8	186.5	-5.1%	-4.7
Revenues from assets	64.8	70.0	134.4	-7.4%	-5.2
Return on RAB	33.8	41.3	74.8	-18.0%	-7.4
Tariff smoothing effect (natural gas)	0.6	-1.4	-0.9		2.0
Recovery of amortizations (net from subsidies)	27.5	27.3	54.7	0.9%	0.3
Subsidies amortization	2.9	2.9	5.9	-0.5%	0.0
Revenues of OPEX	18.5	17.9	36.3	3.4%	0.6
Other revenues	0.4	0.8	2.1	-48.5%	-0.4
Interest on tariff deviation	0.2	0.5	0.8	-54.2%	-0.3
Other services provided	0.1	0.3	1.2	-63.1%	-0.2
Other	0.1	0.0	0.2		0.1
Construction revenues (IFRIC 12)	3.3	3.1	13.8	8.7%	0.3
2) OPEX	12.2	11.9	24.6	2.1%	0.2
Personnel costs	3.6	4.1	7.9	-10.3%	-0.4
External supplies and services	6.4	5.7	12.7	11.6%	0.7
Other operational costs	2.1	2.1	4.0	0.1%	0.0
3) Construction costs (IFRIC 12)	2.5	2.0	11.7	23.4%	0.5
4) Depreciations and amortizations	30.1	29.8	59.8	0.8%	0.2
5) Other	0.0	0.0	0.0		0.0
6) EBIT	42.3	48.0	90.5	-11.8%	-5.7
7) Depreciations and amortizations	30.1	29.8	59.8	0.8%	0.2
8) EBITDA	72.4	77.8	150.2	-6.9%	-5.4

EBITDA BREAKDOWN (OTHER¹)



€M	1H17	1H16	2016	1H17/1H16	
				Δ %	Δ Abs.
1) TOTAL REVENUES	8.5	5.9	12.7	45.4%	2.7
Other revenues	8.5	5.9	12.7	45.4%	2.7
Allowed incentives	2.4	1.2	3.1		1.2
Interest on tariff deviation	0.1	0.5	1.0	-77.8%	-0.4
Telecommunication sales and services rendered	2.5	2.6	5.5	-2.7%	-0.1
Consultancy services and other services provided	0.4	0.7	1.7	-32.0%	-0.2
Other	3.0	0.9	1.4		2.1
Construction revenues (IFRIC 12)	0.0	0.0	0.0		0.0
2) OPEX	16.7	14.4	31.0	16.4%	2.4
Personnel costs	11.5	11.1	22.2	3.9%	0.4
External supplies and services	4.9	2.9	8.0	67.3%	2.0
Other operational costs	0.3	0.4	0.9	-12.7%	0.0
3) Construction costs (IFRIC 12)	0.0	0.0	0.0		0.0
4) Depreciations and amortizations	0.1	0.1	0.2	-1.6%	0.0
5) Other	0.1	-0.1	0.3		0.2
6) EBIT	-8.4	-8.5	-18.9	1.1%	0.1
7) Depreciations and amortizations	0.1	0.1	0.2	1.6%	0.0
8) EBITDA	-8.3	-8.4	-18.6	1.1%	0.1

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

€M	1H17	1H16	2016	1H17/1H16	
				Δ %	Δ Abs.
CAPEX*	41.0	37.6	171.5	8.9%	3.3
Electricity	37.5	34.6	157.5	8.5%	3.0
Natural gas	3.3	3.1	13.8	8.7%	0.3
Other	0.1	0.0	0.2		0.1
Transfers to RAB**	2.3	11.7	154.2	-80.2%	-9.4
Electricity	1.0	11.0	140.1	-91.0%	-10.0
Natural gas	1.3	0.8	14.1	72.5%	0.6
Average RAB	3,470.3	3,522.8	3,537.1	-1.5%	-52.5
Electricity	2,129.1	2,128.1	2,152.6	0.0%	0.9
With premium	1,108.4	1,086.6	1,105.0	2.0%	21.8
Without premium	1,020.6	1,041.5	1,047.6	-2.0%	-20.9
Land	258.8	271.5	268.3	-4.7%	-12.8
Natural gas	1,082.5	1,123.1	1,116.1	-3.6%	-40.7
RAB e.o.p.	3,420.7	3,479.4	3,519.8	-1.7%	-58.7
Electricity	2,095.9	2,101.1	2,162.0	-0.2%	-5.2
Land	255.6	268.3	262.0	-4.8%	-12.8
Natural gas	1,069.2	1,109.9	1,095.8	-3.7%	-40.7
RAB's variation e.o.p.	-99.1	-86.9	-46.5		
Electricity	-66.0	-54.0	6.8		
Land	-6.4	-6.4	-12.8		
Natural gas	-26.7	-26.5	-40.6		
RAB's remuneration	106.7	110.7	215.9	-3.7%	-4.0
Electricity	72.4	69.0	140.2	4.9%	3.4
With premium	39.7	37.2	76.0	6.6%	2.5
Without premium	32.7	31.8	64.2	3.0%	0.9
Land	0.5	0.5	1.0	-2.1%	0.0
Natural gas	33.8	41.3	74.8	-18.0%	-7.4
RoR's RAB	6.1%	6.3%	6.1%		-0.1p.p.
Electricity	6.8%	6.5%	6.5%		0.3p.p.
With premium	7.2%	6.9%	6.9%		0.3p.p.
Without premium	6.4%	6.1%	6.1%		0.3p.p.
Land	0.4%	0.4%	0.4%		0.0p.p.
Natural gas	6.3%	7.4%	6.7%		-1.1p.p.

* Total costs;

** Transfers to RAB include direct acquisitions RAB related.

	1H17	1H16	2016
Net Debt (€M)	2,577.4	2,526.5	2,477.7
Average cost	2.6%	3.5%	3.2%
Average maturity (years)	4.5	4.7	5.1

DEBT BREAKDOWN

Funding sources			
Bond issues	63%	68%	67%
EIB	19%	21%	20%
Loans	2%	2%	3%
Other	17%	9%	10%

TYPE

Float	39%	39%	36%
Fixed	61%	61%	64%

CREDIT METRICS

Net Debt / EBITDA	5.3x	5.3x	5.2x
FFO / Net Debt	11.2%	11.6%	11.4%
FFO Interest Coverage	5.3x	4.2x	4.3x

RATING	Long term	Short term	Outlook	Date
Moody's	Baa3	-	Stable	04/12/2017
Standard & Poor's	BBB-	A-3	Positive	10/17/2016
Fitch	BBB	F3	Stable	04/20/2017



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS

Financial position (teuros)



	Jun 2017	Dec 2016
ASSETS		
Non-current assets		
Property, plant and equipment	565	578
Goodwill	3,208	3,397
Intangible assets	3,757,339	3,825,712
Investments in associates and joint ventures	168,383	14,657
Available-for-sale financial assets	152,131	150,118
Derivative financial instruments	11,019	20,425
Other financial assets	20	14
Trade and other receivables	18,278	10,145
Deferred tax assets	67,782	62,825
	4,178,725	4,087,871
Current assets		
Inventories	1,151	1,028
Trade and other receivables	400,534	448,826
Other financial assets	0	1,317
Cash and cash equivalents	22,670	10,783
	424,355	461,954
TOTAL ASSETS	4,603,080	4,549,825

	Jun 2017	Dec 2016
EQUITY		
Shareholders' equity:		
Share capital	534,000	534,000
Treasury shares	-10,728	-10,728
Other reserves	313,602	319,204
Retained earnings	226,149	216,527
Other changes in equity	30	30
Net profit for the period	52,965	100,183
TOTAL EQUITY	1,116,019	1,159,217
LIABILITIES		
Non-current liabilities		
Borrowings	2,082,740	2,298,543
Liability for retirement benefits and others	123,141	125,673
Derivative financial instruments	6,898	12,212
Provisions	6,521	6,154
Trade and other payables	339,064	318,126
Deferred tax liabilities	60,086	73,027
	2,618,450	2,833,735
Current liabilities		
Borrowings	534,685	216,594
Provisions	0	801
Trade and other payables	285,211	311,539
Income tax payable	48,355	26,875
Derivative financial instruments	360	1,063
	868,611	556,873
TOTAL LIABILITIES	3,487,061	3,390,608
TOTAL EQUITY AND LIABILITIES	4,603,080	4,549,825

CONSOLIDATED STATEMENTS

Profit and loss (teuros)



	Jun 2017	Jun 2016
Sales	15	154
Services rendered	272,977	270,405
Revenue from construction of concession assets	40,857	37,640
Gains from associates and joint ventures	2,753	726
Other operating income	13,611	10,262
Operating income	330,213	319,188
Cost of goods sold	-124	-207
Cost with construction of concession assets	-34,667	-30,260
External supplies and services	-20,252	-16,047
Employee compensation and benefit expense	-24,800	-25,075
Depreciation and amortizations	-108,636	-107,038
Provisions	27	-322
Impairments	-199	120
Other expenses	-7,131	-6,665
Operating costs	-195,782	-185,494
Operating results	134,432	133,693
Financial costs	-36,716	-50,763
Financial income	3,889	4,368
Investment income - dividends	5,013	4,260
Financial results	-27,813	-42,135
Profit before income tax	106,619	91,559
Income tax expense	-27,856	-25,091
Energy sector extraordinary contribution	-25,798	-25,938
Net profit for the period	52,965	40,530
Attributable to:		
Equity holders of the Company	52,965	40,530
Non-controlled interest	0	0
Consolidated profit for the period	52,965	40,530

CONSOLIDATED STATEMENTS

Cash flow (teuros)



	Jun 2017	Jun 2016
Cash flow from operating activities		
Cash receipts from customers (a)	1,284,930	902,689
Cash paid to suppliers (a)	-944,205	-685,652
Cash paid to employees	-32,754	-31,173
Income tax received/(paid)	-25,414	-673
Other receipts/(payments) relating to operating activities	-4,701	-28,732
Net cash flows from operating activities (1)	277,856	156,460
Cash flow from investing activities		
Receipts related to:		
Other financial assets	1,309	0
Grants related to assets	1,471	100
Interests and other similar income	0	4
Dividends	5,890	2,326
Payments related to:		
Investments in associates and joint ventures	-169,285	0
Available-for-sale	0	-202
Property, plant and equipment	-191	-17
Intangible assets - concession assets	-93,135	-81,966
Net cash flow used in investing activities (2)	-253,941	-79,755
Cash flow from financing activities		
Receipts related to:		
Borrowings	2,417,150	2,863,000
Interests and other similar income	8	0
Payments related to:		
Borrowings	-2,298,551	-2,759,489
Interests and other similar expense	-41,925	-86,822
Dividends	-90,650	-90,650
Net cash (used in)/ from financing activities (3)	-13,968	-73,961
Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)	9,947	2,744
Effect of exchange rates	1,669	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	22,296	66,283
Detail of cash and cash equivalents		
Cash	21	21
Bank overdrafts	-374	-2,121
Bank deposits	22,649	68,384
	22,296	66,283

(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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