

9M 2013 RESULTS REPORT

November 07th, 2013



9M13 Highlights (I/II)

MAIN INDICATORS

€M	3Q13	9M13	9M12	Δ%	Δ Abs.
EBITDA	127.5	387.4	386.4	0.2%	0.9
Net Financial Income	-39.6	-105.3	-98.4	-7.0%	-6.9
Net Income	25.2	89.3	98.4	-9.2%	-9.1
Recurrent Net Income	25.2	85.5	94.6	-9.5%	-9.0
Average RAB	3,375.3	3,416.9	3,332.3	2.5%	84.6
CAPEX	51.3	110.1	124.6	-11.6%	-14.5
Net Debt	2,468.2	2,468.2	2,521.3	-2.1%	-53.2

▶ EBITDA stood at €387.4M, showing a very slight improvement YoY (+€0.9M, 0.2%) in spite of the decrease in electricity's RAB remuneration (-€14.9M, -10.3%), following a lower electricity's rate of return (down by 149 bps YoY);

▶ Opex was €78.0M, €3.0M below 9M12, and Core Opex was €66.5M, €0.8M lower YoY in spite of higher personnel costs (+€4.2M) impacted by actuarial assumption changes related to the pensions liabilities and the reinstatement of the CLA in May 2012, but their growth is decreasing as expected;

▶ Net Financial Income was down by €6.9M, reaching -€105.3M reflecting a higher stock of gross debt. However, the average cost of debt continued to improve;

9M13 Highlights (II/II)

MAIN INDICATORS

€M	3Q13	9M13	9M12	Δ%	Δ Abs.
EBITDA	127.5	387.4	386.4	0.2%	0.9
Net Financial Income	-39.6	-105.3	-98.4	-7.0%	-6.9
Net Income	25.2	89.3	98.4	-9.2%	-9.1
Recurrent Net Income	25.2	85.5	94.6	-9.5%	-9.0
Average RAB	3,375.3	3,416.9	3,332.3	2.5%	84.6
CAPEX	51.3	110.1	124.6	-11.6%	-14.5
Net Debt	2,468.2	2,468.2	2,521.3	-2.1%	-53.2

▶ Net Income amounted to €89.3M, down by 9.2% (-€9.1M), and Recurrent Net Income decreased by 9.5% (-€9.0M), to €85.5M from €94.6M, both affected by the decrease in RAB remuneration and higher financial costs;

▶ Total Capex stood at €110.1M, a decrease of €14.5M (-11.6%) versus 9M12;

▶ In October, REN successfully issued €400M of 7-year Notes. This issue further diversified REN's funding sources and strengthened the Company's liquidity profile.

Average RAB rose by 2.5%

CAPEX and RAB

€M	9M13	9M12	Δ%	Δ Abs.
Average RAB	3,416.9	3,332.3	2.5%	84.6
Electricity	2,006.8	1,922.5	4.4%	84.2
Land	309.3	322.9	-4.2%	-13.6
Natural gas	1,100.8	1,086.9	1.3%	14.0
RAB end of period	3,375.9	3,361.1	0.4%	14.7
Electricity	1,989.9	1,923.3	3.5%	66.5
Land	304.2	317.8	-4.3%	-13.6
Natural gas	1,081.8	1,120.0	-3.4%	-38.2
CAPEX	110.1	124.6	-11.6%	-14.5
Electricity	90.7	94.3	-3.8%	-3.6
Natural gas	19.3	30.2	-36.1%	-10.9
Other	0.2	0.2	-17.5%	0.0
RAB variation e.o.p.	-82.1	58.2		
Electricity	-33.8	2.2		
Land	-10.2	-10.2		
Natural gas	-38.2	66.2		

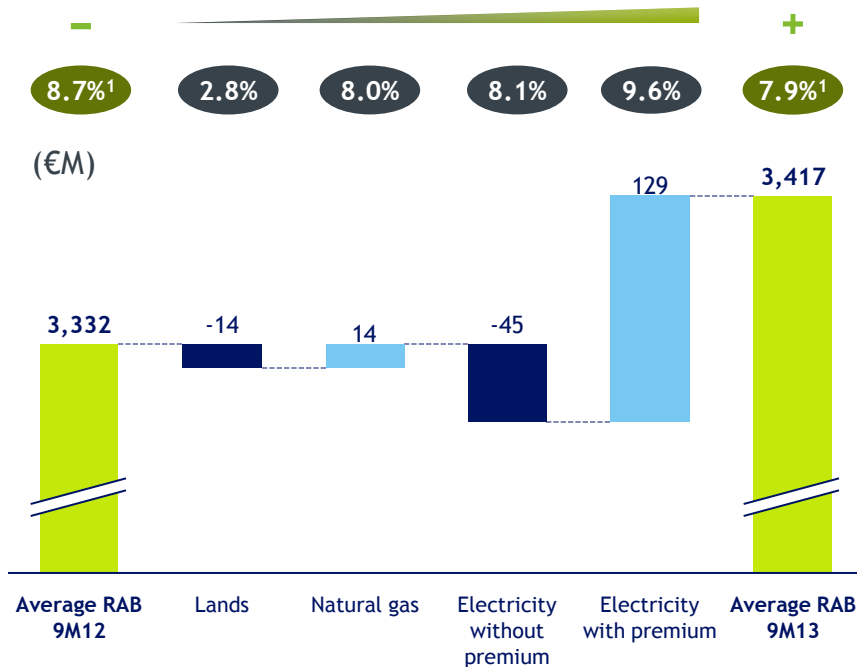
▶ Total CAPEX stood at €110.1M (11.6% below 9M12). The decrease took place in both electricity (-3.8% to €90.7M) and in natural gas (-36.1%, to €19.3M);

▶ The most relevant projects under way in the electricity business are the construction of the overhead line Valpaços - Vila Pouca de Aguiar, in the north region, and the 220 kV underground cable between the substations of Alto de Mira and Sete Rios, in the Lisbon region (which have been concluded and put in service in the 3rd quarter) and two new substations in Vermoim and Siderurgia da Maia, both in the north region;

▶ In natural gas, CAPEX values reflect the ongoing construction of a high pressure pipeline (Mangualde-Guarda) and the continuing works for a new cavern gas. The 2012 CAPEX was strongly influenced by the third LNG storage tank completion.

Growth focused in electricity assets with premium

RoR



Weight in avg. RAB:

9%

32%

34%

24%

100%

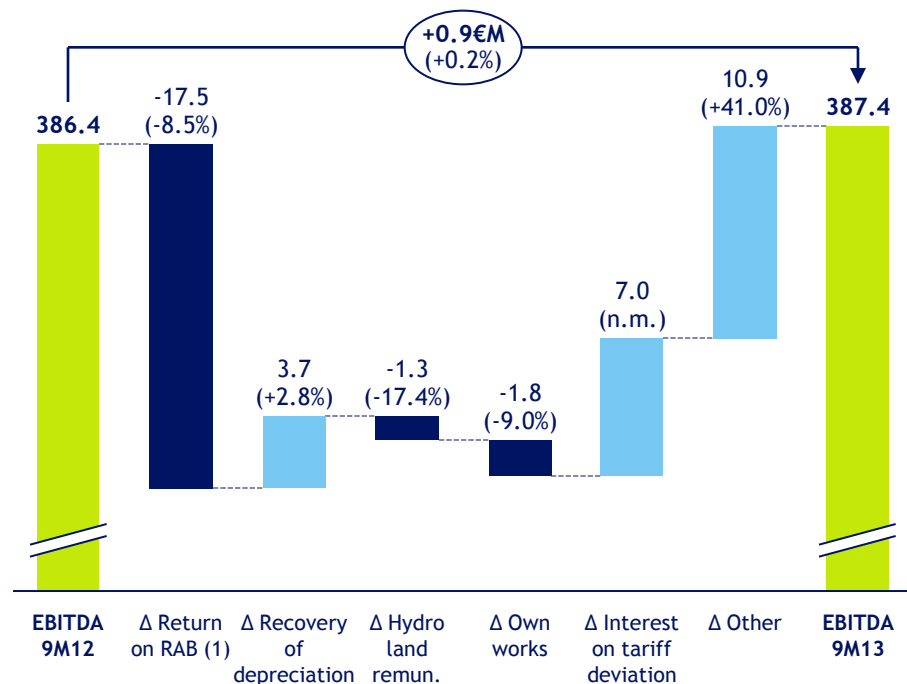
1) RoR is equal to the specific remuneration, divided by average RAB.

- ▶ Average RAB grew by 2.5%. As in previous quarters, this growth was focused on the category with the highest Rate of Return (RoR);
- ▶ The base rate of return of electricity RAB dropped to 8.1% from 9.6% YoY. Electricity average RAB with premium (with a 9.6% RoR) was up €129.1M vs 9M12, while the category with the lowest rate of return (the lands, with a 2.8% RoR) saw the value of its average RAB go down by €13.6M;
- ▶ In Natural gas, the average RAB rose by €14.0M (RoR 8.0%);
- ▶ At the end of 9M13, electricity accounted for 59% of the average RAB, natural gas for 32% and lands for the remaining 9%.

EBITDA slightly better than 9M12

3Q better than 1H, as expected

(€M)

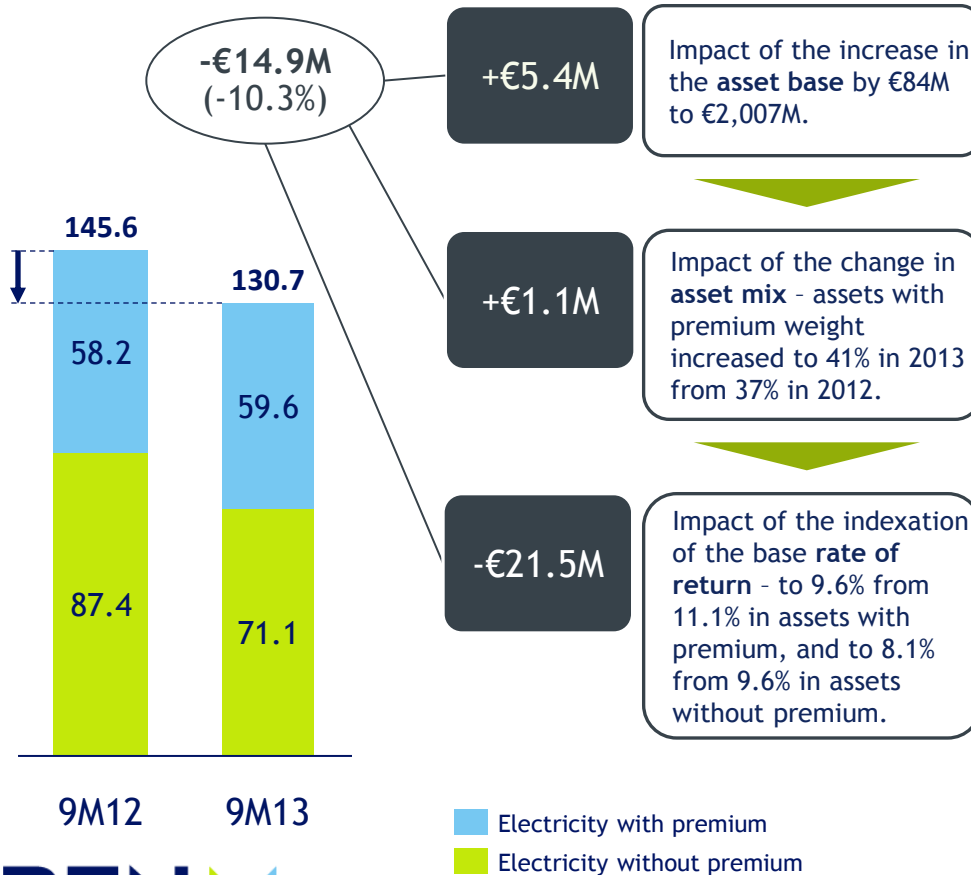


(1) Includes Δ-€3.3M of NG tariff smoothing effect.

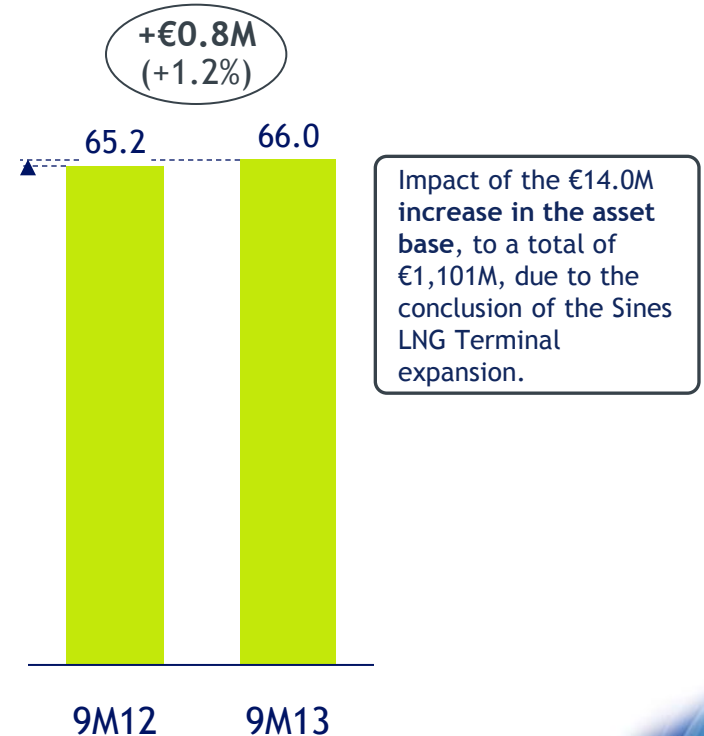
- ▶ EBITDA showed a very slight YoY improvement, boosted by an increase in **Interest on tariff deviation (+€7.0M)** and **Recovery of depreciation (+€3.7M)**, although penalized by the decrease in **Revenues from assets (-€17.5M)**, despite the positive evolution of RAB;
- ▶ **Land remuneration** had a negative contribution (-€1.3M) due to a lower asset base and a reduction in the rate of return (to 2.8% in 9M13 from 3.2% in 9M12);
- ▶ The **recovery of depreciation** was higher when compared to 9M12, consistent with a higher asset base;
- ▶ “**Other**” includes an increase of €1.0M in revenues from hedging operations and the reversal of an impairment of receivable debts (+€7.9M).

Return on RAB penalized by lower Electricity RoR although the increase in RAB

RAB REMUNERATION ELECTRICITY (ex. lands) (€M)



RAB REMUNERATION NATURAL GAS (ex. tariff smoothing effect) (€M)

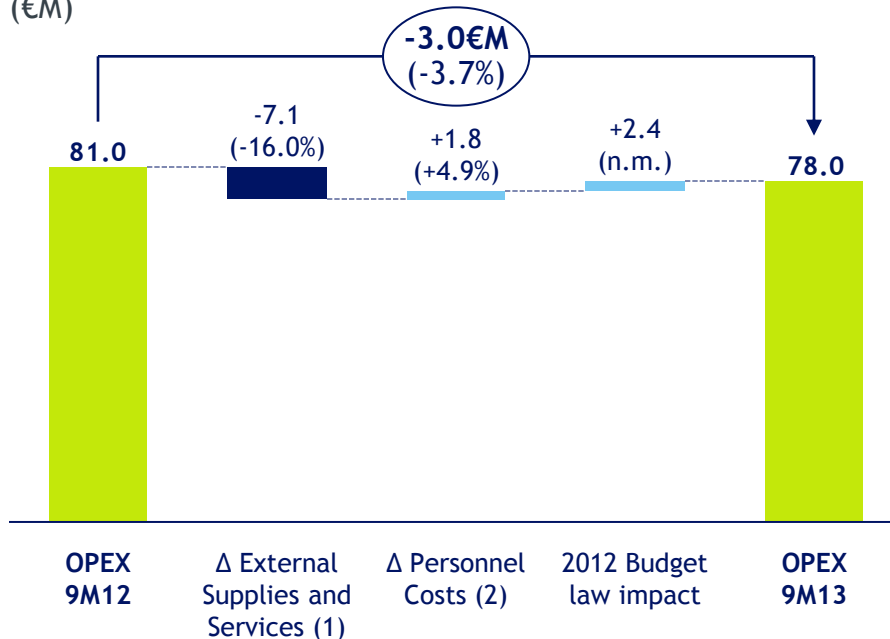


OPEX fall by €3.0M vs 9M12

Reflecting a continued reduction in operational costs

OPERATIONAL COSTS

(€M)



- ▶ External Supplies and Services (ESS) decreased by €7.1M (-16.0%) due to the decrease in system services and cross-border costs (both pass-through costs); Other operational costs, included in ESS, dropped by €1.5M (-14.1%), mainly due to the decrease in costs with donations, licenses and fees;
- ▶ Personnel costs rose by €4.2M, reflecting the change in actuarial assumptions in 2013 and the full impact of the budget law.

(1) The 2012 value excludes €0.86M referring to the ACT electricity employees that were reclassified in December 2012 from ESS's to personnel costs (without impact in Total Opex).

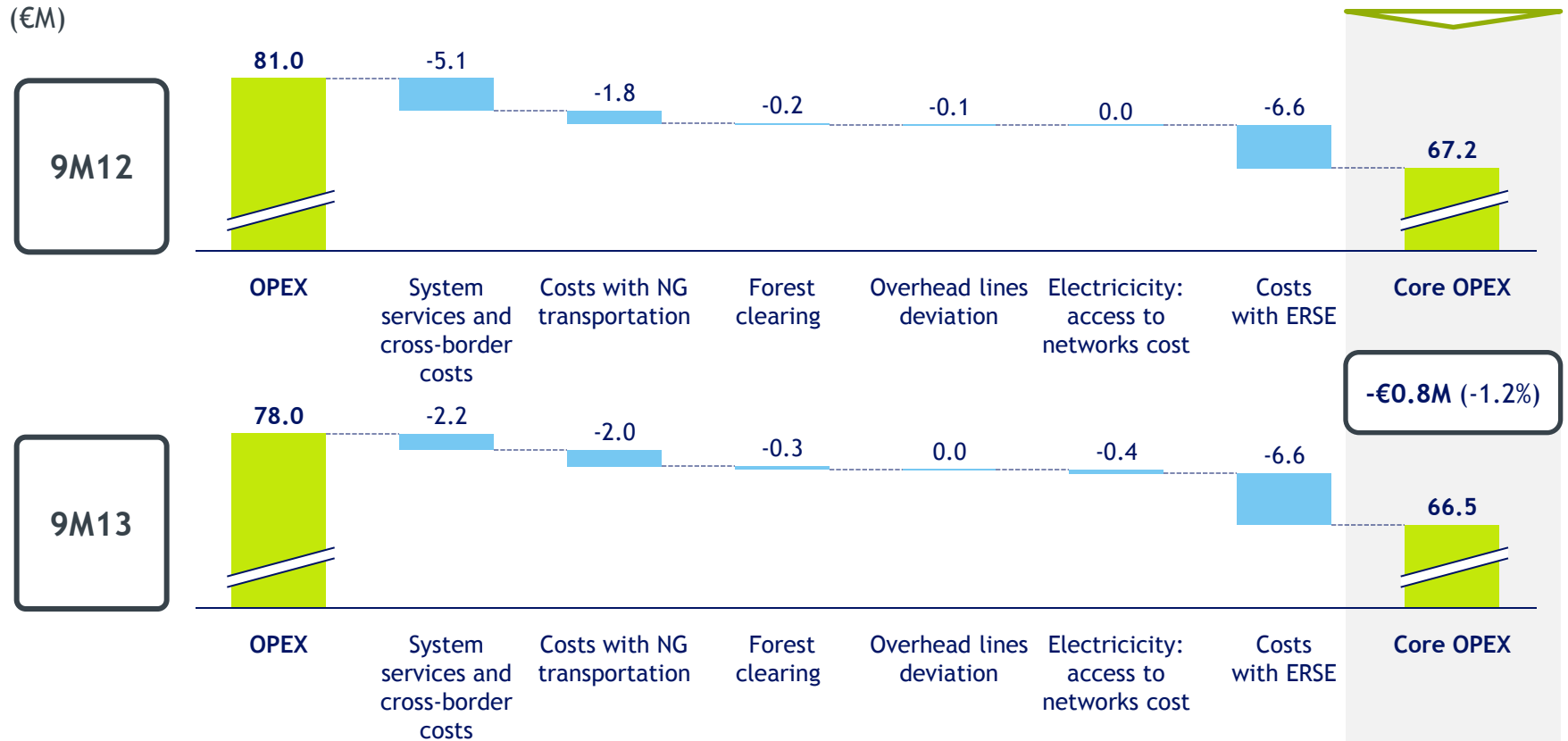
(2) Includes €2.2M due to the change in actuarial assumptions in 2012 related to the pensions liabilities. Excludes the impact of the 2012 Budget Law.

Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €91.5M in 9M13 and €104.1M in 9M12.

Core OPEX down 1.2%

The drop in ESS more than compensated the rise in Personnel Costs

▶ Excluding pass-through costs, Core OPEX was up by 1.2% (to €66.5M from €67.2M)



Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €91.5M in 9M13 and €104.1M in 9M12.

Financial costs affected by growth in gross debt

NET INCOME

€M	9M13	9M12	Δ %	Δ Abs.
EBITDA	387.4	386.4	0.2%	0.9
Depreciation	-150.2	-146.8	2.3%	3.4
Net financial income	-105.3	-98.4	7.0%	-6.9
Profit before income tax	131.9	141.3	-6.6%	-9.4
Income tax	-42.6	-42.9	-0.7%	-0.3
Net income	89.3	98.4	-9.2%	-9.1

- ▶ Net financial income stood at -€105.3M, 7.0% lower than in 9M12.

- ▶ The average cost of debt was 5.62%, versus 5.70% in December 2012;
- ▶ Net income in 9M13 decreased 9.2% YoY, reaching €89.3M and was negatively affected by: (i) the decrease in Financial results (-€6.9M), mainly due to the gross debt growth (in spite of the decrease in the average cost of debt); (ii) the increase in depreciation (+€3.4M), consistent with the RAB growth experienced in the same period;
- ▶ Income tax decreased by €0.3M, affected by a non-core tax effect in 2012⁽¹⁾;
- ▶ In 2013, following the change in the tax legislation made in Dec 2012 by Law 66-B/2012, the Company is taxed by a Corporate Income Tax (“CIT”) rate of 25%, increased by: (i) Municipal surcharge up the maximum of 1.5% over the taxable profit; (ii) a State surcharge of an additional 3% of taxable profit between €1.5M and €7.5M and an additional 5% over the taxable profit in excess of €7.5M, which results in a maximum aggregate CIT tax rate of 31.5%.

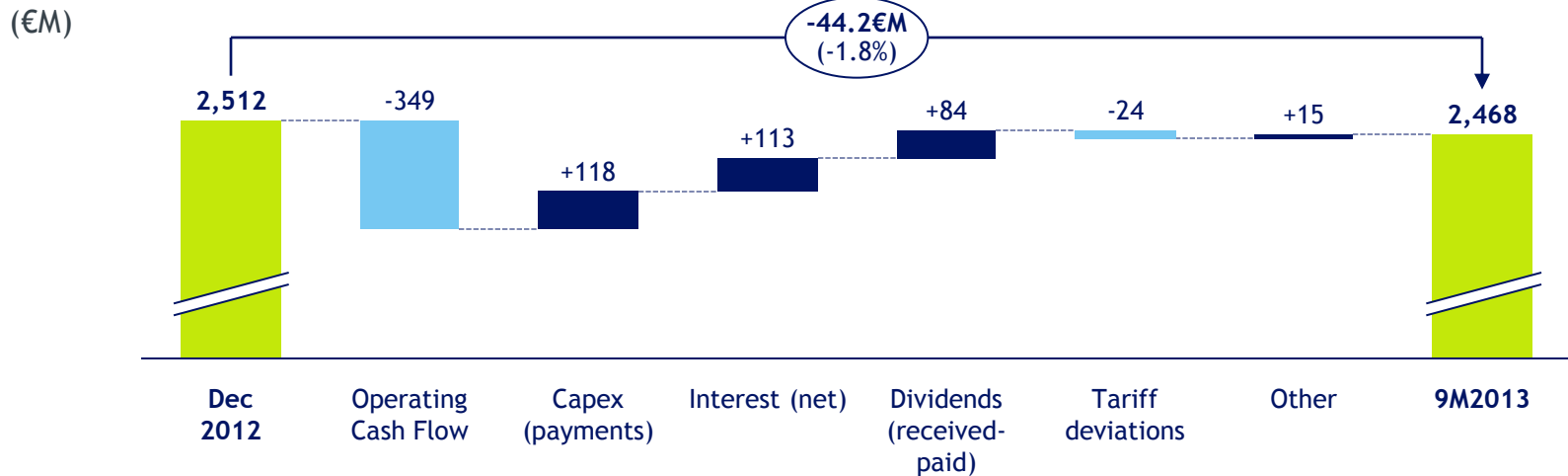
⁽¹⁾ Extraordinary effect of -€5.6M in 9M12.

Net debt continued to decrease in 9M13

- ▶ Net debt decreased to €2,468M in September 2013 from €2,512M in December 2012 (-1.8%), mainly due to lower Capex payments and a positive tariff deviation.

- ▶ The average cost of debt decreased by 8 bp, to 5.62% from 5.70% in 2012.

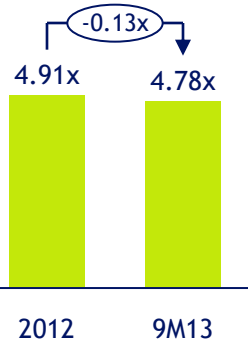
NET DEBT



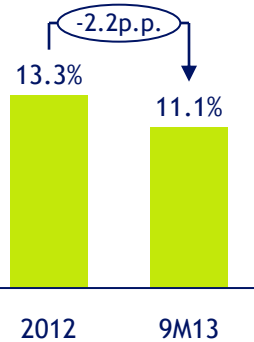
Operating Cash flow = EBIT + Depreciation + Provisions - Non cash items

REN is already financed well into 2016

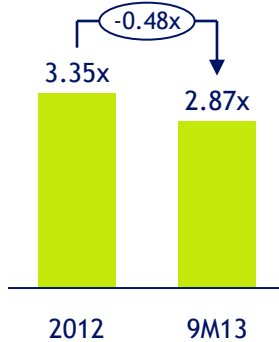
Net debt / EBITDA



FFO / Net debt



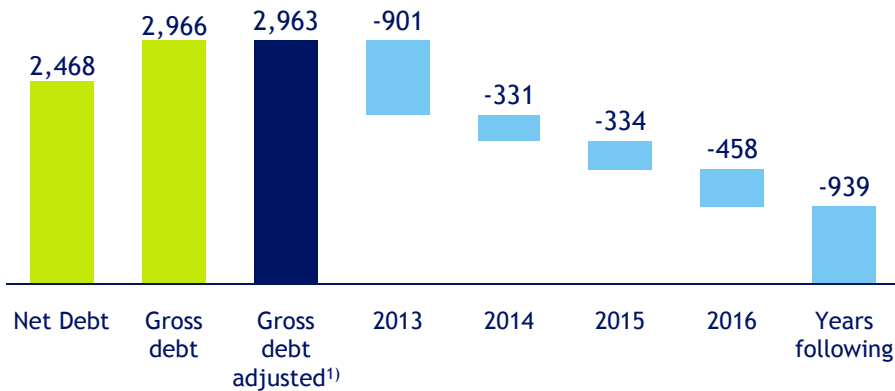
FFO interest coverage



▶ The financial rating assigned to REN was strongly penalized by the successive downgrades of Portugal's sovereign rating. Despite this situation, REN is committed not to ease its credit metric goals. Since 2008 REN has been actively reshaping its debt in order to improve its average maturity. REN is also using a combination of floating and fixed rate issues and/or interest rate swaps to achieve a suitable interest rate mix. Finally, REN keeps enlarging its international financial partners base and has managed to build a supportive group of relationship banks;

DEBT MATURITY SCHEDULE

(€M)



▶ REN's ratings are at the top level of Portuguese corporate ratings. In fact, Fitch started covering REN with an investment grade rating;

▶ The average debt maturity is currently 3.01 years (without taking account the CDB loan, which has not been used).

1) Adjusted by yen currency exchange.

Balance sheet

€M	9M13	2012
Fixed assets RAB related	3,835.0	3,871.4
Investments and goodwill ¹	385.1	272.9
Tariff deviations	154.6	170.9
Receivables ²	263.8	285.9
Cash	274.0	61.2
Other ³	18.4	23.8
Total assets	4,930.9	4,686.1
Shareholders equity	1,048.4	1,027.6
Debt (end of period)	2,965.8	2,705.9
Provisions	6.1	7.2
Tariff deviations	53.5	63.0
Payables ⁴	727.0	747.8
Other ⁵	130.0	134.6
Total equity and liabilities	4,930.9	4,686.1

- ▶ Total amount of *fixed assets RAB related* decreased to €3,835M.
- ▶ *Investments and goodwill (1)* increased to €385M from €273M at the end of 2012 (). 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 €264M at the end of 9M13, a decrease from the €286M at the end of 2012.
- ▶ *Other Assets (3)* stood at €18M, which comprises Inventories, 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 €727M at the end of September 2013, versus €748M in 2012.
- ▶ *Other liabilities (5)* stood at €130M, which includes retirement and other benefits obligations and derivative financial instruments (€135M in 2012).

The balance of tariff deviation totalized €106.3M to be received from tariffs

TARIFF DEVIATIONS

€M	9M13	2012
Electricity ¹⁾	42.4	77.2
Natural gas	64.0	61.5
TOTAL	106.3	138.7

¹⁾ Electricity includes REN Trading's tariff deviation: +€31.7M in 9M13 and +€32.0M in 2012.

Bonds were the main source of funding in 9M13

representing 69% of total debt

BORROWINGS

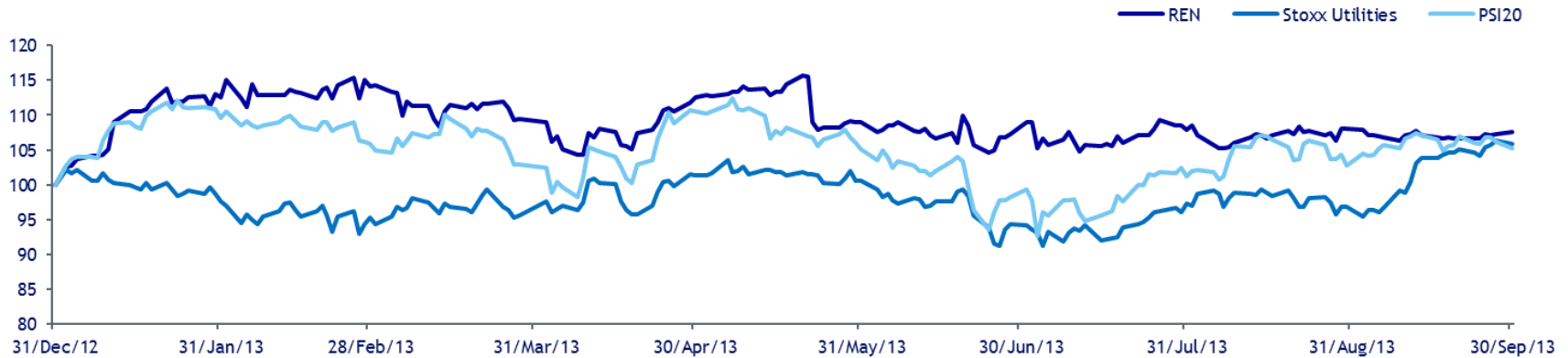
€M	Current	Non Current	TOTAL
Bonds	950.0	1,109.4	2,059.4
Bank borrowings	71.0	677.6	748.6
Commercial paper	10.0	100.0	110.0
Bank overdrafts	6.9	0.0	6.9
Finance lease	0.4	0.7	1.2
TOTAL	1,038.4	1,887.7	2,926.1
Accrued interest	64.7	0.0	64.7
Prepaid interest	-25.0	0.0	-25.0
TOTAL	1,078.1	1,887.7	2,965.8

- ▶ In January 2013 the Group issued two bonds of €150M and €300M with maturities in January 2020 and January 2018, respectively. In March 2013 REN obtained a 3 year maturity loan providing its share capital stakes in REE and in Enagás as collateral. REN maintains in full the rights inherent to such shareholdings, including voting rights and dividends. The group also has €81.5M in credit lines contracted, although unused at 30/Sep/13, maturing in less than a year, automatically renewed periodically (in case they are not terminated in the contractually specified period).

- ▶ At the end of 9M13 REN was a subscriber of six commercial paper programs amounting to €775M (as of 30/Sep/13, €110M were subscribed). The inflows resulting of the bond issues mentioned above contributed to the decrease of commercial paper subscription;
- ▶ The bank loans were mainly (€611.9M) represented by European Investment Bank (EIB) loans. Part of these borrowings (€275M) was hedged with interest rate swaps;
- ▶ REN's financial liabilities have 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 conceded assets). The Group's gearing ratio comfortably fulfills the contractually defined limits, being 81% above the minimum level;
- ▶ The borrowings from EIB also include ratings covenants. In the event of REN's ratings falling below the levels specified, REN can be called to provide a guarantee acceptable to EIB. As of 30/Sep/13 REN provided a guarantee to EIB, in the form of a pledge bank deposit, in the amount of €115.2M;
- ▶ Following the strategic partnership with State Grid in the scope of REN's second privatization stage, the irreversible conditions for a €800M loan (corresponding to 80% of the global €1,000M commitment) were agreed with China Development bank. This loan is divided in two €400M batches, one for the purpose of debt refinancing (for which a financing contract was signed in April 2013) and the other for investment in electricity and natural gas infrastructure. None of which have been used so far.

Share performance: REN ended 9M13 with a total return of +15.7% (YTD)

ANNUALIZED CLOSING PRICES



Source: Bloomberg

According to REN's analysts, the share price has an 8.0%⁽¹⁾ upside potential

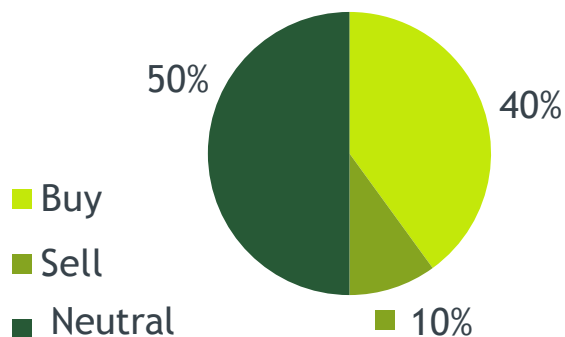
ANALYST RECOMMENDATIONS

- ▶ Average price target

€2.36

- ▶ Upside/Downside_(+/-)

+8.0%



CMVM: MAIN PRESS RELEASES

(from January to September 2013)

- ▶ **Jan-16:** Issue of debt instruments (€150M)
- ▶ **Jan-21:** Fitch assigns REN a BBB rating (investment grade level)
- ▶ **Jan-24:** Issue of debt instruments (€300M)
- ▶ **Feb-26:** Transactions over REN shares
- ▶ **Mar-07:** 2012 Annual consolidated results
- ▶ **Mar-12:** Resignation of member of the Board of Directors
- ▶ **Mar-18:** Standard and Poor's revises outlook from negative to stable
- ▶ **Apr-05:** Notice to convene the Annual General Shareholders Meeting
- ▶ **Apr-05:** Accounts reporting documents referring to the financial year ended on 31st December 2012 - item 1 of the Agenda for the General Shareholders Meeting
- ▶ **Apr-05:** Corporate Governance report included in the 2012 Annual Report
- ▶ **Apr-30:** Resolutions approved at the general shareholders meeting
- ▶ **May-07:** Payment of dividends

(1) Px close related to 21/oct/2013

REN's total shareholder return was +15.7%

REN	
END OF PERIOD	9M13
Price (€)	
Close	2.210
High YTD	2.378
Low YTD	2.055
<i>Variation YTD</i>	7.5%
Nr. of shares (M)	534
Own shares (M)	3.9
Market cap. (€M)	1,180.1
Volume (M shares)	0.126
Volume WAP	2.242
Performance indicators	
Div. yield	7.7%
PER	10.3x
Total shareholder return YTD	15.7%
Cumulative total return*	
REN	16.4%
PSI20	-41.7%
EuroStoxx Utilities	-38.2%

CMVM: MAIN PRESS RELEASES (from January to September 2013)

- ▶ **May-15:** First quarter 2013 consolidated results
- ▶ **Jun-17:** New regulatory framework for natural gas and 2013's tariffs
- ▶ **Jul-10:** S&P revises outlook from stable to negative
- ▶ **Jul-19:** Qualified shareholding (Columbia Wanger)
- ▶ **Aug-01:** First half 2013 results presentation
- ▶ **Aug-01:** First half 2013 consolidated results report
- ▶ **Aug-06 :** Report and accounts of the first half of 2013
- ▶ **Sep-10:** S&P places REN'S rating in Creditwatch negative
- ▶ **Oct-10:** Issue of debt instruments (400 M€)
- ▶ **Oct-16 :** Measures for the energy sector under the proposed state budget for 2014

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



APPENDIX

EBITDA breakdown

€M	9M13	9M12	2012	9M13/9M12	
				Δ %	Δ Abs.
1) TOTAL REVENUES	551.4	574.0	811.3	-3.9%	-22.6
Revenues from assets	350.6	364.6	493.1	-3.8%	-14.0
Return on RAB	196.7	210.8	286.6	-6.7%	-14.1
Electricity	130.7	145.6	199.7	-10.3%	-14.9
Natural gas	66.0	65.2	86.9	1.2%	0.8
Hydro land remuneration	6.0	7.2	9.7	-17.4%	-1.3
Lease revenues from hydro protection zone	0.6	0.6	0.8	-1.1%	0.0
Remuneration of fully depreciated assets	6.2	5.9	7.9	4.6%	0.3
Tariff smoothing effect (natural gas)	-8.7	-5.3	-7.5	-62.8%	-3.3
Recovery of depreciation (net from subsidies)	135.5	131.9	177.3	2.8%	3.7
Subsidies amortization	14.4	13.5	18.4	6.3%	0.8
Revenues of OPEX	76.7	80.1	110.4	-4.2%	-3.4
Other revenues	14.1	4.8	7.3	191.5%	9.3
Construction revenues (IFRIC 12)	110.0	124.4	200.5	-11.6%	-14.5
2) OPEX	78.0	81.0	123.2	-3.7%	-3.0
Personnel costs	40.3	35.3	52.3	14.2%	5.0
External supplies and services	28.7	35.2	57.5	-18.6%	-6.5
Other operational costs	9.0	10.5	13.3	-14.1%	-1.5
3) Construction costs (IFRIC 12)	91.5	104.1	172.9	-12.1%	-12.6
4) Depreciation	150.2	146.8	197.4	2.3%	3.4
5) Other	-5.4	2.5	3.3		-7.9
6) EBIT	237.2	239.7	314.6	-1.0%	-2.5
7) Depreciation	150.2	146.8	197.4	2.3%	3.4
8) EBITDA	387.4	386.4	511.9	0.2%	0.9
9) Depreciation	150.2	146.8	197.4	2.3%	3.4
10) Net financial income	-105.3	-98.4	-136.0	-7.0%	-6.9
11) Income tax expense	42.6	42.9	54.6	-0.7%	-0.3
12) NET INCOME	89.3	98.4	123.9	-9.2%	-9.1
13) Non recurrent items*	-3.8	-3.8	-3.8	-1.3%	0.0
14) RECURRENT NET INCOME	85.5	94.6	120.1	-9.5%	-9.0

Non recurrent items:

* **9M13:** Impairment of receivable debts (-€5.3M) and Tax effect (+€1.5M);

9M12: Provision to income taxes related to previous years (-€5.6M), Impairment of receivable debts (+€2.6M) and Tax effect (-€0.8M).

Other operational revenues and costs breakdown

€M	9M13	9M12	2012	9M13/9M12	
				Δ %	Δ Abs.
Other revenues	14.1	4.8	7.3	191.5%	9.3
Allowed incentives	1.9	2.4	3.1	-19.2%	-0.5
Interest on tariff deviation	2.1	-4.9	-6.5	141.7%	7.0
Hedging contracts	1.6	0.6	0.4	171.3%	1.0
Telecommunication sales and services rendered	4.1	4.1	5.5	0.8%	0.0
Grid availability incentive	0.0	0.0	1.0		0.0
Consultancy services and other services provided	0.9	0.7	1.3	17.9%	0.1
Other revenues	3.5	2.0	2.6	78.8%	1.5
Other costs	9.0	10.5	13.3	-14.1%	-1.5
Costs with ERSE	6.6	6.6	8.8	0.0%	0.0
Other	2.4	3.9	4.5	-37.9%	-1.5

EBIT breakdown (Electricity¹)

€M	9M13	9M12	2012	9M13/9M12	
				Δ %	Δ Abs.
1) REVENUES	394.3	404.6	579.6	-2.5%	-10.2
Revenues from assets	248.4	260.6	354.0	-4.7%	-12.2
Return on RAB	130.7	145.6	199.7	-10.3%	-14.9
Hydro land remuneration	6.0	7.2	9.7	-17.4%	-1.3
Lease revenues from hydro protection zone	0.6	0.6	0.8	-1.1%	-0.0
Remuneration of fully depreciated assets	6.2	5.9	7.9	4.6%	0.3
Recovery of depreciation (net from subsidies)	95.9	92.3	123.9	4.0%	3.7
Subsidies amortization	9.0	9.0	12.0	0.4%	0.0
Revenues of OPEX	49.0	51.7	72.0	-5.2%	-2.7
Other revenues	6.3	-2.0	-1.9		8.3
Allowed incentives	1.9	2.4	3.1	-19.2%	-0.5
Interest on tariff deviation	1.1	-5.7	-7.6	-120.0%	6.9
Other	3.2	1.4	2.6	138.6%	2.2
Construction revenues (IFRIC 12)	90.7	94.3	155.5	-3.8%	-3.6
2) OPEX	37.3	38.7	58.0	-3.6%	-1.4
Personnel costs	17.8	15.0	21.5	19.1%	2.9
External supplies and services	13.9	17.7	28.9	-21.3%	-3.8
Other operational costs	5.5	6.0	7.6	-8.0%	-0.5
3) Construction costs (IFRIC 12)	75.9	78.1	132.5	-2.8%	-2.2
4) Depreciation	105.8	102.5	137.5	3.2%	3.3
5) Other	-5.4	2.5	3.3		-7.9
6) EBIT	180.8	182.9	248.2	-1.1%	-2.1
7) Depreciation	105.8	102.5	137.5	3.2%	3.3
8) EBITDA	286.6	285.4	385.7	0.4%	1.2

¹ Includes Electricity, REN Trading and Enondas (wave energy concession).

EBIT breakdown (Natural gas)

€M	9M13	9M12	2012	9M13/9M12	
				Δ %	Δ Abs.
1) REVENUES	150.4	163.2	223.7	-7.8%	-12.7
Revenues from assets	102.2	104.0	139.2	-1.7%	-1.8
Return on RAB	66.0	65.2	86.9	1.2%	0.8
Tariff smoothing effect (natural gas)	-8.7	-5.3	-7.5	-62.8%	-3.3
Recovery of depreciation (net from subsidies)	39.6	39.6	53.3	-0.1%	-0.0
Subsidies amortization	5.3	4.5	6.3	18.1%	0.8
Revenues of OPEX	27.8	28.5	38.3	-2.4%	-0.7
Other revenues	1.2	0.6	1.2	105.3%	0.6
Interest on tariff deviation	0.9	0.8	1.1	17.4%	0.1
Other	0.2	-0.2	0.1		0.4
Construction revenues (IFRIC 12)	19.3	30.2	45.0	-36.1%	-10.9
2) OPEX	19.1	19.5	27.7	-2.2%	-0.4
Personnel costs	6.1	6.0	8.9	2.7%	0.2
External supplies and services	9.9	10.1	14.4	-1.4%	-0.1
Other operational costs	3.0	3.5	4.3	-12.8%	-0.4
3) Construction costs (IFRIC 12)	15.6	26.1	40.4	-40.2%	-10.5
4) Depreciation	44.2	44.1	59.7	0.1%	0.1
5) EBIT	71.5	73.4	96.1	-2.6%	-1.9
6) Depreciation	44.2	44.1	59.7	0.1%	0.1
7) EBITDA	115.8	117.6	155.7	-1.6%	-1.8

EBIT breakdown (Other¹)

€M	9M13	9M12	2012	9M13/9M12	
				Δ %	Δ Abs.
1) TOTAL REVENUES	6.7	6.3	8.0	6.5%	0.4
Other revenues	6.7	6.3	8.0	6.5%	0.4
Hedging contracts	1.6	0.6	0.4	171.3%	1.0
Telecommunication sales and services rendered	4.1	4.1	5.5	0.8%	0.0
Consultancy services and other services provided	0.9	0.7	1.3	14.9%	0.1
Other	0.0	0.8	0.9	-94.8%	-0.8
2) OPEX	21.6	22.8	37.5	-5.2%	-1.2
Personnel costs	16.4	14.4	21.9	13.9%	2.0
External supplies and services	4.8	7.4	14.2	-35.3%	-2.6
Other operational costs	0.5	1.0	1.4	-55.4%	-0.6
3) Depreciation	0.2	0.1	0.2	33.7%	0.0
4) EBIT	-15.1	-16.7	-29.7	9.2%	1.5
5) Depreciation	0.2	0.1	0.2	33.7%	0.0
6) EBITDA	-14.9	-16.5	-29.5	9.6%	1.6

¹) Includes REN SGPS, REN Serviços and REN Telecom.

CAPEX and RAB

€M	9M13	9M12	2012	9M13/9M12	
				Δ %	Δ Abs.
CAPEX*	110.1	124.6	201.1	-11.6%	-14.5
Electricity	90.7	94.3	155.5	-3.8%	-3.6
Natural gas	19.3	30.2	45.0	-36.1%	-10.9
Other	0.2	0.2	0.5	-17.5%	-0.0
Transfers to RAB**	55.4	186.4	320.6	-70.3%	-131.0
Electricity	54.0	80.7	201.0	-33.1%	-26.7
Natural gas	1.4	105.7	119.6	-98.7%	-104.3
Average RAB	3,416.9	3,332.3	3,380.7	2.5%	84.6
Electricity	2,006.8	1,922.5	1,972.7	4.4%	84.2
With premium	831.2	702.1	753.0	18.4%	129.1
Without premium	1,175.6	1,220.4	1,219.6	-3.7%	-44.8
Land	309.3	322.9	321.2	-4.2%	-13.6
Natural gas	1,100.8	1,086.9	1,086.9	1.3%	14.0
RAB e.o.p.	3,375.9	3,361.1	3,458.0	0.4%	14.7
Electricity	1,989.9	1,923.3	2,023.6	3.5%	66.5
Land	304.2	317.8	314.4	-4.3%	-13.6
Natural gas	1,081.8	1,120.0	1,119.9	-3.4%	-38.2
RAB's variation e.o.p.	-82.1	58.2	155.1		
Electricity	-33.8	2.2	102.5		
Land	-10.2	-10.2	-13.6		
Natural gas	-38.2	66.2	66.2		
RAB's remuneration	203.2	218.6	297.1	-7.0%	-15.4
Electricity	130.7	145.6	199.7	-10.3%	-14.9
With premium	59.6	58.2	83.2	2.4%	1.4
Without premium	71.1	87.4	116.5	-18.7%	-16.3
Land	6.5	7.8	10.4	-16.2%	-1.3
Natural gas	66.0	65.2	86.9	1.2%	0.8
RoR's RAB	7.9%	8.7%	8.8%		-0.8p.p.
Electricity	8.7%	10.1%	10.1%		-1.4p.p.
With premium	9.6%	11.1%	11.1%		-1.5p.p.
Without premium	8.1%	9.6%	9.6%		-1.5p.p.
Land	2.8%	3.2%	3.2%		-0.4p.p.
Natural gas	8.0%	8.0%	8.0%		0.0p.p.

* Total costs

** Transfers to RAB include direct acquisitions RAB related

DEBT

	9M13	9M12	2012
Net debt (€M)	2,468.2	2,521.3	2,512.4
Average cost	5.62%	5.66%	5.70%
Average maturity (years)	3.0	3.4	3.2

DEBT BREAKDOWN

Funding sources			
Bond issues	71%	56%	60%
EIB	22%	27%	26%
Commercial paper	4%	16%	13%
Loans	4%		1%

TYPE			
Fixed	76%	75%	71%
Float	24%	25%	29%

CREDIT METRICS			
Net Debt / EBITDA	4.8x	4.9x	4.9x
FFO / Net debt	11.1%	13.5%	13.3%
FFO interest coverage	2.9x	3.5x	3.3x

RATING	Long term	Short term	Outlook	Date
Fitch	BBB	F3	Negative	01/21/2013
Moody's	Ba1	-	Negative	10/17/2012
Standard & Poor's	BB+	B	CreditWatch Negative	09/20/2013



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements:

Financial Position (tEuros)

	Sep 2013	Dec 2012
ASSETS		
Non-current assets		
Property, plant and equipment	785	827
Goodwill	3,774	3,774
Intangible assets	3,850,919	3,891,464
Investments in associates and joint ventures	12,043	9,382
Available-for-sale financial assets	144,831	131,002
Derivative financial instruments	0	6,853
Other financial assets	102,855	112,583
Trade and other receivables	122,887	70,451
Deferred tax assets	59,641	61,215
	4,297,734	4,287,552
Current assets		
Inventories	1,676	2,920
Trade and other receivables	222,103	310,738
Current income tax recoverable	13,746	14,318
Derivative financial instruments	376	416
Other financial assets	121,267	8,864
Cash and cash equivalents	273,987	61,246
	633,156	398,503
TOTAL ASSETS	4,930,890	4,686,054

	Sep 2013	Dec 2012
EQUITY		
Shareholders' equity:		
Share capital	534,000	534,000
Own shares	-10,728	-10,728
Other reserves	260,134	231,753
Retained earnings	175,742	148,671
Net profit for the period	89,296	123,892
TOTAL EQUITY	1,048,444	1,027,589
LIABILITIES		
Non-current liabilities		
Borrowings	1,887,724	1,535,495
Liability for retirement benefits and others	105,768	105,808
Derivative financial instruments	22,529	27,958
Provisions	4,801	4,801
Trade and other payables	389,729	360,895
Deferred tax liabilities	75,381	82,797
	2,485,931	2,117,755
Current liabilities		
Borrowings	1,078,104	1,170,400
Provisions	1,283	2,419
Trade and other payables	280,752	367,081
Income tax payable	34,662	0
Derivative financial instruments	1,713	811
	1,396,515	1,540,711
TOTAL LIABILITIES	3,882,445	3,658,465
TOTAL EQUITY AND LIABILITIES	4,930,890	4,686,054

Consolidated Statements:

Profit and Loss (tEuros)

	Sep 2013	Sep 2012
Sales	109	366
Services rendered	421,822	432,430
Revenue from construction of concession assets	109,966	124,437
Gains/losses from associates and joint ventures	-249	672
Other operating income	19,798	16,093
Operating income	551,446	573,997
Cost of goods sold	-250	-366
Cost with construction of concession assets	-91,480	-104,126
External supplies and services	-28,655	-35,182
Personnel costs	-40,310	-35,293
Depreciation and amortizations	-150,175	-146,777
Provisions	82	153
Impairment of trade receivables	5,296	-2,646
Other expenses	-8,748	-10,114
Operating costs	-314,239	-334,351
Operating results	237,206	239,646
Financial costs	-120,256	-107,162
Financial income	9,558	3,252
Investment income - dividends	5,377	5,523
Financial results	-105,322	-98,387
Profit before income tax	131,884	141,258
Income tax expense	-42,588	-42,909
Net profit for the period	89,296	98,349
Attributable to:		
Equity holders of the Company	89,296	98,349
Non-controlled interest	0	0
Consolidated profit for the period	89,296	98,349

Consolidated Statements:

Cash Flow (tEuros)

	Sep 2013	Sep 2012
Cash flow from operating activities		
Cash receipts from customers	1,625,020	1,701,763
Cash paid to suppliers	-1,137,135	-1,394,020
Cash paid to employees	-36,813	-44,961
Income tax received/paid	-16,199	-11,979
Other payments/receipts relating to operating activities	-78,203	-82,627
Net flows from operating activities	356,670	168,175
Cash flow from investing activities		
Receipts related to:		
Derivative financial instruments	1,790	0
Interests and other similar income	101,931	0
Other financial assets	3,368	0
Investment grants	3,645	1,392
Dividends	6,292	4,613
Payments related to:		
Other financial assets	-205,470	0
Investments in associates and joint ventures	-2,910	0
Available-for-sale	-100	-38,600
Property, plant and equipment	-498	-36
Intangible assets	-117,079	-149,727
Net cash used in investing activities	-209,031	-182,357
Cash flow from financing activities		
Receipts related to:		
Borrowings	992,151	7,958,500
Interests and other similar income	17	17
Payments related to:		
Borrowings	-763,362	-7,748,435
Interests and other similar expense	-80,527	-58,300
Dividends	-90,120	-89,590
Net cash (used in)/from financing activities	58,159	62,192
Net (decrease)/increase in cash and cash equivalents	205,799	48,010
Cash and cash equivalents at the beginning of the period	61,246	68,358
Cash and cash equivalents at the end of the period	267,045	116,368
Detail of cash and cash equivalents		
Cash	21	24
Bank overdrafts	-6,943	-14,994
Bank deposits	273,967	131,338
	267,045	116,368

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