• Net profit of €52.8M
• EBITDA reaches €252.4M.
• Financial results recorded a 0.6% increase.
• Consumption of electricity increased 3.7% in the first half of the year.

REN - Redes Energéticas Nacionais recorded a net profit of 52.8 million euros in the first half of 2018, a slight year-over-year decrease of 0.3%, mostly due to the drop in sovereign interest rates and to the introduction of a new regulatory scheme for electricity. However, this effect was offset by the incorporation of Portgás.

EBITDA was €252.4M, a 4% year-over-year increase, mostly due to the impact of Portgás's acquisition.

Regardless, the financial results recorded an increase of 0.6%, reflecting the decrease in the average cost of debt from 2.6% to 2.3%.

This results of this semester continue to be affected by the negative effect of the Energy Sector Extraordinary Contribution (CESE).

**Renewable sources supply 60% of consumption**

Consumption of electricity increased 3.7% in the first half of this year. It should be noted that renewable production supplied 60% of consumption, broken down into 28% for hydroelectric, 26% for wind power, 5% for biomass and 1.4% for photovoltaic power. Non-renewable production
supplied the remaining 40% of consumption, with natural gas accounting for 23% and coal for 17%.

In the first half of the year, REN and the Portuguese Government signed an agreement for the expansion of the Portuguese Pilot Zone (PZ) for the production of wave power in Viana do Castelo. The primary goal of the Portuguese Pilot Zone is to become an open space, on the Atlantic coast, dedicated to the development of marine energies, with a special emphasis on wave power.

In the natural gas market, the trend of consumption reduction was maintained, due to the performance of the renewable production and resulting downturn in the consumption of natural gas for the production of electricity.

**Strategic plan up to 2021 presented**

In May, REN presented its strategic plan for the period from 2018 to 2021, based on three pillars: consolidating the core business and maintaining the operational excellence that characterizes the company’s operation; maintaining disciplined growth; and ensuring a solid financial performance.

According to REN's Strategic Plan, the domestic operation continues to be the company's priority, with an expected investment level (CAPEX) between €120M and €145M per year.

Also internationally, REN and ONEE - Office National de l'Electricité et de l'Eau Potable of Morocco were mandated by the Governments of Portugal and Morocco to submit, within six months, a preliminary draft proposal for the construction and financing model for the construction of the Portugal-Morocco electric interconnection. The Joint Statement between Portugal and Morocco, signed in May, emphasizes the need to ensure the conditions to export the "green energy" both country produce, which, in turn, requires strengthening the electric interconnections between the countries.

In the second half of the year, REN sold the liquefied petroleum gas (LPG) business to ENERGYCO II, S.A. The operation was carried out through REN Portgás Distribuição, which entered into a share purchase and sale agreement in which it disposed of the shares representing the share capital of REN Portgás GPL.