



**RED**  
ELÉCTRICA  
CORPORACIÓN

## Alternative Performance Measures

January - June 2018



## Alternative Performance Measures: Aggregates

(in thousand of euros)

<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
	Results from operating activities (EBIT)	540,985	523,462
	Amortisation and depreciation	247,354	257,946
	Non-financial and other capital grants	(11,556)	(11,682)
	Impairment and gains/(losses) on disposal of fixed assets	23	(23)
<b>Earnings before interest, taxes, depreciation and amortisation (EBITDA)</b>		<b>776,806</b>	<b>769,703</b>
<b>Funds From Operations (FFO)</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
	Profit before tax	475,736	453,892
	Income tax received/(paid)	(67,507)	(61,255)
	Amortisation and depreciation	247,354	257,946
	Other adjustments to items that do not entail movements in cash	(10,978)	(7,597)
<b>Funds From Operations (FFO)</b>		<b>644,606</b>	<b>642,986</b>
<b>Changes in other assets and liabilities</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
	Accrual / Payment of financial expenses	(44,405)	(41,319)
	Other cash flows from investing activities	9,244	6,461
	Proceeds from equity instruments	(12,775)	7,355
	Effect of changes exchange rates	397	(2,292)
	Other cash flows used in financing activities	(6,072)	(11,145)
	Investment payments Other financial assets	(2,237)	(13,429)
<b>Changes in other assets and liabilities</b>		<b>(55,847)</b>	<b>(54,369)</b>
<b>Gross Financial Debt</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
	Non-current financial liabilities	5,032,749	4,732,111
	Current financial liabilities	1,328,618	1,588,893
	Total Financial Liabilities	6,361,367	6,321,004
	- Derivatives and not current securities	(62,972)	(74,587)
	- Interest to pay	(38,831)	(48,113)
	- Short-term fixed-income providers and others	(867,887)	(797,463)
<b>Gross Financial Debt</b>		<b>5,391,677</b>	<b>5,208,502</b>
<b>Net Financial Debt</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
	Gross Financial Debt	5,391,677	5,208,502
	- Cash and cash equivalents	(900,452)	(569,869)
<b>Net Financial Debt</b>		<b>4,491,225</b>	<b>4,638,633</b>



### Alternative Performance Measures: Ratios

<b>Debt coverage ratios (times)</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
Net Financial Debt / EBITDA	Net Financial Debt	4,491,225	4,638,633
	EBITDA of the last 12 months	1,526,601	1,493,958
<b>Debt coverage ratios (times)</b>		<b>2.9</b>	<b>3.1</b>

<b>Interest coverage ratio (times)</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
EBITDA / Financial profit/(loss) excluding capitalised interest	EBITDA	776,806	769,703
	Financial result excluding capitalised interest	68,081	72,803
<b>Interest coverage ratio (times)</b>		<b>11.4</b>	<b>10.6</b>

<b>FFO / Deuda financiera neta (%)</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
Funds From Operations (FFO) / Net financial debt	Funds From Operations (FFO) of the last 12 months	1,189,546	1,165,842
	Net Financial Debt	4,491,225	4,638,633
<b>FFO / Deuda financiera neta (%)</b>		<b>26.5%</b>	<b>25.1%</b>

<b>EBITDA margin (%)</b>		<b>30/06/2018</b>	<b>30/06/2017</b>
EBITDA / Revenue	EBITDA	776,806	769,703
	Revenue	990,317	987,295
<b>EBITDA margin (%)</b>		<b>78.4%</b>	<b>78.0%</b>

The APMs are used to provide greater clarity regarding financial performance of , and compare this performance with previous periods and with that of Red Eléctrica Corporación, S.A. These measures must be considered by the reader as supplementary with regard to those presented in accordance with EU-IFRSs, although they are not considered a substitute. Also, the way in which Red Eléctrica Corporación, S.A. defines and calculates these APMs may differ from other entities that use similar measures and, therefore, may not be comparable among them.