



RED
ELÉCTRICA
CORPORACIÓN

Alternative Performance Measures

January - December 2018



Alternative Performance Measures: Aggregates

(in thousand of euros)

Earnings before interest, taxes, depreciation and amortisation (EBITDA)		31/12/2018	31/12/2017
	Results from operating activities (EBIT)	1.069.793	1.031.415
	Amortisation and depreciation	480.753	515.151
	Non-financial and other capital grants	(23.445)	(23.441)
	Impairment and gains/(losses) on disposal of fixed assets	12.568	(3.627)
	Earnings before interest, taxes, depreciation and amortisation (EBITDA)	1.539.669	1.519.498
Funds From Operations (FFO)		31/12/2018	31/12/2017
	Profit before tax	936.252	890.240
	Income tax received/(paid)	(205.570)	(196.419)
	Amortisation and depreciation	480.753	515.151
	Other adjustments	7.493	(21.045)
	Funds From Operations (FFO)	1.218.928	1.187.927
Changes in other assets and liabilities		31/12/2018	31/12/2017
	Accrual / Payment of financial expenses	(6.363)	(4.353)
	Other cash flows from investing activities	27.419	8.296
	Proceeds from equity instruments	10.417	7.445
	Effect of changes exchange rates	738	(3.800)
	Other cash flows used in financing activities	(6.072)	(15.234)
	Investment payments and Other financial assets	4.069	(32.368)
	Changes in other assets and liabilities	30.208	(40.014)
Gross Financial Debt		31/12/2018	31/12/2017
	Non-current loans and borrowings, bonds and other marketable securities	4.980.757	4.630.691
	Current loans and borrowings, bonds and other marketable securities	562.328	824.497
	- Foreign currency derivatives	(21.345)	(4.341)
	- Accrued interest payable	(71.868)	(89.180)
	Gross Financial Debt	5.449.872	5.361.667
Net Financial Debt		31/12/2018	31/12/2017
	Gross Financial Debt	5.449.872	5.361.667
	- Cash and cash equivalents	(767.152)	(569.869)
	Net Financial Debt	4.682.720	4.791.798



Alternative Performance Measures: Ratios

		31/12/2018	31/12/2017
Debt coverage ratios (times)			
Net Financial Debt / EBITDA	Net Financial Debt	4.682.720	4.791.798
	EBITDA of the last 12 months	1.539.669	1.519.498
Debt coverage ratios (times)		3,0	3,2
Interest coverage ratio (times)			
EBITDA / Financial profit/(loss) excluding capitalised interest	EBITDA	1.539.669	1.519.498
	Financial result excluding capitalised interest and exchange differences	139.566	148.004
Interest coverage ratio (times)		11,0	10,3
FFO / Deuda financiera neta (%)			
Funds From Operations (FFO) / Net financial debt	Funds From Operations (FFO) of the last 12 months	1.218.928	1.187.927
	Net Financial Debt	4.682.720	4.791.798
FFO / Deuda financiera neta (%)		26,0%	24,8%
EBITDA margin (%)			
EBITDA / Revenue	EBITDA	1.539.669	1.519.498
	Revenue	1.948.540	1.941.165
EBITDA margin (%)		79,0%	78,3%
Return on equity (ROE) (%)			
Profit for the year / Equity	Profit for the year	704.558	669.836
	Equity	3.361.366	3.093.449
Return on equity (ROE) (%)		21,0%	21,7%

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.