



Letter from President

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The European Union continued throughout 2013 to foster measures designed to reinforce monetary union, promote the necessary reforms for improving the competitiveness of the European economy, and pave the way for the much anticipated economic recovery.

Within this context, and as was the case across most of Europe, the demand for energy in the Iberian Electricity Market remained weak, although the Portuguese market began to record moderate but sustained growth in demand as of July 2013, and the Spanish market posted modest year-on-year growth in November and December.

Regarding prices in 2013, our market continued to record figures that were on a par with all the other markets in Europe. Specifically, the average price in Spain was 44.26 €/MWh, and 43.65 €/MWh in Portugal, with the price being the same in both countries for 89.2% of hours. These figures meant a like-for-like drop in the daily market price in both Spain (-6%) and Portugal (-9%) as regards 2012.

The spot electricity market on the Iberian Peninsula maintained its levels of liquidity, with the economic volume of the electricity market managed by OMIE amounting to 12.18 billion euros in 2013, with more than 11 million transactions. In terms of energy, our market delivered 273 TWh, accounting for over 80% of the electricity consumed on the Iberian Peninsula.

At European level, in 2013 OMIE became the first market operator in a position to couple its daily market with the rest of Europe, with the first stage being indeed implemented on 4 February this year. The process is to be fully completed in the first half of 2014.

In other matters, 2013 was a milestone for our company, as it marked our fifteenth year of business. Over this now protracted period of operations on energy markets, it is very satisfying to note that each and every one of the daily market sessions has been held successfully since the market was launched. Nevertheless, these excellent results would not have been possible without the professionalism of the Market Operator's staff.

Driven by this motivation, OMIE will further endeavour in 2014 to continue improving the management of the Iberian Spot Electricity Market and lead its effective integration within the European market. We are in no doubt whatsoever that we can count on all our shareholders' support as we face these new challenges.

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