



REN 2007 Annual Results

March 7th, 2008

2007: A year of deep changes

- 2007 was the first complete year of the new REN SGPS, integrating electricity and gas;
- The IPO mobilized the company in a joint effort to meet market expectations, including the full assertiveness of its brand;
- The company displayed a remarkable capacity to mobilize savings from the public at large, attracting near 180 000 new subscribers for its shares;
- Despite all the changes the company is undergoing one feature remains its trademark: technical excellence. Less than one minute of interruptions in electricity transmission, and an availability close to 100 per cent in gas transport places REN among the best European TSOs;

2007: A year of deep changes (continued)

- July 9th: a highly successful IPO. REN becomes a listed company with 180 000 new shareholders;
- Startup of MIBEL and first Virtual Power Plant auctions; REN sold 140 MW to new market players;
- Strategic agreement with REE, including cross participation in equity;



2007 Financial Highlights

- Net profit of €145.2M;
- Corrected EBITDA of €310.5 M, representing an increase of 27.4% versus 2006;
- Proposed dividend of €0.163 per share, corresponding to a dividend yield of 4.8%;
- CAPEX of €250M, mostly to enable new power generation and increase interconnections with Spain;



Financial Summary

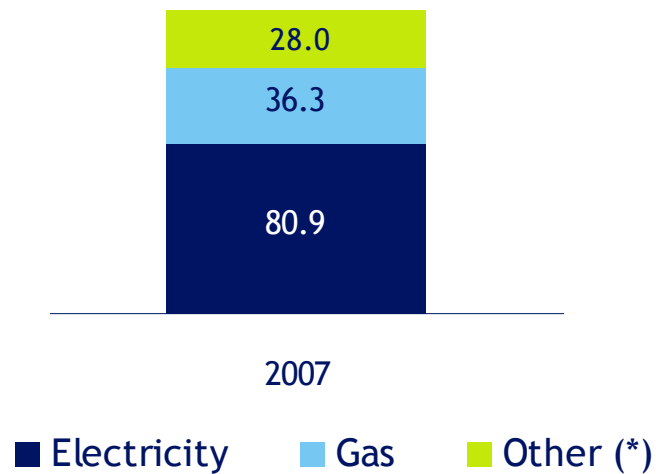
(€M)	2007	2006
Operating Revenues	554.7	387.7
Corrected EBITDA(*)	310.5	243.7
Net Profit (**)	145.2	496.6
Net Debt	1,931.2	1,821.5
Capex	249.9	244.0
Earnings Per Share(**)	0.27€	0.93€

(*)- The correction includes all the extraordinary revenues or costs incurred in 2006 and 2007

(**) - 2006 includes sale of 18.3% of GALP Energia

Net Profit

Breakdown by Activity (€M)



(*) - Includes SGPS, Telecom, OMIP and OMIClear



Corrected EBITDA^(*)

(€M)	2007	2006
Corrected Operational Revenues	513.8	387.7
Return on RAB	208.0	125.3
Commercial Gains (**)	16.5	46.0
Interest on Tariff Deficit and tariff deviation	21.9	13.6
Recovery of OPEX and Depreciation	261.8	202.6
Other Revenues	5.6	0.3
Corrected Operational Costs	203.3	144.0
Corrected EBITDA	310.5	243.7

(*)- The correction includes all the extraordinary revenues or costs incurred in 2006 and 2007

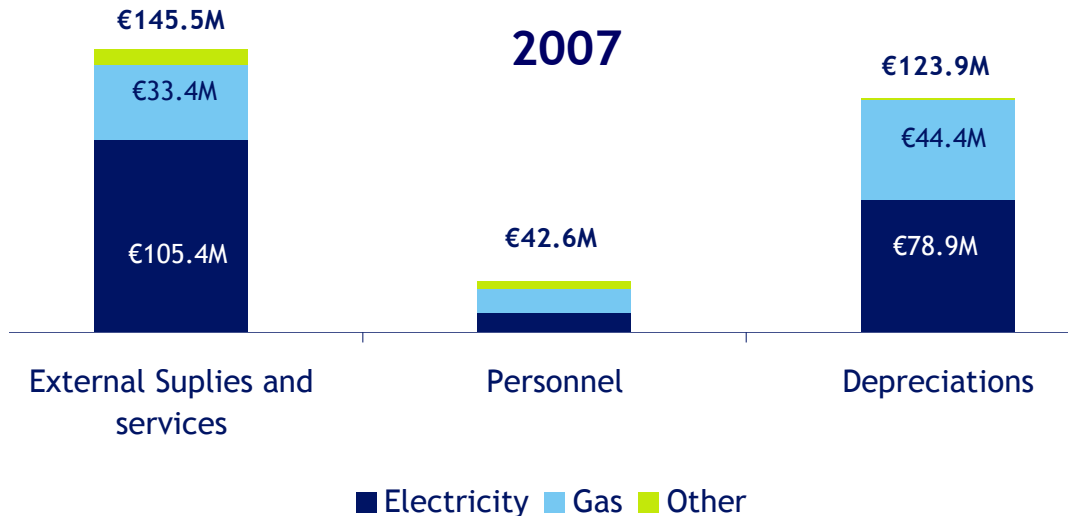
(**)- The decrease in commercial gains was due to the termination of the PPA's



Operational Costs

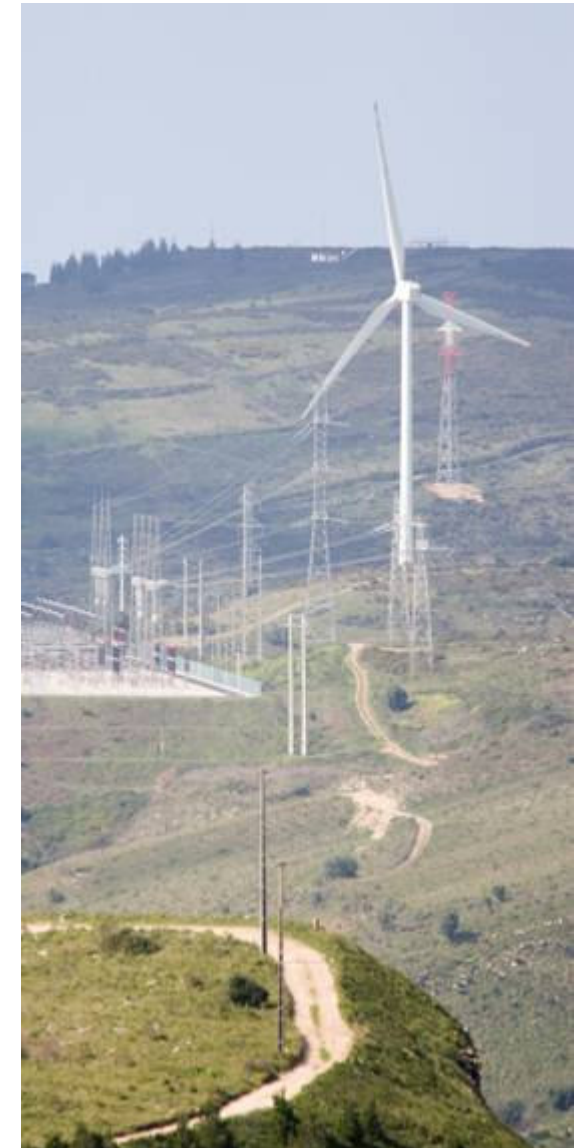
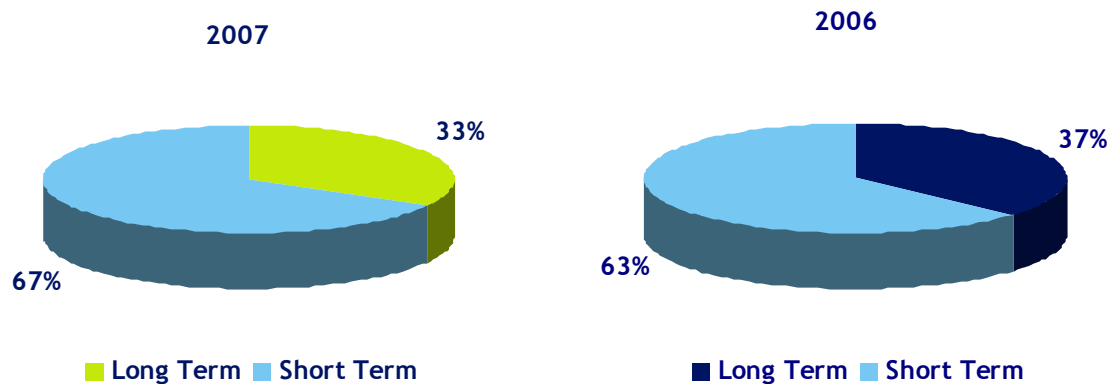
(€M)	2007	2006
External Supplies and Services	145.5	130.9
Personnel	42.6	34.0
Depreciations	123.9	96.3
Other Operational Costs	48.6	120.2(*)
Change in provisions	-14.9	42.6

(*) - Includes €102.3M of hydro land impairment



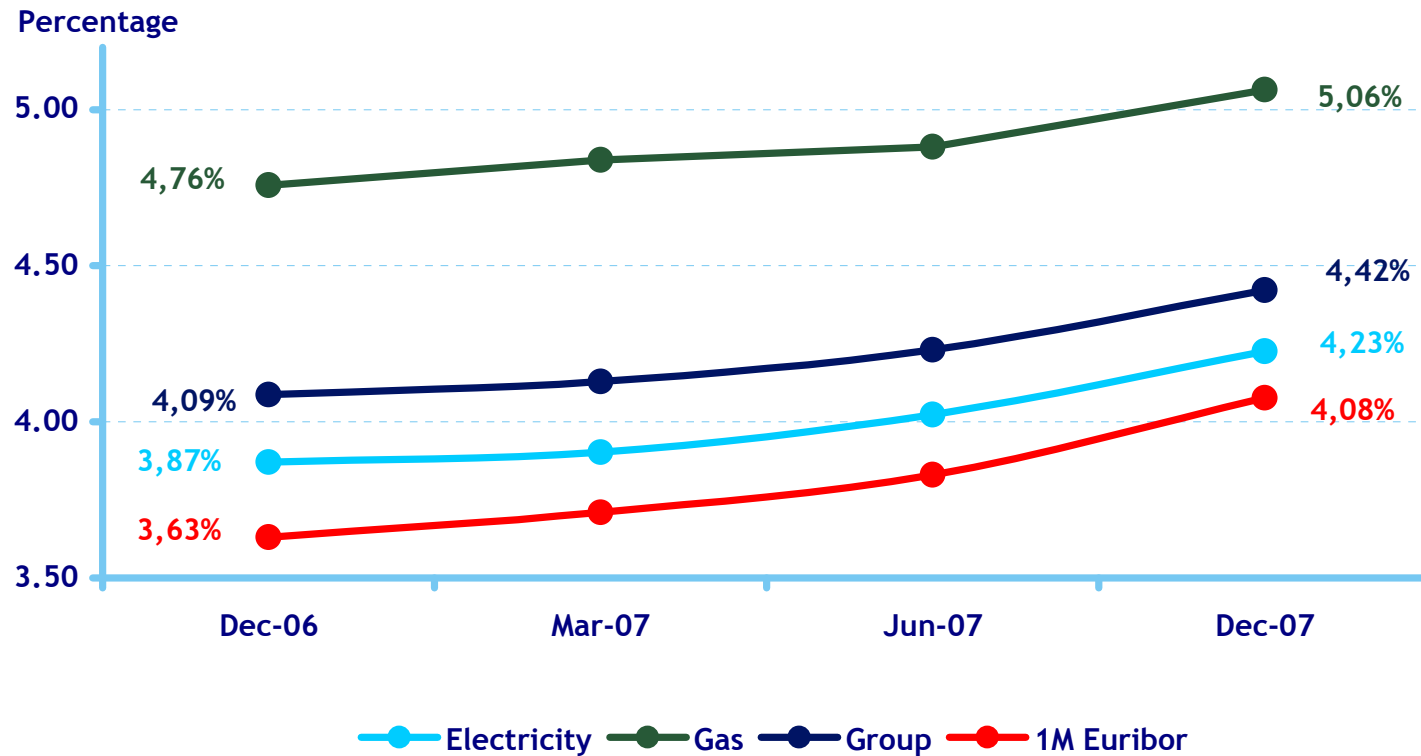
Gross Debt

(€M)	2007	2006
Commercial Paper	1,604	1,382
Bank Loans	427	462
Other	26	34
Total	2,057	1,877

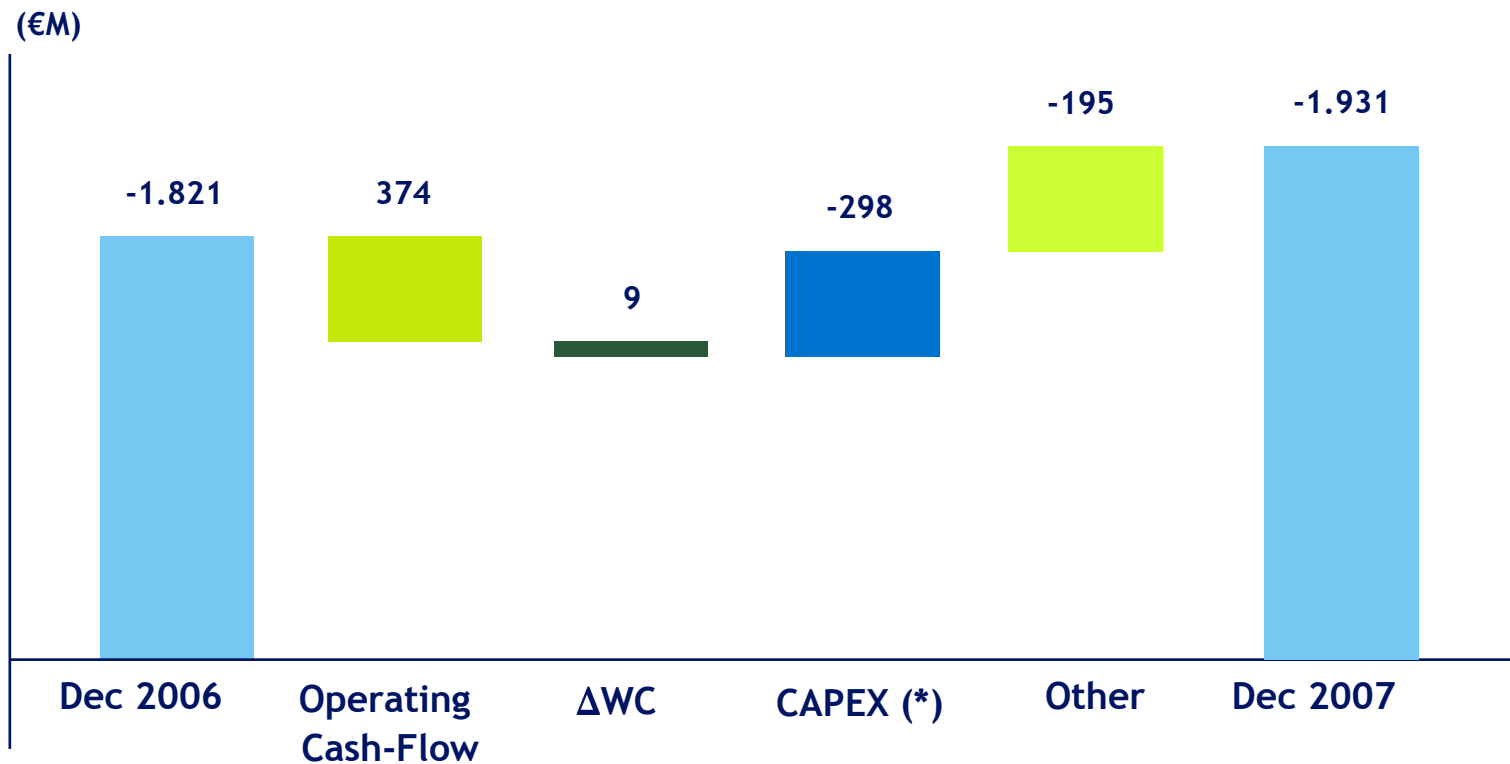


Cost of Debt

Annualized average as of January 1st 2007



Net Debt

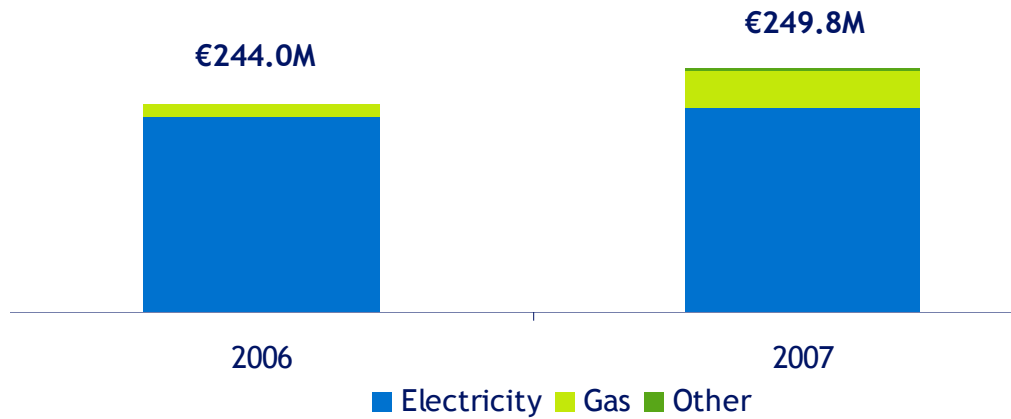
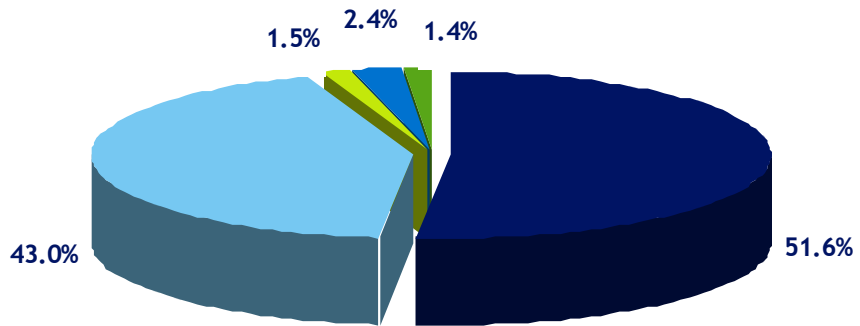


(*) - Includes Financial Investments (REE)

Capex

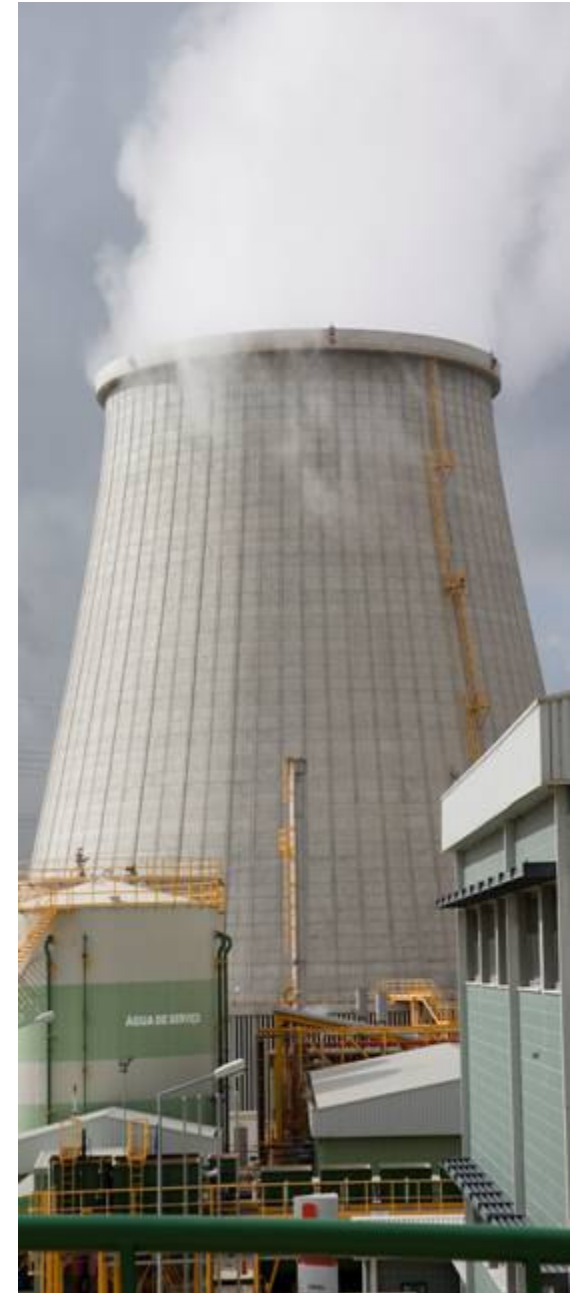
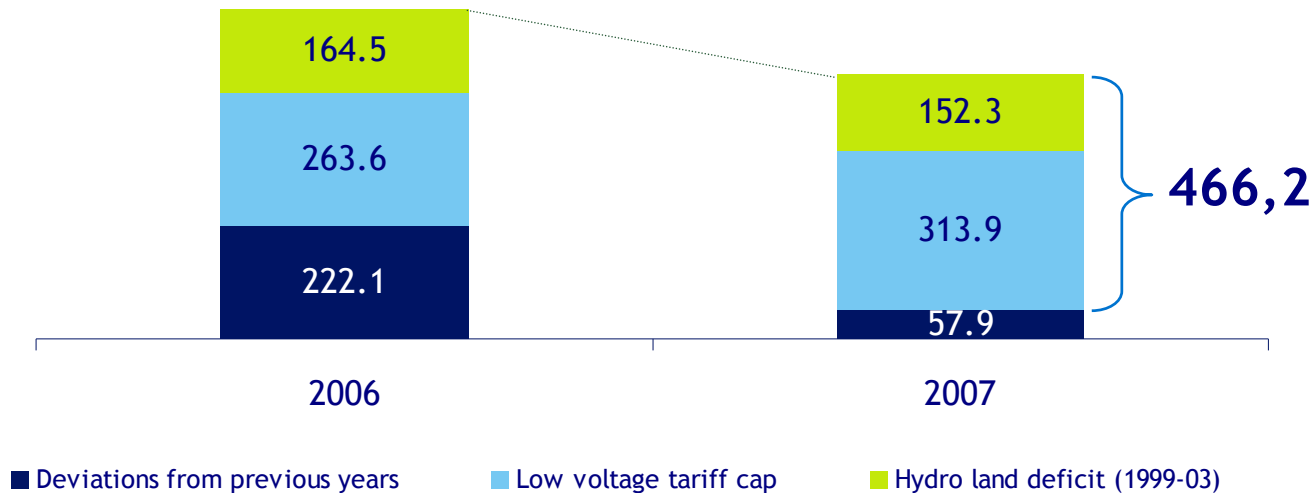
2007 Breakdown

■ Substations ■ Lines ■ Telecom ■ Gas ■ Other



Tariff deficit

(€M)	Dec 2006	Dec 2007
Hydro land deficit (1999-2003)	164.5	152.3
Low voltage tariff cap	263.6	313.9
Deviations from previous years	222.1	57.9
Total	650.3	524.1



Appendix

Consolidated income statement

	As at 31 December	
	2007	2006 Restated
Sales of goods	242	112
Services provided	554,450	387,608
Operating revenue	554,692	387,720
Cost of goods sold	(284)	(98)
External supplies and services	(145,466)	(130,866)
Employee compensation and benefit expense	(42,619)	(33,979)
Depreciation and impairment charges	(123,919)	(96,271)
Provisions for liabilities and charges	14,878	(42,584)
Impairment of assets	-	(102,476)
Other expenses	(48,282)	(17,654)
Other income	47,060	645,114
Operating profit	256,060	608,906
Finance costs	(82,813)	(42,603)
Finance income	5,318	2,577
Share of (loss)/profit of joint ventures	8,896	-
Profit before income taxes	187,461	569,880
Income tax expense	(42,253)	(73,258)
Profit for the year	145,208	496,622
Attributable to:		
Equity holders of the Company	145,150	496,189
Minority interest	58	433
	145,208	496,622
Earnings per share attributable to the equity holders of the company during the year (expressed in euro per share)		
- basic	0.27	4.65
- diluted	0.27	4.65

Consolidated balance sheet

	As at 31 December	
	2007	2006 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	2,654,320	2,512,406
Goodwill	3,774	3,774
Investment properties	427,599	464,136
Interest in joint ventures	9,025	8,620
Deferred income tax assets	19,416	19,672
Available-for-sale financial assets	59,567	1,033
Trade and other receivables	100,263	392,103
	3,273,964	3,401,744
Current assets		
Inventories	3,073	3,089
Trade and other receivables	511,457	431,311
Income tax receivable	15,354	94
Guarantee deposits	39,765	13,913
Cash and cash equivalents	125,920	55,482
	695,569	503,888
Total assets	3,969,533	3,905,632
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	534,000	534,000
Other reserves	152,590	33,634
Retained earnings	174,032	(30,959)
Profit for the year attributable to equity holders of the Company	145,150	496,189
	1,005,772	1,032,864
Dividends related to 2006 profit		-87,000
	1,005,772	945,864
Minority interest	555	500
Total equity	1,006,327	946,364
LIABILITIES		
Non-current liabilities		
Borrowings	687,169	686,544
Deferred income tax liabilities	178,345	197,364
Retirement and other benefits obligations	28,016	37,388
Trade and other payables	280,586	278,280
Provisions for other liabilities and charges	30,853	45,731
	1,204,969	1,245,307
Current liabilities		
Borrowings	1,369,905	1,193,920
Trade and other payables	288,778	458,931
Income tax payable	59,789	47,197
Guarantee deposits	39,765	13,913
	1,758,237	1,713,961
Total liabilities	2,963,206	2,959,268
Total equity and liabilities	3,969,533	3,905,632

Consolidated cash flow statement - direct method

	As at 31 December	
	2007	2006
Cash flow from operating activities		
Cash receipts from customers	2,220,484	3,093,656
Cash paid to suppliers	(1,741,772)	(2,794,972)
Cash paid to employees	(47,449)	(33,027)
Income tax paid	(64,236)	(10,479)
Net flows from operating activities	367,027	255,178
Cash flow from investing activities		
Receipts related to:		
Financial investments	600	945,101
Sale of PPE	70	493
Grants related to to assets	12,861	7,123
Dividends	6,820	40,694
Payments related to:		
Perimeter change	(24,026)	(492,961)
Avaliable - for sale financial investment	(50,590)	
Purchases of PPE	(243,656)	(247,015)
Net cash used in investing activities	(297,922)	253,435
Cash flow from financing activities		
Receipts related to:		
Borrowings	20,837,409	15,390,085
Interests		
Payments related to:		
Borrowings	(20,643,150)	(15,364,185)
Interests	(88,116)	(47,357)
Dividends	(97,003)	(442,047)
Net cash used in financing activities	9,140	(463,504)
Net (decrease)/increase in cash and cash equivalents	78,245	45,109
Cash and cash equivalents at de begining of the year	23,970	(21,139)
Cash and cash equivalents in de end of the period	102,215	23,970
Detail of cash and cash equivalents		
Cash	3	4
Bank overdrafts	(23,704)	(31,512)
Bank deposits	125,916	55,478
	102,215	23,970

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