



*Unofficial Translation*

*This is an unofficial translation of the press release made below and it has been prepared for information purposes only. In the case of any discrepancy between this translation and the Portuguese version, the Portuguese version will prevail.*

## MOODY'S REVIEWS REN'S RATING

Today Moody's Investors Services ("Moody's") rating agency has downgraded REN's rating to Baa3 from Baa2 and REN's Medium Term Note program to (P)Baa3 from (P)Baa2. The ratings remain under review for possible further downgrade.

This downgrade of REN's rating follows the downgrade of the rating of the government of the Republic of Portugal to Ba2 with a negative outlook from Baa1, on review for downgrade.

Moody's sustains the rating downgrade based on the fact that REN's rating is constrained by that of the government of the Republic of Portugal, its exposure to economic stresses in the country and its inability to disconnect itself from local economic and market circumstances. In accordance with Moody's previously published guidance, infrastructure and utility companies would not normally be expected to have a rating of more than two notches higher than the government of the country where the majority of their business is located.

Therefore, REN's rating has been downgraded to Baa3, the top end of the range of the rating guidance as it currently applies to Portugal, and remains on review for further downgrade pending Moody's final conclusions as to whether REN should have a rating either one or two notches above that of the government of the Republic of Portugal.

REN's rating review by Moody's will focus on (i) REN's current and expected liquidity profile and action that may be taken to improve this and (ii) the state of the debt markets for Portuguese borrowers over the next few weeks in terms of probable availability of finance and cost thereof, and the likely impact on REN's financing plans. Nevertheless, any further rating downgrade is expected to be limited to one rating notch.

Lisbon, July 8<sup>th</sup> 2011

REN - Redes Energéticas Nacionais, SGPS, S.A.