



REN SGPS, S.A.

Consolidated Results

January - June 2008

July 29TH 2008

Main events - 1H08

- During the first quarter REN Serviços started its activities, providing shared back-office services to the Group;
- REN signed a strategic agreement with Enagas, along the same lines as the REN-REE agreement, and REN purchased 1% of Enagas equity;
- REN started to manage the electricity network services according to the new market rules within the framework of MIBEL;
- The company obtained a rating of A+ by S&P and A2 by Moody's;
- REN received upfront the full amount of its tariff deficit (€466M);
- REN started several projects in the Natural Gas area, after many years of absence of any significant investment in the Portuguese NG infrastructure (except in underground storage).

1st half main financial data

- Recurrent EBITDA grew by 4,6%, reflecting the increase in allowed revenues, which more than offset the falling trading gains and land remuneration
- Net financial cost improved in spite of the unfavourable market environment.
- Net income was €82.8M, a value that includes a non-recurrent net gain after tax of €32.6M related to the prepayment of the hydro-land deficit.

2007	(€M)	1H07	1H08	Δ%
265.0	EBIT	136.7	144.4	5.6%
310.5	Recurrent EBITDA	157.4	164.6	4.6%
77.5	Net financial cost	-36.2	-32.8	-9.4%
5.3	Financial Income	2.2	12.8	481.8%
-82.8	Financial Cost	-38.4	-45.6	18.8%
187.5	Income before taxes	100.5	111.5	10.9%
-42.3	Income Tax	-25.9	-28.8	11.2%
145.2	Net Income	74.6	82.8	11.0%
1 931	Net Debt (end of period)	1 938	1 681	-13.3%
4.57%	Average cost of debt	4.39%	4.73%	7.8%

EBIT Breakdown

The decrease in external supplies and services reflects the fact that since July 1st 2007 REN no longer bears the costs with system services and no longer charges the corresponding tariff.

2007	(€M)	1H07	1H08	Δ%
610.7	Operational Revenues	301.0 *	338.0	12.3%
516.3	Sales and services provided	234.6	246.5	5.1%
40.6	Other revenues	21.5	24.3	13.0%
53.8	Non-recurrent revenues	44.9	67.2	49.7%
345.7	Operational Costs	-164.3	-193.6	17.8%
-145.5	External supplies and services	-74.5	-33.6	-54.9%
-42.6	Personnel	-22.9	-25.5	11.4%
-123.9	Depreciation	-60.9	-64.6	6.1%
-48.6	Other costs	-6.0	-47.1	685.0%
14.9	Non recurrent cost	-	-22.8	
265.0	EBIT	136.7	144.4	5.6%

* - Excludes the amount of €22.1M corresponding to the 1st half accrual of the €25.3M provision accounted for in Dec07, and €22.8M of non recurrent asset sales.

Recurrent P&L from the two main business areas (1H08)

(€m)	1H07	1H08
ELECTRICITY		
Sales and services provided	161.0	176.8
Other recurrent revenues	14.4	21.6
Operating Revenues	175.4	198.4
External supplies and services	-58.5	-17.9
Personnel	-15.3	-15.9
Depreciation	-40.7	-42.2
Other recurrent costs	-2.2	-45.8
Recurrent EBITDA	99.4	118.8
Recurrent EBIT	58.6	76.6

	1H07	1H08
GAS		
Sales and services provided	71.9	67.5
Other recurrent revenues*	6.7	4.9
Operating Revenues	78.6	72.4
External supplies and services	-14.8	-18.7
Personnel	-6.7	-6.9
Depreciation	-19.9	-22.1
Other recurrent costs	-3.6	-1.8
Recurrent EBITDA	53.5	45.0
Recurrent EBIT	33.6	22.9

* - Profits from the Enagas *joint ventures* are included in other recurrent revenues.

Breakdown of sales and services provided (1H08)

(€M)	Electricity	Gas	Consolidated
Sales and services provided	176.8	67.5	246.5
Return on non-land RAB*	43.4	37.9	81.3
Recovery of OPEX and depreciation	76.0	47.7	123.7
Interest on tariff deficit/deviation	6.4	-	6.4
Commercial gains	2.4	-	2.4
Deviations and smoothing mechanism	48.6	-18.1	32.7

* - Return on the hydro-land RAB amounted to €5.1M and is accounted as *Other Income*.



Average RAB and CAPEX

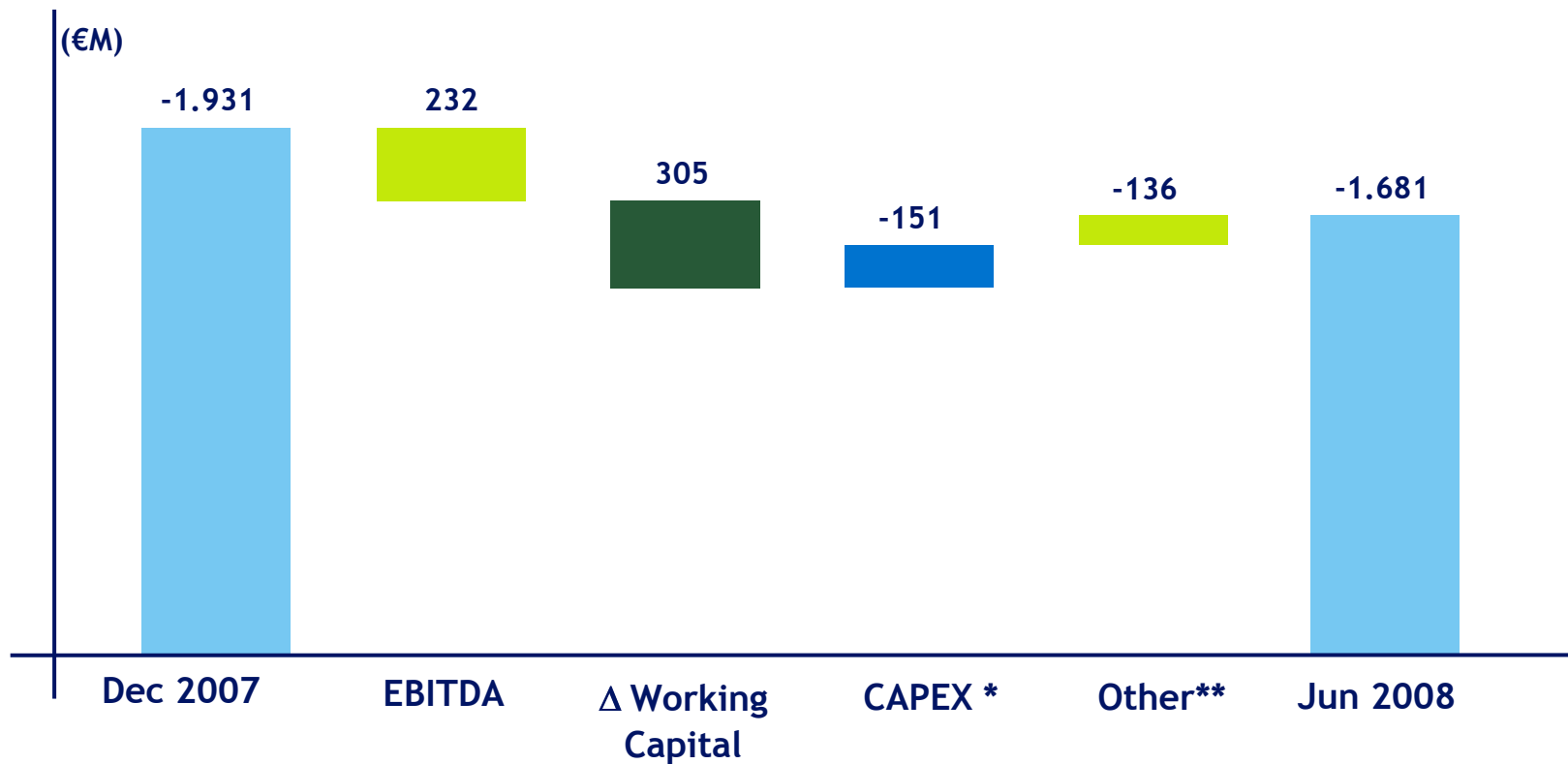
Total RAB increased in spite of the fall of hydro land and natural gas assets; this reflects the expansion of the electricity assets under operation.

(€M)	1H07	1H08	Δ%
Total Average RAB	2 478.7	2 571.3	3.7%
Electricity	1 108.9	1 240.4	11.9%
Hydro Land	397.1	382.3	-3.7%
Gas	972.6	948.6	-2.5%
Capex	95.6	108.0	13.0%
Electricity	93.0	99.5	7.0%
Gas	2.6	8.4	223.1%



Net debt

Net debt had a significant reduction due to the prepayment of the tariff deficit.



* - Includes purchase of stake in ENAGAS

** - Payment of net financial costs and dividends paid

Tariff Deficit (Regulatory GAAP)

In April 08 REN received €466M as payment for the tariff deficit; since then only deviations remain in the balance sheet.

(€M) ¹⁴	Dec 07	June 08
Hydro-land deficit (1999-2003)	152.3	0.0
Low voltage tariff cap	313.9	0.0
Sub-total	466.2	0.0
Deviations from previous years	57.9	47.1
Total	524.1	47.1



Appendix

Second Quarter Figures and Consolidated P&L and Balance Sheet

The accounts were subject to review by the Company's auditor- PWC

2Q08 main financial data

1Q08	(€M)	2Q07	2Q08	Δ%
53.5	EBIT	67.1	90.9	35.5%
86.3	Recurrent EBITDA	69.2	78.3	13.2%
2.8	Financial Income	1.2	10.0	733.3%
-22.9	Financial Cost	-19.5	-22.7	16.4%
33.3	Income before taxes	48.9	78.2	59.9%
-8.6	Income Tax	-12.5	-20.2	61.6%
24.8	Net Income	36.3	58.0	59.8%



EBIT Breakdown (2Q08)

1Q08	(€M)	2Q07	2Q08	Δ%
136.8	Operational Revenues	154.0	201.2	30.6%
126.3	Sales and services provided	113.0	120.2	6.4%
10.5	Other revenues	12.4	13.8	11.3%
0.0	Non-recurrent revenues	28.6	67.2	135.0%
83.3	Operational Costs	86.9	110.3	26.9%
-17.6	External supplies and services	-40.0	-16.0	-60.0%
-10.8	Personnel	-12.6	-14.7	16.6%
-32.8	Depreciation	-30.6	-31.8	3.9%
-22.1	Other costs	-3.7	-25.0	575.6%
0.0	Provisions	0.0	-22.8	
53.5	EBIT	67.1	90.9	35.5%



Income statement by segment (2Q08)

(€m)	2Q07	2Q08
ELECTRICITY*		
Sales and services provided	75.2	85.3
Other recurrent revenues	7.2	16.9
Operating Revenues	82.4	102.2
External supplies and services	-30.9	-8.6
Personnel	-7.7	-8.3
Depreciation	-21.6	-20.6
Other recurrent costs	-0.2	-24.7
Recurrent EBITDA	43.6	60.6
Recurrent EBIT	22.0	40.0

	2Q07	2Q08
GAS		
Sales and services provided	36.4	33.7
Other recurrent revenues*	4.9	-1.1
Operating Revenues	41.3	32.6
External supplies and services	-8.1	-10.3
Personnel	-4.3	-4.1
Depreciation	-8.9	-11.0
Other recurrent costs	-2.9	-0.9
Recurrent EBITDA	26.0	17.3
Recurrent EBIT	17.1	6.3

* - Profits from the Enagas *joint ventures* were included other recurrent revenues.

Sales and services breakdown (2Q08)

(€M)	Electricity	Gas	Consolidated
Sales and services provided	85.3	33.7	120.2
Return on non-land RAB	23.9	18.8	42.7
Recovery of OPEX and depreciation	37.5	25.4	62.5
Interest on tariff deficit and tariff deviation	1.2	-	1.2
Commercial gains	1.4	-	1.4
Deviations and smoothing mechanism	21.3	-10.5	10.8



Consolidated income statement

Thousands of Euros

	At 30 June	
	2008	2007
Sales of goods	183	120
Services provided	246,302	279,444
Operating revenue	246,485	279,564
Cost of goods sold	(244)	(148)
External supplies and services	(33,635)	(74,575)
Employee compensation and benefit expense	(25,480)	(22,869)
Depreciation and impairment charges	(64,615)	(60,872)
Provisions for liabilities and charges	(22,754)	-
Other expenses	(46,884)	(5,814)
Other income	86,989	17,722
Operating profit	139,862	133,008
Finance costs	(45,619)	(38,361)
Finance income	12,768	2,214
Share of (loss)/profit of joint ventures	4,522	3,664
Profit before income taxes	111,532	100,525
Income tax expense	(28,758)	(25,945)
Profit for the year	82,775	74,580
Attributable to:		
Equity holders of the Company	82,741	74,553
Minority interest	34	27
	82,775	74,580
Earnings per share attributable to the equity holders of the company during the year (expressed in euro per share)		
- basic	0.15	0.14
- diluted	0.15	0.14

Thousands of Euros

Consolidated balance sheet

	At 30 June 2008	At 31 December 2007
ASSETS		
Non-current assets		
Property, plant and equipment	2,701,496	2,654,320
Intangible assets	3,774	3,774
Investment properties	335,058	427,599
Interest in joint ventures	5,095	9,025
Deferred income tax assets	39,860	19,416
Available-for-sale financial assets	99,993	59,567
Trade and other receivables	75,434	100,264
	3,260,710	3,273,965
Current assets		
Inventories	8,308	3,073
Trade and other receivables	248,297	511,457
Income tax receivable	15,483	15,354
Guarantee deposits	41,694	39,765
Derivative financial instruments	6,403	-
Cash and cash equivalents	570,414	125,920
	890,599	695,569
Total assets	4,151,309	3,969,534
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	534,000	534,000
Other reserves	175,497	152,591
Retained earnings	203,858	174,033
Profit for the year attributable to equity holders of the Company	82,741	145,150
	996,096	1,005,774
Dividends related to 2006 profit	-	-
	996,096	1,005,774
Minority interest	585	555
Total equity	996,681	1,006,329
LIABILITIES		
Non-current liabilities		
Borrowings	1,110,065	687,169
Deferred income tax liabilities	84,869	178,345
Retirement and other benefits obligations	30,408	28,016
Trade and other payables	277,275	280,585
Provisions for other liabilities and charges	53,607	30,853
	1,556,224	1,204,968
Current liabilities		
Trade and other payables	1,141,512	1,369,905
Income tax payable	271,058	288,778
Borrowings	139,317	59,789
Derivative financial instruments	4,822	-
Guarantee deposits	41,695	39,765
	1,598,404	1,758,237
Total liabilities	3,154,628	2,963,205
Total equity and liabilities	4,151,309	3,969,534

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Visit our web site at www.ren.pt

or contact us:

ir@ren.pt

Telephone: +351 210 013 546

REN - REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A.

Listed Company

Share Capital: € 534,000,000

Commercial Registry Office of Lisbon: registry and tax sole number 503 264 032

Head Office: Avenida Estados Unidos da América, no. 55

1749-061 Lisbon



REN