RESULTS PRESENTATION 9M 2013

November 07th, 2013

9M13 Highlights

- EBITDA stood at €387.4M, showing a very slight improvement yoy (+€0.9M, 0.2%) in spite of the decrease in electricity's RAB remuneration (-€14.9M, -10.3%), following a lower electricity's rate of return (down by 149bps yoy);
- Opex was €78.0M, €3.0M below 9M12, and Core Opex was €66.5M, €0.8M lower yoy in spite of higher personnel costs (+€4.2M) impacted by actuarial assumption changes related to the pensions liabilities in 2013 and the reinstatement of the CLA in May 2012, but their growth is decreasing as expected;
- Net Financial Income was down by €6.9M, reaching -€105.3M, reflecting a higher stock of gross debt. However, the average cost of debt continued to improve;
- Net Income amounted to €89.3M, down by 9.2% (-€9.1M), and Recurrent Net Income decreased by 9.5% (-€9.0M), to €85.5M from €94.6M, both affected by the decrease in RAB remuneration and higher financial costs;
- Total Capex stood at €110.1M, a decrease of €14.5M (-11.6%) versus 9M12;
- In October, REN successfully issued €400M of 7-year Notes. This issue further diversified REN's funding sources and strengthened the Company's liquidity profile.

REN

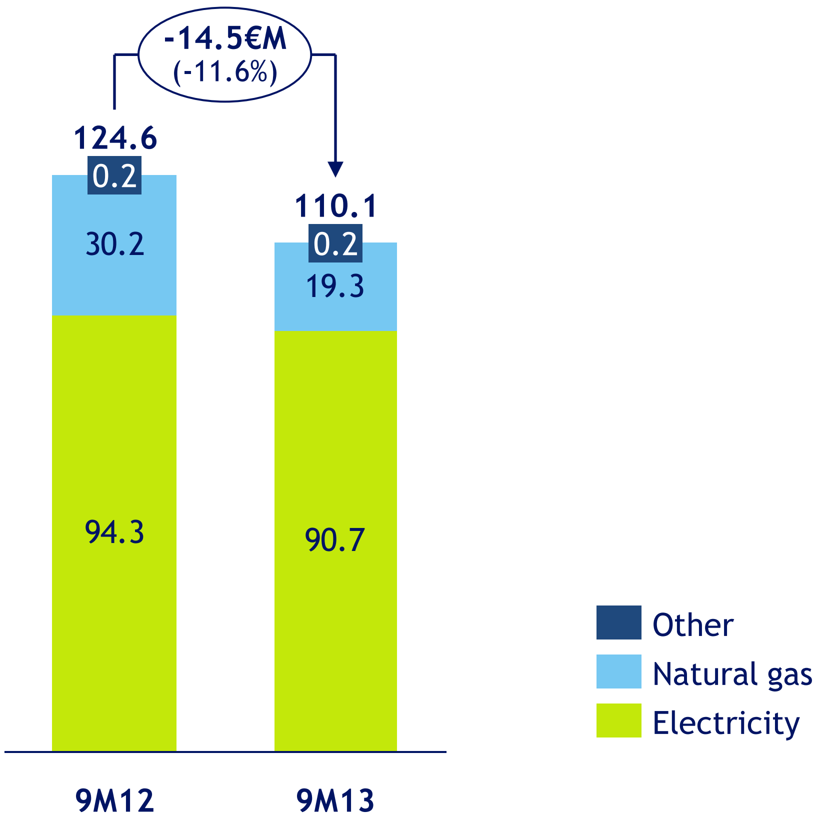
9M13 Main financial indicators

€M	3Q13	9M13	9M12	Δ%	Δ Abs.
EBITDA	127.5	387.4	386.4	0.2%	0.9
Net Financial Income	-39.6	-105.3	-98.4	-7.0%	-6.9
Net Income	25.2	89.3	98.4	-9.2%	-9.1
Recurrent Net Income	25.2	85.5	94.6	-9.5%	-9.0
Average RAB	3,375.3	3,416.9	3,332.3	2.5%	84.6
CAPEX	51.3	110.1	124.6	-11.6%	-14.5
Net Debt	2,468.2	2,468.2	2,521.3	-2.1%	-53.2

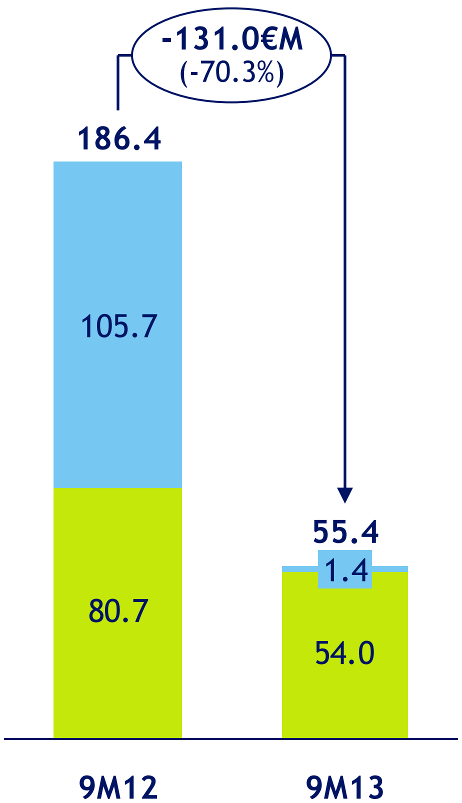
Transfers to RAB decreased by €131.0M

LNG terminal was a large one off increase in 2012

CAPEX

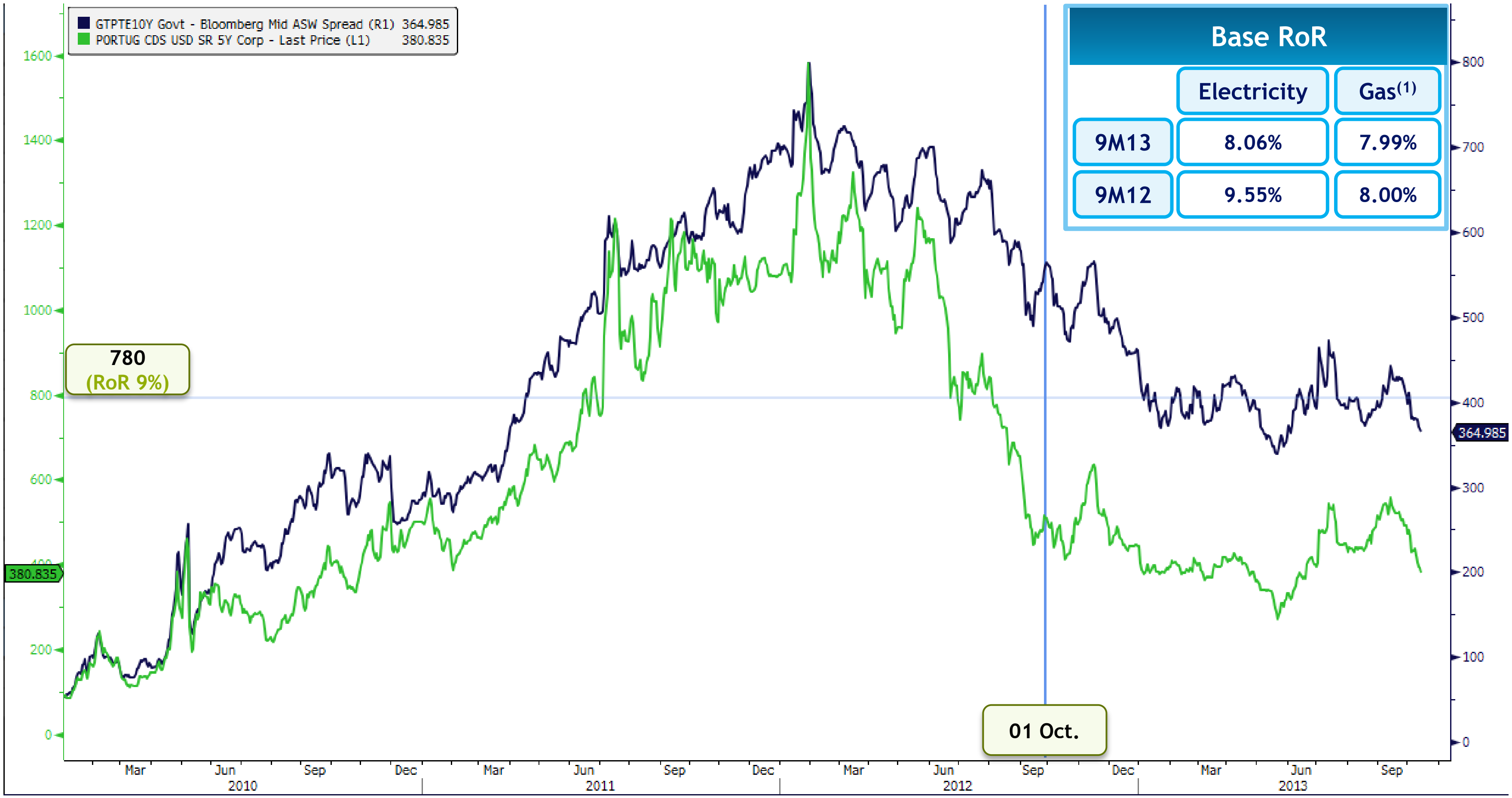


TRANSFERS TO RAB



Portugal's perceived sovereign debt risk has decreased

PT 10Y Treasury Bond Yields[1] and PT 5Y CDS



Base RoR	Electricity	Gas[1]
9M13	8.06%	7.99%
9M12	9.55%	8.00%

Source: Bloomberg

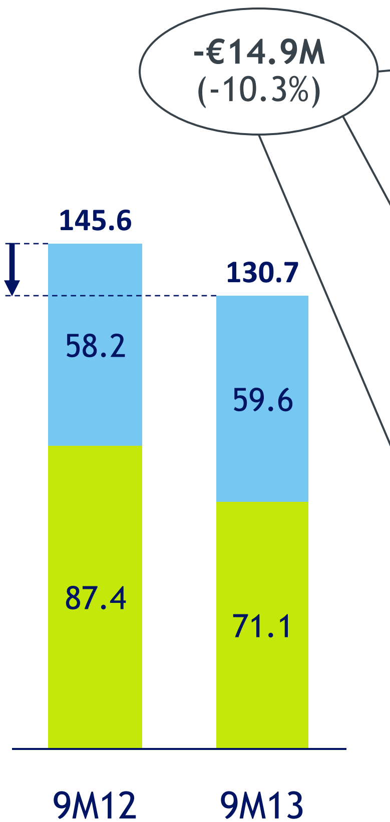
[1] Natural Gas RoR is calculated as a function of the average PT 10Y TB from 1st July.

Electricity return on RAB decreased by €15M

The main driver was the negative RoR evolution

RAB REMUNERATION ELECTRICITY (ex. land)

(€M)



+€5.4M

Impact of the increase in the **asset base** by €84M to €2,007M.

+€1.1M

Impact of the change in **asset mix** - assets with premium weight increased to 41% in 2013 from 37% in 2012.

-€21.5M

Impact of the indexation of the base **rate of return** - to 9.6% from 11.1% in assets with premium, and to 8.1% from 9.6% in assets without premium.

Electricity with premium

Electricity without premium

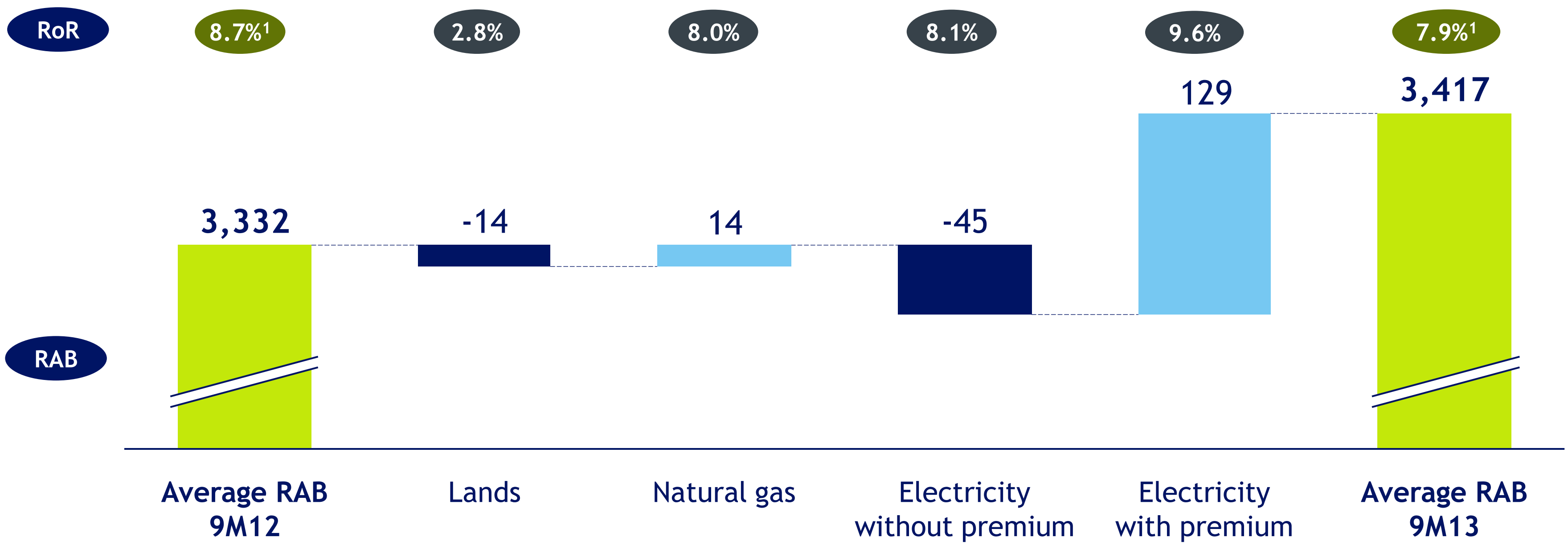
RAB REMUNERATION NATURAL GAS (ex. tariff smoothing effect)

(€M)

Impact of the €14.0M **increase in the asset base**, to a total of €1,101M, due to the conclusion of the Sines LNG Terminal expansion.

Average RAB grew by 2.5%

Increase concentrated in Electricity with premium



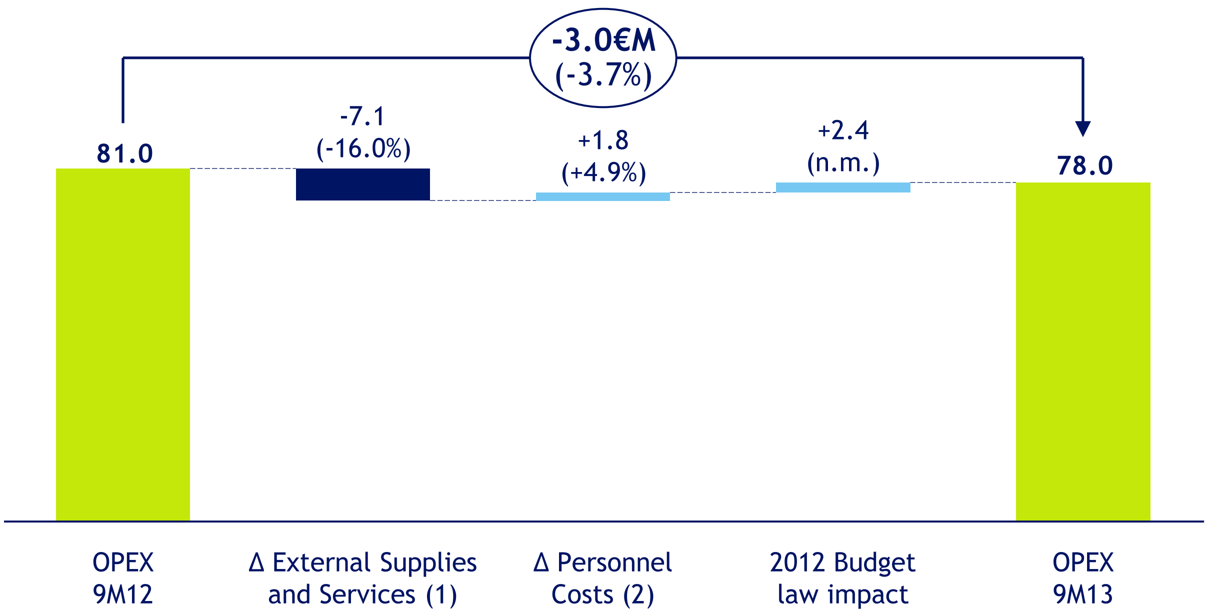
1) RoR is equal to the specific remuneration, divided by average RAB.

OPEX down by €3.0M

Reflecting a continued reduction in operational costs

OPERATIONAL COSTS

(€M)



(1) Includes Δ-€1.5M of Other Operating Costs.
(2) Includes €2.2M due to the change in actuarial assumptions in 2012 related to the pensions liabilities. Excludes the impact of the 2012 Budget Law.

Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €91.5M in 9M13 and €104.1M in 9M12.

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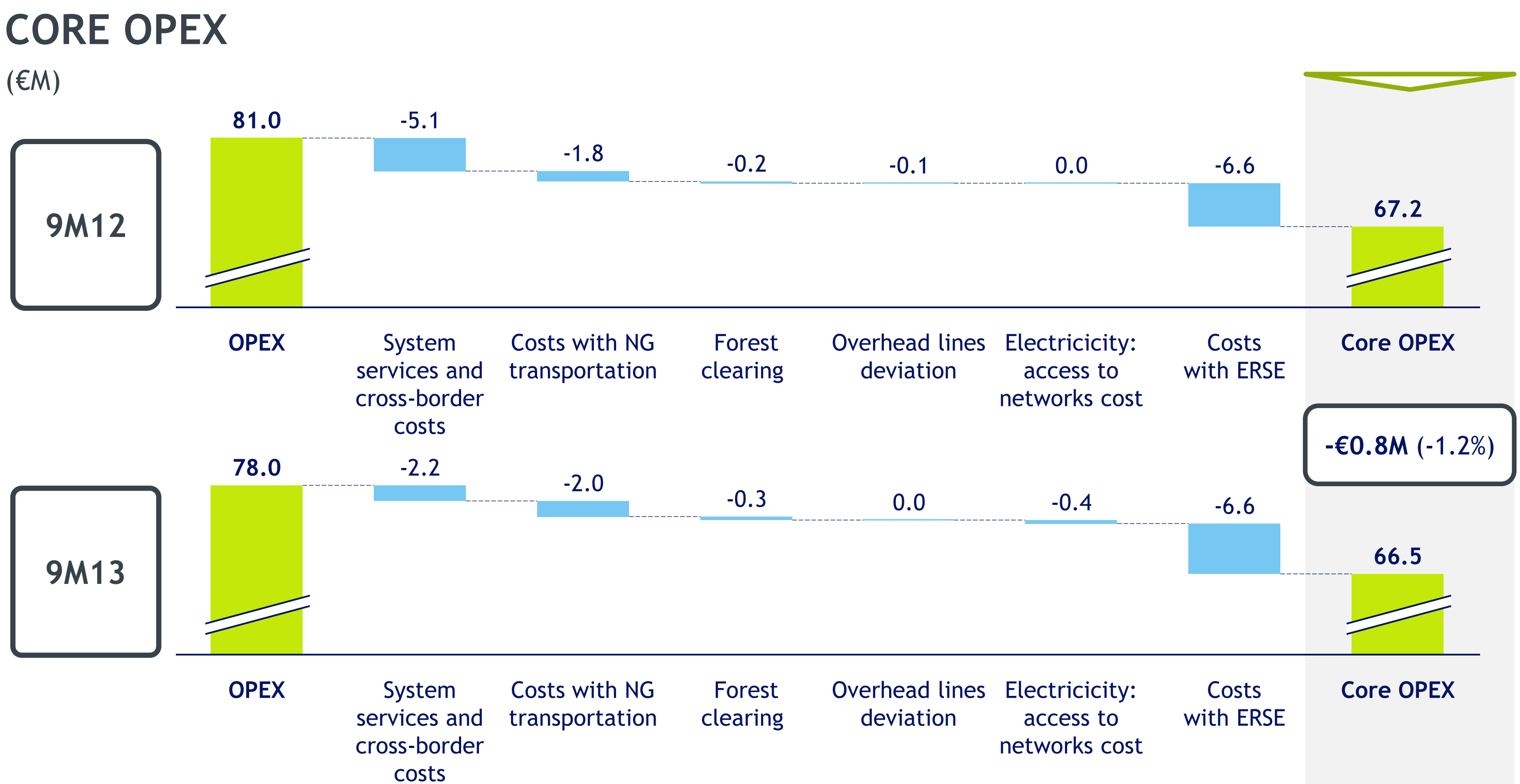
Core OPEX down by 1.2%

The drop in ESS more than compensated the rise in Personnel Costs

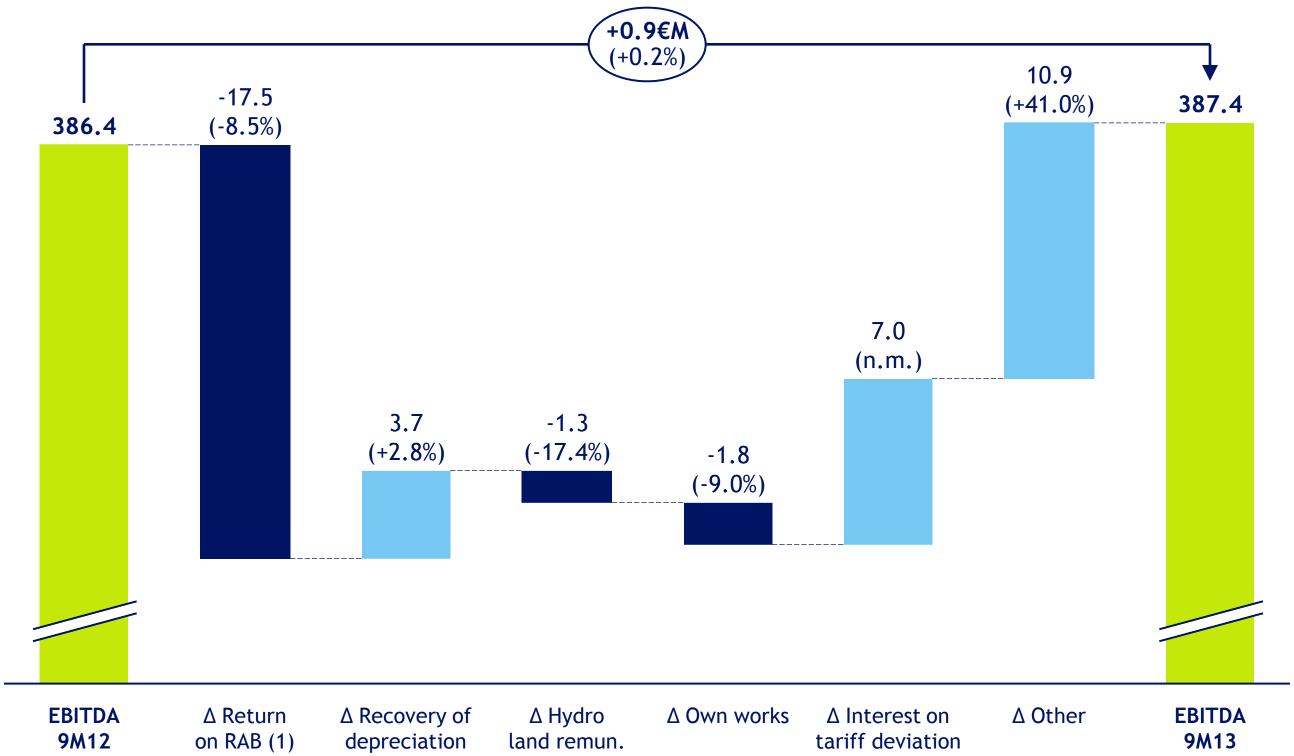


Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €91.5M in 9M13 and €104.1M in 9M12.

EBITDA increased slightly by €0.9M

3Q better than 1H, as expected

(€M)



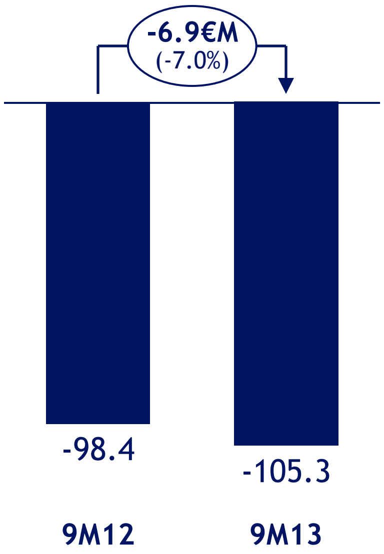
(1) Includes Δ-€3.3M of NG tariff smoothing effect.

Below EBITDA

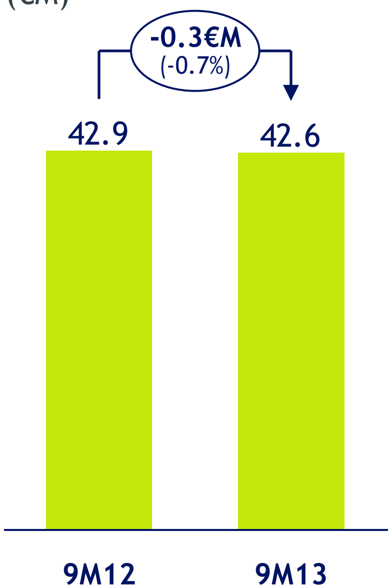
Financial costs affected by growth in gross debt

DEPRECIATION
(€M)

NET FINANCIAL INCOME
(€M)



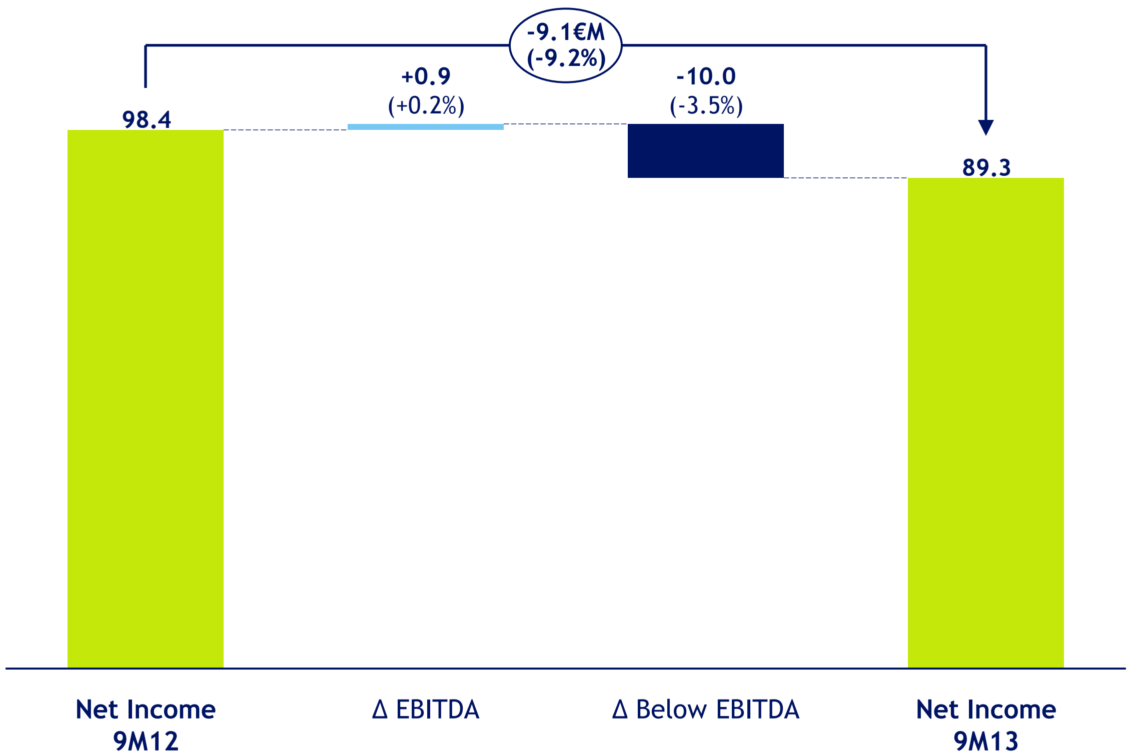
TAXES(1)
(€M)



(1) 9M12 includes a non-recurrent effect of -€5.6M.

Net Income down by 9.2% (-€9.1M)

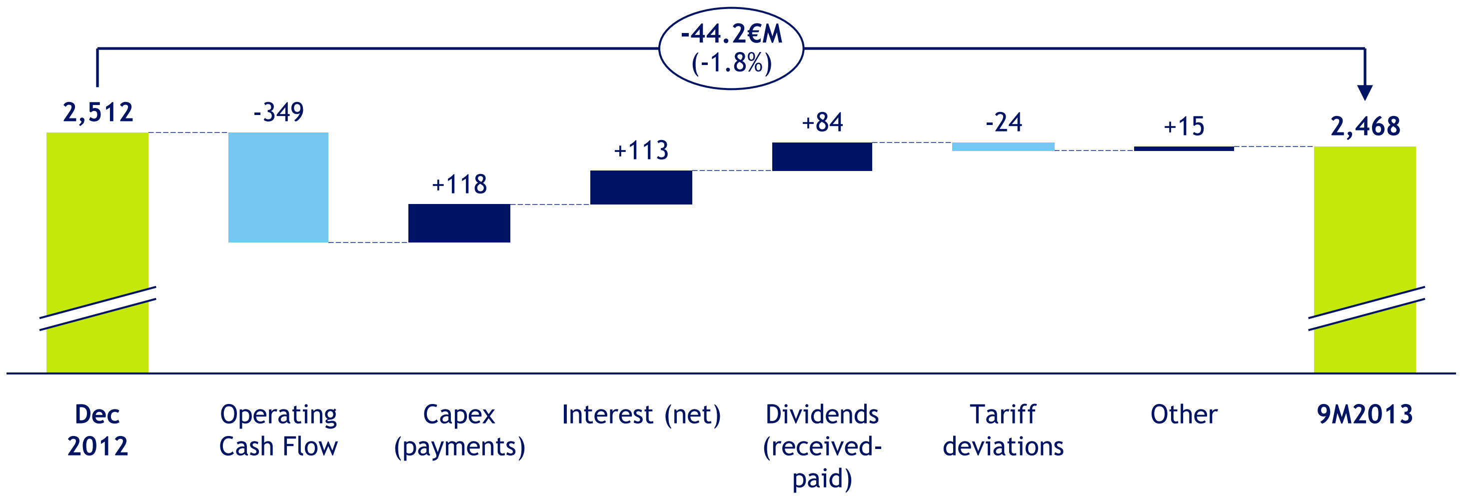
(€M)



Continued progress towards a lower Net Debt level

NET DEBT

(€M)



- The **average cost of debt** decreased to 5.62% (5.70% in 2012);
- **Net debt/EBITDA** improved (down to 4.78x from 4.91x).

Operating cash flow = EBIT + Depreciation + Provisions – Non cash items

Conclusion

- REN’s operational results were flat in line with expectations, displaying a decrease due to the asymmetric timing of the impacts of interest rate reductions in the revenue and cost sides of the P&L (impact on revenues is immediate while impact on costs is delayed);

- The average cost of debt, which suffered heavily from the sovereign debt crisis, is now clearly in a downward trend; the level of net debt also decreased reflecting the slowdown in CAPEX;

- Investors’ appetite for REN’s debt was shown again in October, with the issue of €400M seven-year bond, which contributed to reduce REN’s cost of debt. REN is already financed well into 2016;

- The conclusion of REN’s privatization process will be accomplished during 2014. The placement of the State's remaining 11% stake, included in the 2014 Proposed Budget Law, will significantly improve the liquidity of the stock;

- The draft budget for 2014 was delivered by the Government to the Parliament on October 15th and includes a special levy on the energy sector which, in the case of REN, could amount to about €30MM euros. REN is analyzing the issue in all its aspects to protect the rights of the company and of all its stakeholders.

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