In the first nine months of 2017, EBITDA stood at €364.4M, an increase of €7.2M (2.0%) comparing with the same period of 2016. Net Profit (€88.9M) and Recurrent Net Profit (€116.9M) rose by €18.4M (26.1%) and €20.5M (21.3%), respectively;

The improvement in EBITDA stemmed mostly from the consolidation of Electrogas’ results (€5.8M), the Chilean company in which REN has a 42.5% stake since February. This result was partially offset by the decline in gas’ regulatory asset base remuneration (€-8.3M YoY), in which the average Rate of Return (RoR) decreased to 6.1% (6.9% in 9M16);

Net Profit continued to benefit from the better financial performance that stood at -€44.5M (+29.8%), coupled with the downward trend in the average cost of debt (2.6%, versus 3.4% in 9M16). Conversely, Net Debt was slightly higher YoY (2.2%), impacted by the acquisition of Electrogas (€169.3M). As in the last three years, the payment of the extraordinary energy sector levy (€25.8M in 2017) penalized REN’s results and brought the effective corporate tax rate to 43.4%;

Both CAPEX and Transfers to RAB have increased to €80.3M (+€6.9M vs 9M16) and €36.1M (+€14.9M vs 9M16), respectively. Average RAB was €3,462.5M, slightly lower when compared with the previous year (€-39.5M), mainly due to the lack of investments in natural gas;

In 04th October, REN completed the acquisition of EDP Gás (now called REN Portgás). With this purchase REN intends to strengthen its local business focus, without compromising the company’s strong financial and credit profiles, maintaining the alignment with REN’s ongoing strategic framework;

In 26th October, S&P reaffirmed REN’s Rating at Investment grade level (BBB-), with positive outlook.
## RESULTS AT A GLANCE

<table>
<thead>
<tr>
<th>€M</th>
<th>3Q17</th>
<th>9M17</th>
<th>9M16</th>
<th>Δ%</th>
<th>Δ Abs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>121.6</td>
<td>364.4</td>
<td>357.2</td>
<td>2.0%</td>
<td>7.2</td>
</tr>
<tr>
<td>Financial Result</td>
<td>-17.0</td>
<td>-44.5</td>
<td>-63.4</td>
<td>29.8%</td>
<td>18.9</td>
</tr>
<tr>
<td>Net Profit</td>
<td>35.9</td>
<td>88.9</td>
<td>70.5</td>
<td>26.1%</td>
<td>18.4</td>
</tr>
<tr>
<td>Recurrent Net Profit</td>
<td>36.0</td>
<td>116.9</td>
<td>96.4</td>
<td>21.3%</td>
<td>20.5</td>
</tr>
<tr>
<td>Average RAB</td>
<td>3,462.5</td>
<td>3,462.5</td>
<td>3,502.0</td>
<td>-1.1%</td>
<td>-39.5</td>
</tr>
<tr>
<td>CAPEX</td>
<td>39.3</td>
<td>80.3</td>
<td>73.4</td>
<td>9.4%</td>
<td>6.9</td>
</tr>
<tr>
<td>Net Debt</td>
<td>2,540.6</td>
<td>2,540.6</td>
<td>2,484.9</td>
<td>2.2%</td>
<td>55.7</td>
</tr>
</tbody>
</table>
PORTUGUESE’S PERCEIVED SOVEREIGN DEBT RISK

The rate levels have been recently coming down.
CAPEX STOOD AT €80.3M AND TRANSFERS TO RAB AT €36.1M

**CAPEX**

- **9M16**: €6.9M (9.4%)
- **9M17**: €5.4M

**TRANSFERS TO RAB**

- **9M16**: €68.6M ($70.7\%$)
- **9M17**: €34.4M

**Other**

- **9M16**: €74.8M
- **9M17**: €20.2M
RoR is equal to the specific asset remuneration, divided by the average RAB.

1) RoR is equal to the specific asset remuneration, divided by the average RAB.
RAB REMUNERATION WAS €4.2M BELOW IN 9M17 (vs 9M16)

Despite the positive contribution of electricity

RAB REMUNERATION
ELECTRICITY
(ex. lands)
(€M)

+€0.69M

Impact of the increase in the asset base by €13.7M to €2,129.4M.

+€0.16M

Impact of the change in asset mix – assets with premium weight increased to 52% in 9M17 from 51% in 9M16.

+€3.26M

Impact of the indexation of the rate of return – to 7.08% from 6.88% in assets with premium, and to 6.33% from 6.13% in assets without premium.

RAB REMUNERATION
NATURAL GAS
(ex. tariff smoothing effect)
(€M)

-€6.48M

Impact of the decrease in the rate of return, to 6.1% from 6.9%.

-€1.86M

Impact of the decrease in the rate of return, to 6.1% from 6.9%.

Impact of the €40.4M decrease in the asset base, to a total of €1,076.0M.

Electricity with premium
Electricity without premium
OPEX WAS €5.9M ABOVE THE 9M16 VALUE
Driven by non recurrent, non core and revenue related costs

The External Supplies and Services evolution was mostly explained by:
(1) €2.0M from the EDPG and Electrogas acquisitions;
(2) €1.7M from electricity costs related to the increase in the LNG Terminal activity;
and (3) €1.6M from ITC mechanism costs.

(1) Include Δ€0.5M of Other Operating Costs;
(2) Note: (2) and (3) are pass-through costs.
RESULTS PRESENTATION

CORE OPEX
(€M)

9M16

OPEX

<table>
<thead>
<tr>
<th>Item</th>
<th>9M16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs with NG transportation</td>
<td>-1.6</td>
</tr>
<tr>
<td>Forest clearing</td>
<td>-2.2</td>
</tr>
<tr>
<td>Overhead lines deviation</td>
<td>-0.5</td>
</tr>
<tr>
<td>Costs with ERSE</td>
<td>-0.2</td>
</tr>
<tr>
<td>Other</td>
<td>-7.3</td>
</tr>
<tr>
<td>Core OPEX</td>
<td>61.1</td>
</tr>
</tbody>
</table>

9M17

OPEX

<table>
<thead>
<tr>
<th>Item</th>
<th>9M17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costs with NG transportation</td>
<td>-3.2</td>
</tr>
<tr>
<td>Forest clearing</td>
<td>-2.1</td>
</tr>
<tr>
<td>Overhead lines deviation</td>
<td>-0.8</td>
</tr>
<tr>
<td>Core OPEX</td>
<td>64.1</td>
</tr>
</tbody>
</table>

CONTROLLABLE COSTS ROSE BY €3.0M

(1) ITC - Inter Transmission System Operator Compensation for Transits.
EBITDA MAINTAINED ITS TREND
Benefiting from Electrogas’ results (€5.8M)

(1) Includes Δ€1.7M of NG tariff smoothing effect (natural gas);
(2) Includes Δ€1.3M of Remuneration of fully amortized assets;
(3) Includes €1.2M and €0.8M related to the one-off costs with Electrogas and EDPG acquisitions (respectively) and Δ€1.1M of OPEX own works.

EBITDA MAINTAINED ITS TREND
Benefiting from Electrogas’ results (€5.8M)

(1) Includes Δ€1.7M of NG tariff smoothing effect (natural gas);
(2) Includes Δ€1.3M of Remuneration of fully amortized assets;
(3) Includes €1.2M and €0.8M related to the one-off costs with Electrogas and EDPG acquisitions (respectively) and Δ€1.1M of OPEX own works.
Again a positive behaviour from Financial Results (29.8%)
Average cost of debt decreased consistently over the year (2.6% in 9M17 vs 3.2% in the end of 2016); FFO/Net Debt ratio reached 11.2%.
NET PROFIT STRENGTHENED BY €18.4M

Net Profit 9M16

Δ EBITDA

Δ Below EBITDA

Δ CESE

Net Profit 9M17

ΔE18.4M

(26.1%)

€18.4M

Net Profit 9M17:

88.9

Δ EBITDA:

7.2

(2.0%)

Δ Below EBITDA:

11.1

(4.2%)

Δ CESE:

0.1

(0.5%)

Net Profit 9M16:

70.5

A stronger **Net Profit** and **Recurrent Net Profit** were the result of a firm effort both at the operational as well as the financial levels of the business. The Portuguese macro-economic environment continued to show significant signs of recovery, leading rating agencies to take positive actions that helped lower the financial risk associated with Portugal. However, REN’s results continued to be constrained by the special levy on energy companies and lower natural gas asset remuneration;

In 2017, REN took very important steps towards the accomplishment of its strategic plan. The acquisition of a relevant stake in Electrogas, a Chilean gas pipeline company, was an important move towards REN’s pledge to explore international investment opportunities. **The purchase of REN Portgás** strengthened REN’s commitment to Portugal. Both these investments expanded REN’s number of business activities without compromising the company’s strong financial and credit profiles and maintaining its dividend policy. Accordingly and following the announcement of these recent transactions, all three major rating agencies have reaffirmed REN’s investment grade rating;

As previously announced and as part of financing the recent REN Portgás acquisition, the second biggest natural gas distribution company in Portugal, **REN will proceed with a share capital increase** implemented through a €250M rights issue. Therefore, the capital increase will be reserved to REN’s shareholders that exercise the respective pre-emption rights and for the investors that acquire subscription rights. The terms and conditions of this operation are set to be announced by the company soon.
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