REN SGPS, S.A.

Consolidated Results

January - June 2010

July 27th 2010

1H10 - Highlights

- REN’s business grew at a strong pace during the first half of 2010, with EBITDA increasing by 16%, when compared to 1H09;

- Net income suffered from a series of negative impacts: a higher corporate tax rate; the establishment of a provision to cover the contingency associated with the disagreement with Amorim Energia related to dividends received from GALP and a negative remuneration of the hydro-land in 2010 due to a negative 2009 inflation rate;

- As a result of the negative effects mentioned above, net income was €56.6M in 1H10 versus €76.1M in 1H09. 2009 results also benefited from a provision reversion of €22.8M;

- Recurrent Net Income adjusted by the corporate income tax effect would have grown by 8.6%;

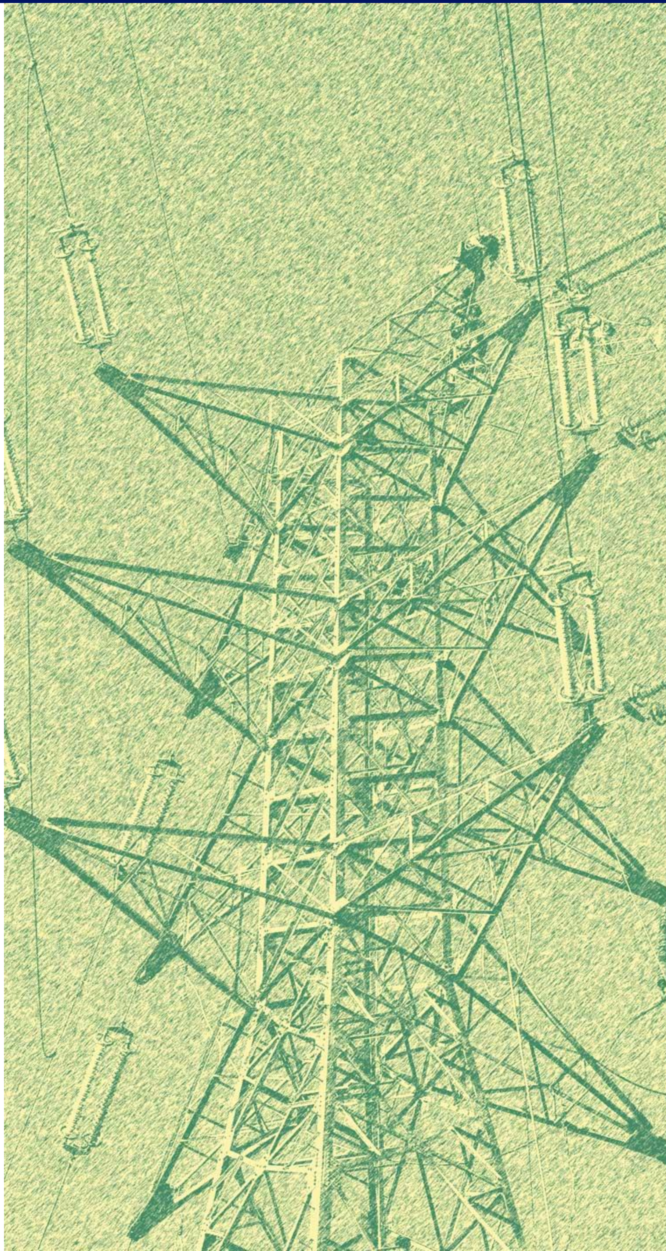
1H10 - Highlights (cont.)

- REN proceeded with its cost reduction program during the first semester. As result OPEX decreased by 4.9% when compared with 1H09;
- Despite the current macroeconomic conditions and the sovereign debt downgrades, REN’s average cost of debt was kept at 3.9%, the same as in1H09;
- CAPEX decreased in the first half of the year when compared with the same period of 2009 for two main reasons:
  - The investment planned for 2010 is lower than the record level of 2009;
  - REN changed some of the procurement procedures in order to adapt itself to the ‘Public Contracts Code’. This caused some delays in the first months of 2010 which the company expects to make up for until the end of the year;

Main financial indicators 1H10

(M€)	1S09	1S10	Δ%
EBITDA	180.0	208.6	15.9%
Net financial income	-28.1	-35.6	-26.7%
Net income	76.1	56.6	-25.6%
Recurrent net income *	59.4	64.5	8.6%
CAPEX	180.9	123.9	-31.5%
Net debt (end of period)	1 977	2 251	13.8%

* - Excluding corporate income tax effect



Main financial indicators 1H10 (cont.)

- In the first half of 2010 Net Income stood at €56.6M, which compares with €76.1M in 1H09, a negative variation of 25.6%. Part of the decrease is explained by the increase in the corporate tax rate (€4.7M*), the remaining is due to non recurrent items;

- Adding to the corporate tax rate effect, net income was also affected by the following items:

  - A provision of €6.2M was established to cover the contingency associated with the disagreement with Amorim Energia related to dividends received from GALP in 2006;

  - Hydro land remuneration was down from€5.1M in 2009 to €-0.7M in 1H10;

  - 2009’s net income benefited from a €22.8M provision reversal on Pego’s land;

- Recurrent Net Income adjusted by the corporate tax effect would have been up by 8.6%, from €59.4M to €64.5M

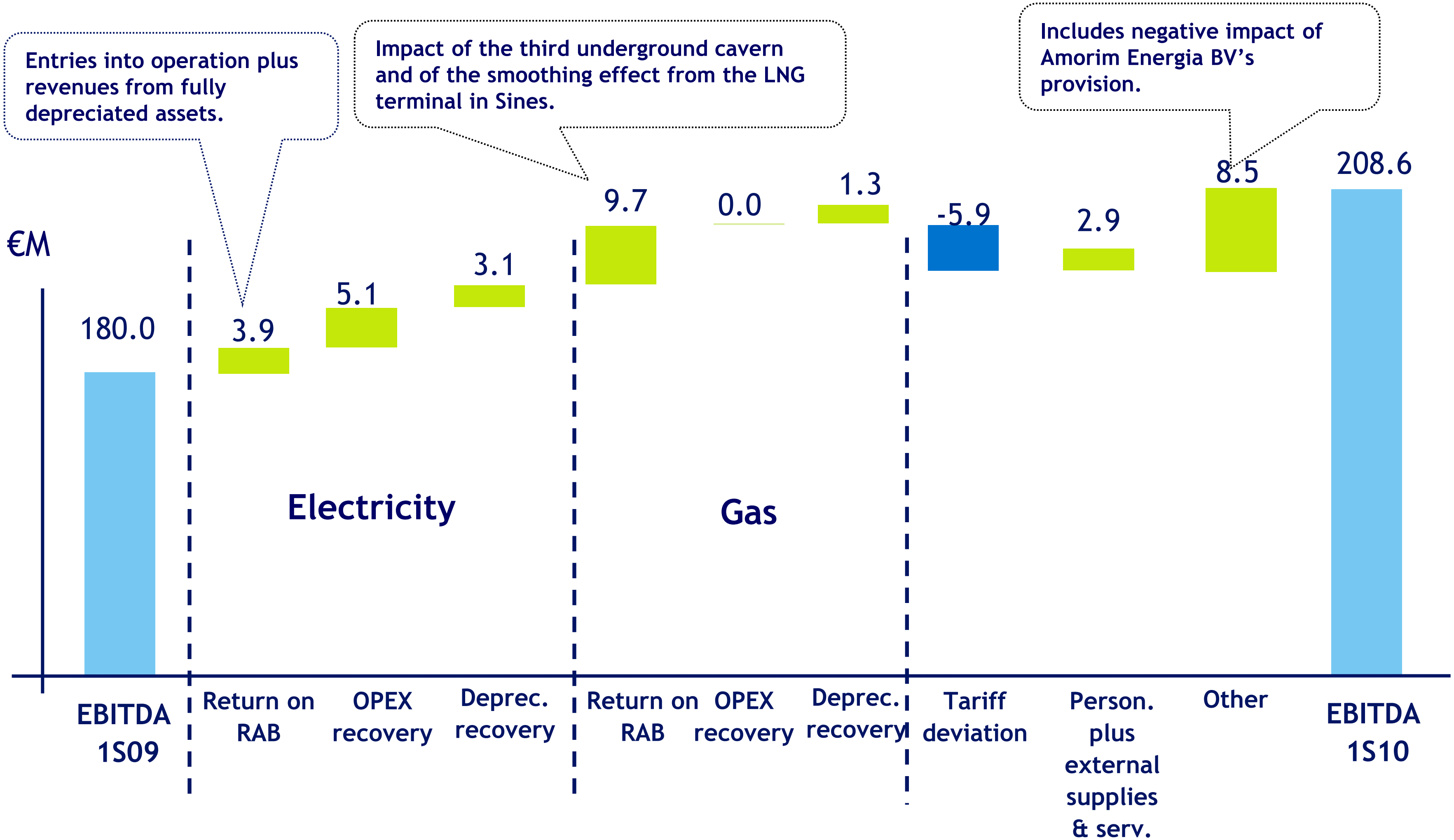
* - Please refer to note on page 22

Main financial indicators 1H10 (cont.)

- This semester EBITDA grew to €208.6M from €180M in 1H09, an increase of 15.9%. This growth is mainly due to the RAB growth in 2009 and the cost reduction program put in place last year;
- In the first half of 2010 financial results were down from €-28.1M in 1H09 to €-35.6M. 1H09 results benefited from a €5.8M swap gain. Excluding this effect 1H10 financial results would have decreased by only 5%;
- OPEX was down by 4.9% in 1H10. Personnel costs decreased by 7% (from €23.7M to €22.1M) and External Supplies and Services* were up by 0.8% (from €23.4M to €23.6M);

* - Excludes system services costs, transborder tariffs and gas transport costs which are all pass-throughs

EBITDA analysis(1H10)



EBITDA analysis (1H10) - cont.

(M€)	1H09	1H10	Δ%
Return on RAB (Electricity)	51.5	58.7	13.9%
Land remuneration	5.1	-0.7	-113.1%
Incentive to fully depreciated assets in use	0.0	2.5	
Recovery of depreciation (Electricity)	50.5	53.6	6.1%
Recovery of OPEX (Electricity)	30.7	35.8	16.6%
Return on RAB (Gas)	37.8	38.8	2.6%
Recovery of OPEX (Gas)	16.3	16.3	0.2%
Recovery of depreciation (Gas)	19.5	20.8	6.7%
Tariff smoothing effect (Gas)	3.2	11.9	273.3%
Interest on tariff deficit/deviation	3.2	2.1	-33.0%
Tariff deviations (Electricity & Gas)	4.8		-100.0%
Commercial gains	2.4	1.3	-45.9%
Other operational revenues	23.3	36.5	56.8%
Provision reversion	22.8		
Total revenues	**271.1**	**277.8**	**2.5%**
Personnel plus External supplies & services	60.2	57.3	-4.9%
Depreciation	69.1	83.8	21.3%
Provisions	0.0	6.2	
Other operational costs	8.2	7.7	-6.6%
Total costs	**137.5**	**155.0**	**12.7%**
EBITDA	**180.0**	**208.6**	**15.9%**
Depreciations	69.1	83.8	21.3%
Non recurrent items:			
Provision reversion from Pego sale	-22.8		
Provision for Amorim Energia contingency		6.2	
Subsidies depreciation		-4.2	
EBIT	**133.6**	**122.8**	**-8.1%**

Note: Excludes PPA recovery of €124.0M (vs. €43.9M in 1HQ9)

Average RAB and CAPEX

- In the first half 2010 CAPEX reached €123.9M, a decrease of 31.5% versus 1H09 (€180.9M), which included the acquisition of the cushion gas for the third underground cavern (16.4 M€).
- The average RAB for 1H10 reached 2,849M€, a 6.4% increase versus 1H09. Nevertheless, there were some delays in entries into operation in 1H10 which REN expects to recover in the 2nd half of 2010.

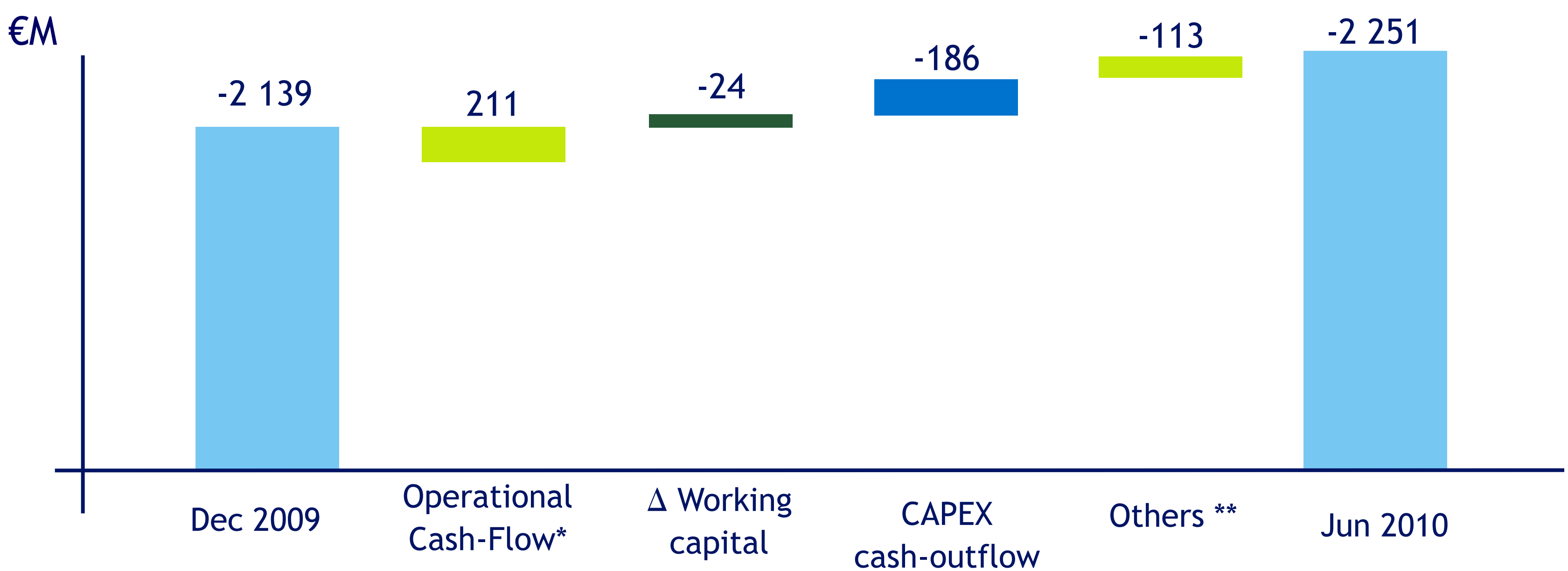
(€M)	1H09	1H10	Δ%
Total Average RAB	**2 677.9**	**2 849.2**	**6.4%**
Electricity	1 365.2	1 527.1	11.9%
Hydro land	367.5	352.7	-4.0%
Gas	945.2	969.4	2.6%
Capex	**180.9**	**123.9**	**-31.5%**
Electricity	121.8	88.8	-27.1%
Gas	59.1	33.9	-42.7%
Other		1.2	

RAB remuneration (1H10)

(€M)	Rate of return	Amount
Return on RAB (Electricity)		**58.7**
Lines and substations	(8.89%)	**13.5**
Other assets	(7.39%)	**45.2**
Return on Hydro Land	(-0.4%)	**-0.7**
Return on RAB (Gas)	(8.00%)	**38.8**
Total		**96.8**

Net debt

- Net debt reached €2 251M at the end of June 2010, an increase of €112M from December 2009.
- The average cost of debt for the first half of the year was kept at 3.9%.



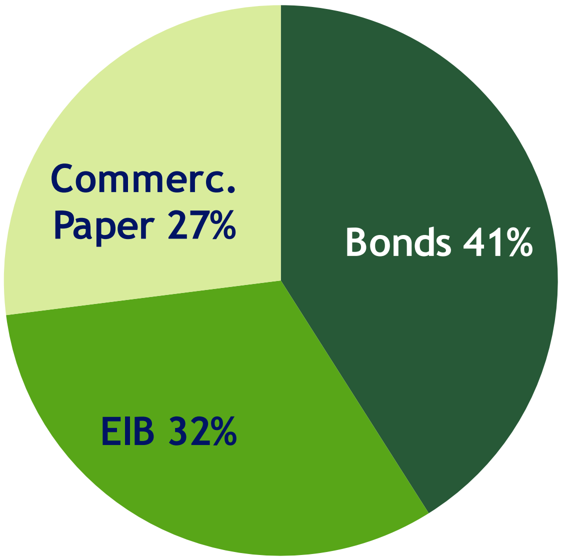
* - Operational cash - flow = Operational income + Depreciation + Provisions;

** - “Others” include net financial income and payment of dividends .

Debt breakdown

Average maturity: 4.6 years

Sources



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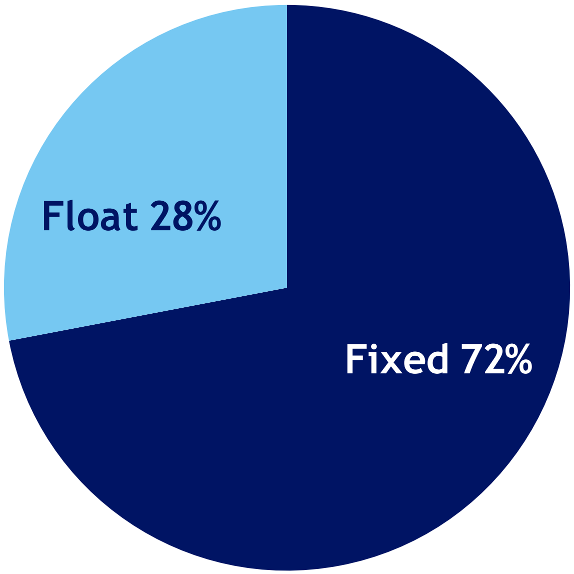
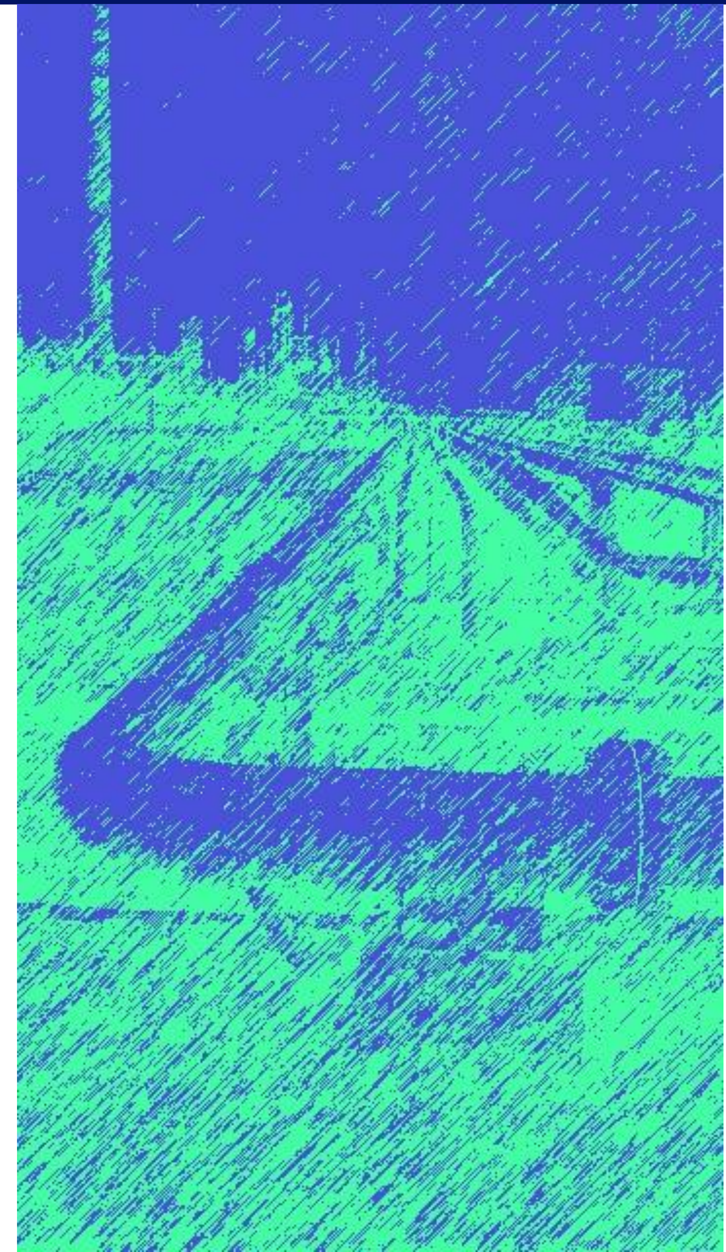


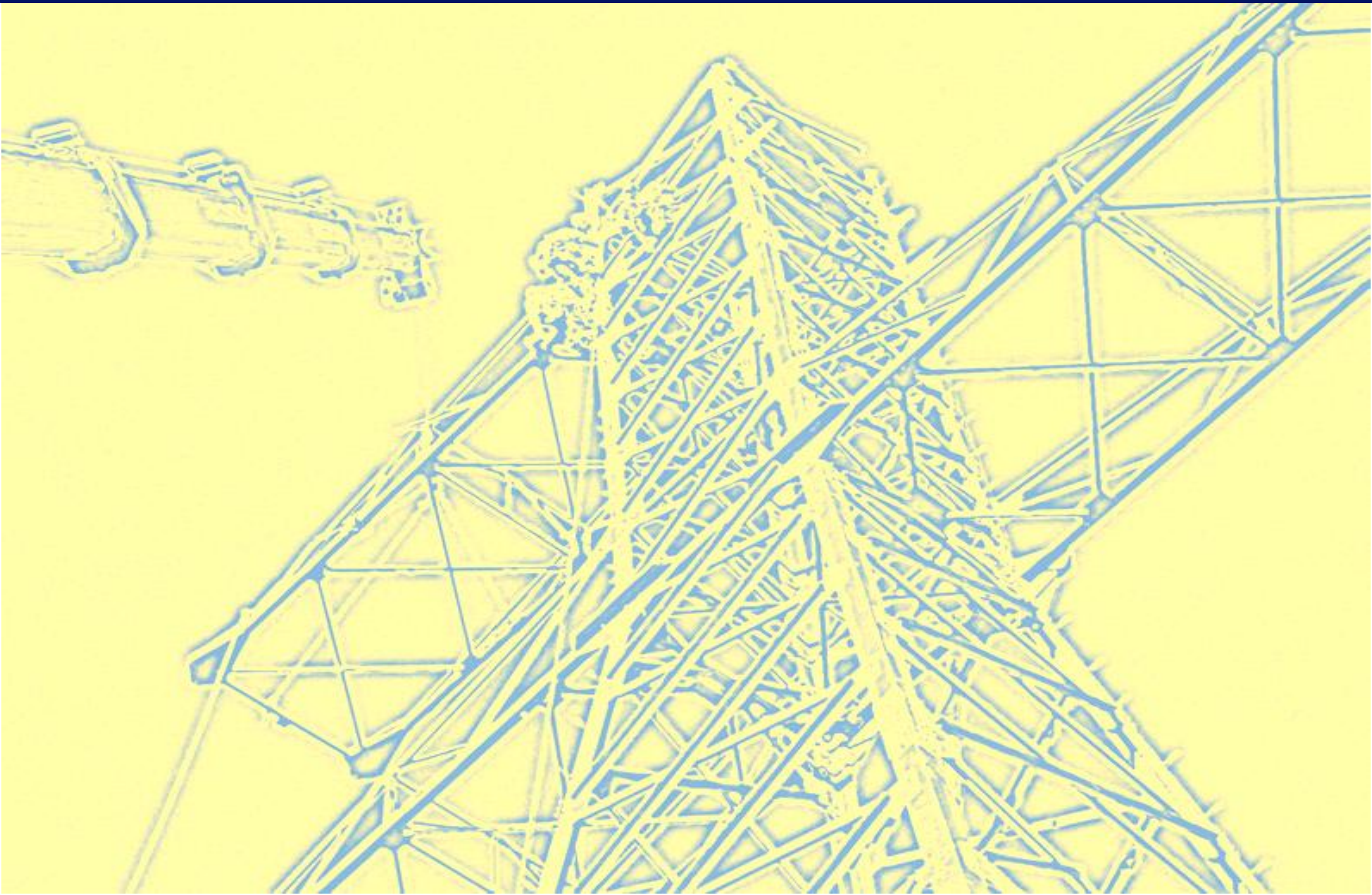
Credit metrics

(M€)	1H10	2009
Net Debt / EBITDA	5.4 x	5.7 x
FFO / Net Debt	11.5%	11.3%
FFO interest coverage	4.4 x	4.5 x

Note: the half-year figures were annualized



Appendix



Electricity and gas EBITDA analysis (1H10)
Consolidated values

(€M)	1H09			1H10		
	ELECTRICITY	GAS	OTHER	ELECTRICITY	GAS	OTHER
Return on RAB	56,6	37,8		60,5	38,8	
Recovery of OPEX	30,7	16,3		35,8	16,3	
Recovery of depreciation	50,5	19,5		53,6	20,8	
Tariff smoothing effect (Gas)		3,2			11,9	
Tariff deviation	-1,9	6,7				
Interest on tariff deviation	3,2			2,1		
Commercial gains	2,4			1,3		
Provision reversion	22,8					
Other operational revenues	10,7	9,2	3,4	14,1	17,1	5,3
Total revenues	175	92,7	3,4	167,5	105	5,3
Personnel and external supplies and services	25,6	23,2	11,4	22,7	23,1	11,5
Personnel	10,3	5,2	8,2	9,8	4,8	7,5
Depreciation	46,1	22,6	0,4	59,7	23,9	0,2
Subsidies	3,7	4,2	0	4,9	8,8	
Provisions*						6,2
Other operational costs	5,2	1,6	1,4	4,2	2,2	1,3
Total costs	76,9	47,4	13,2	86,6	49,2	19,2
EBITDA	121,4	67,9	-9,4	140,6	79,7	-7,5

*-The €6.2M provision corresponds to 25% of the amount established by the decision of the ICC's arbitration court.

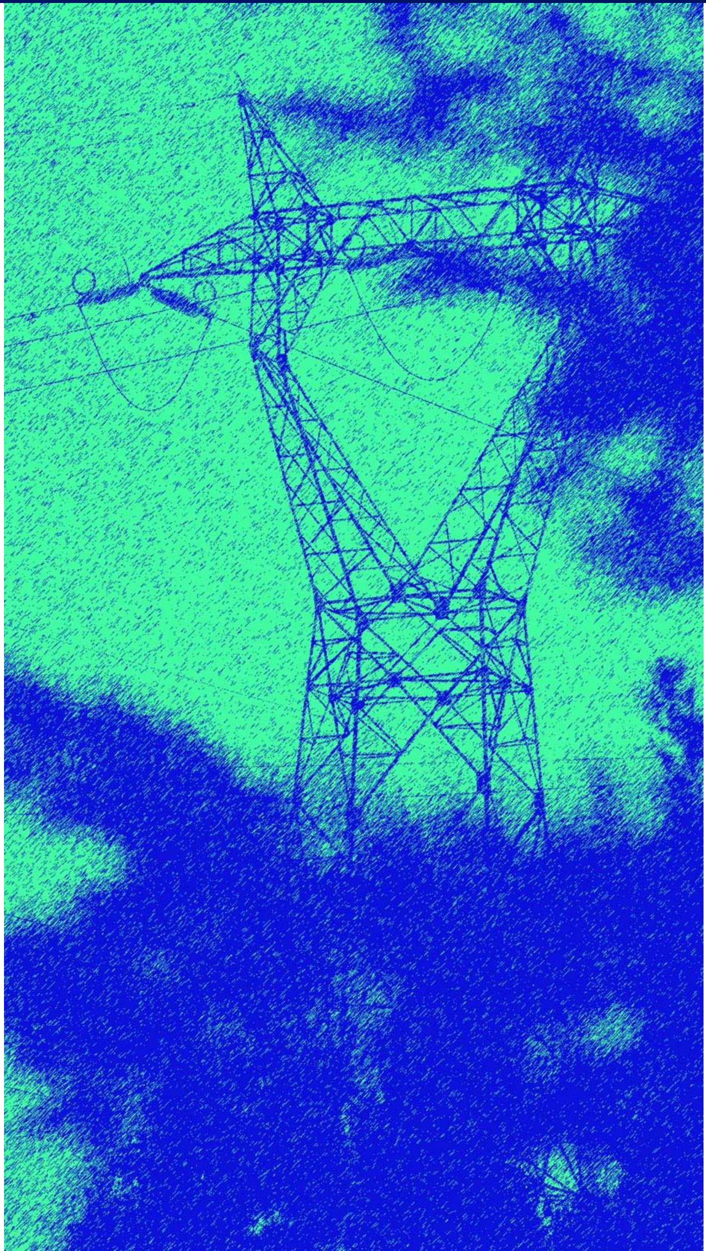
Note: The 1H10 figures do not include subsidies depreciation of -€4.2M

Other Operational Revenues and Costs breakdown

(€M)	1H09	1SH10	Δ%
Other operational revenues:	**23.3**	**36.5**	**56.6%**
Income from protection zones (land)	0.4	0.4	-1.1%
Investment subsidies depreciation	6.1	13.7	125.6%
Electricity	2.3	4.9	113.0%
Gas	3.8	8.8	131.6%
Profit/loss from joint ventures (Gas)	4.9	5.0	2.4%
Interconnections income	3.5	1.5	-58.3%
Revenues from energy and coal trading		6.0	
Other (non regulated) revenues:			
Revenues from RENTELECOM	1.5	2.1	42.7%
Revenues from gas JV	3.1	3.1	-0.3%
Revenues from system services	1.4	1.4	-4.2%
Other services	1.1	0.9	-20.4%
Other income	1.2	2.4	93.9%
Other operational costs:	**8.2**	**7.7**	**-6.6%**
Costs with ERSE	4.8	5.2	8.4%
Others	3.4	2.5	-26.6%

2Q10 main financial data

(€M)	2Q09	2Q10	Δ%
EBITDA	92.0	106.8	16.1%
Net financial income	-16.5	-18.4	11.5%
Financial costs	-19.7	-19.5	-1.0%
Income before taxes	62.9	50.5	-19.7%
Income tax	-18.7	-19.1	2.1%
Net income	44.3	31.6	-28.7%

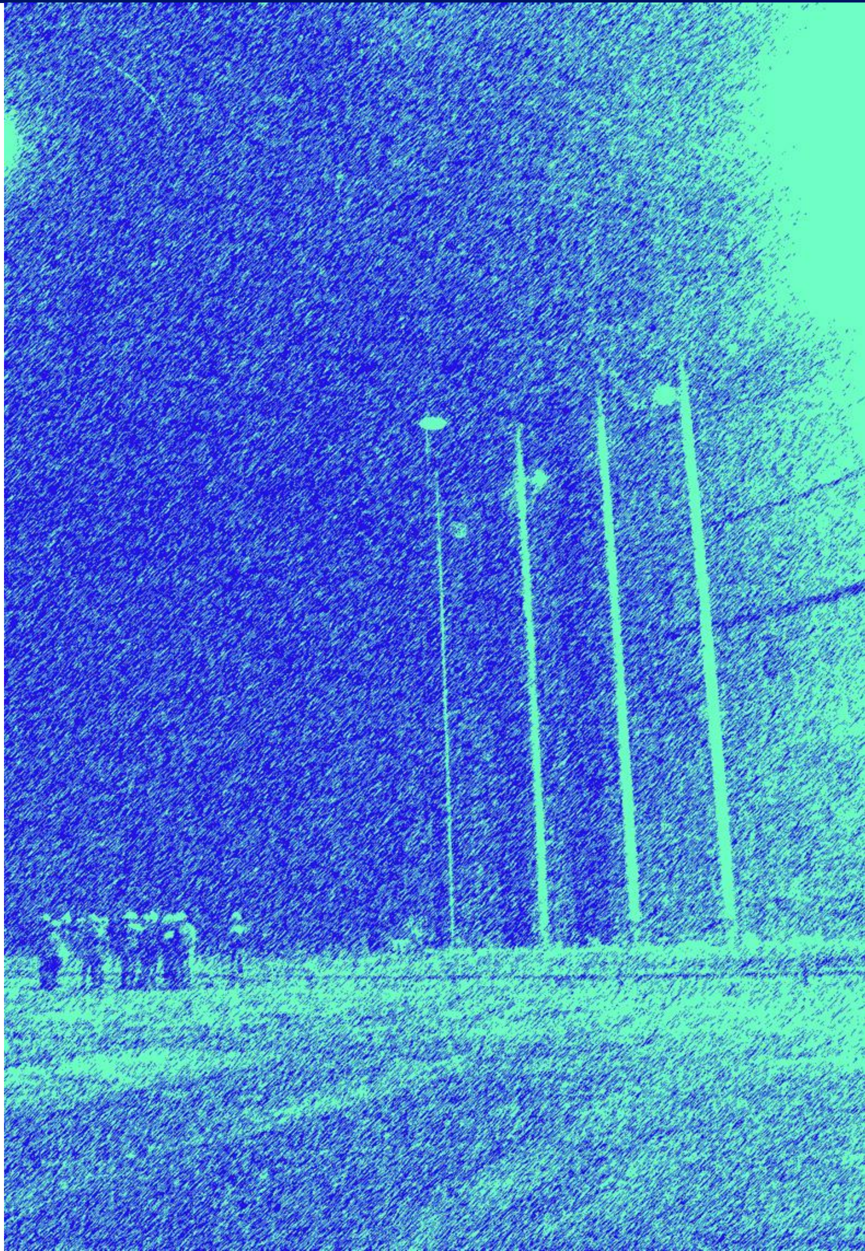


Share of (loss)/profit of joint ventures

(€M)	
Subcontracts	10.76
Fees paid to Enagás	0.23
Fees	-0.97
O&M	-2.12
Interest	-0.29
Profit before income taxes	7.61
Taxes	-2.21
Net income	5.40
Share of profit from joint ventures	5.04
JV reserves	0.36

Tariff deviations (1H10)

- Net Tariff deviations were worth €124.5M in the balance sheet at the end of the first half of 2010.



Statement of profit and loss (1H10)

(€M)	1H09	1H10	Δ%
Operational revenues	**279.6**	**401.8**	**43.7%**
Sales and services provided	257.3	373.4	45.1%
Other	22.3	28.4	27.4%
Operational cost	**-146.0**	**-279.0**	**91.1%**
External supplies and services	-36.5	-35.2	-3.6%
Personnel	-23.7	-22.1	-7.0%
Depreciation	-69.1	-83.8	21.3%
PPA's costs	-44.5	-124.0	178.4%
(Provisions) / reversions	35.4	-6.2	-117.6%
Other operational costs	-7.6	-7.7	1.2%
EBIT	**133.6**	**122.8**	**-8.1%**
Net financial income	**-28.1**	**-35.6**	**26.7%**
Financial costs	-38.3	-38.5	0.7%
Financial income	8.9	1.6	-82.5%
Investment income - Dividends	1.3	1.4	7.0%
Income before taxes	**105.5**	**87.2**	**-17.4%**
Income tax expense	**-29.5**	**-30.7**	**4.1%**
Net income	**76.1**	**56.6**	**-25.6%**

Balance sheet (1H10)

(€M)	2009	1H10
Fixed Assets	3,452	3,492
Investments	15	39
LT Receivables	179	345
ST Receivables	578	286
Cash	70	67
Total Assets	4,294	4,228
Shareholders Equity	997	956
Provisions	5	11
LT Payables	561	602
ST Payables	522	343
Debt (end of period)	2.209	2.317
Total equity and liabilities	4,294	4,228

Accounting criteria changes

REN

- **Adoption of IFRIC 12 "Service concession arrangements" to the Group companies' assets with concession arrangements** - This IFRIC is effective for annual periods beginning on or after 1 January 2010 and establishes how an operator should apply the IFRIC on the accounting of the obligations related with contracted investment and rights obtained from signed service concession arrangements. The adoption of this IFRIC on the Group Companies has no impact on the P&L and only implies changes on the balance sheet, where the regulated assets of the companies with concession arrangements are reclassified as intangible assets and reported in one line as "Concession rights";

- **Change in Corporate Income Tax rate** - Law no. 12-A/2010 entered into force, introducing a new surcharge due by taxpayers, which corresponds to an additional tax rate of 2.5% for tax profits that exceeds €2M. The application of this additional income tax rate on REN's half year accounts decreased net profit by M€ 4.7, €2M related to the application of this surcharge to the current period results and €2.7M to its application to the deferred tax assets and liabilities.

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