

**Consolidated Results**  
**January - September 2010**

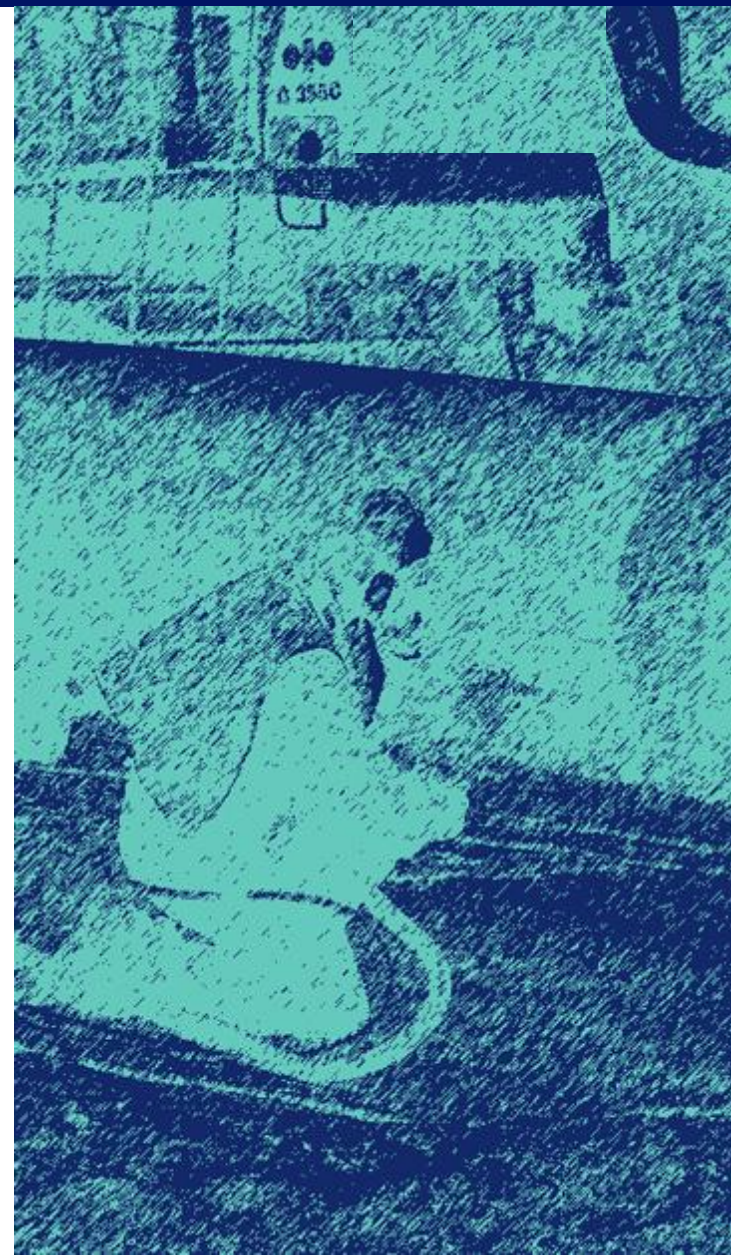
November 3<sup>rd</sup> 2010

- In the first nine months of 2010 (€79.2M) REN's net income was strongly influenced by non-recurring items (namely the €12.5M provision for the arbitrage with Amorim Energia and the rise of the corporate tax rate).
- Operational activity grew stronger with EBITDA displaying a 14.1% increase versus 9M09.
- The cost reduction program put in place last year is bearing fruit. Operational costs directly managed by the company (i.e. excluding pass-throughs) were down by 8.3% year on year.
- CAPEX is recovering from delays occurred in the first months of the year, when REN adjusted its procurement procedures. Nevertheless the full recovery is only expected to happen towards the end of the year when CAPEX should match the budget.

# Main financial indicators 9M10

(€M)	9M09	9M10	Δ%
EBITDA	271.9	310.2	14.1%
Net financial income	-44.8	-52.1	16.2%
Net income	116.3	79.2	-31.9%
Recurrent net income*	90.5	88.7	-2.0%
CAPEX	286.7	204.9	-28.5%
Net debt (end of period)	2 089.0	2 173.1	4.0%

\*- See slide 14 for detailed information on non recurrent items



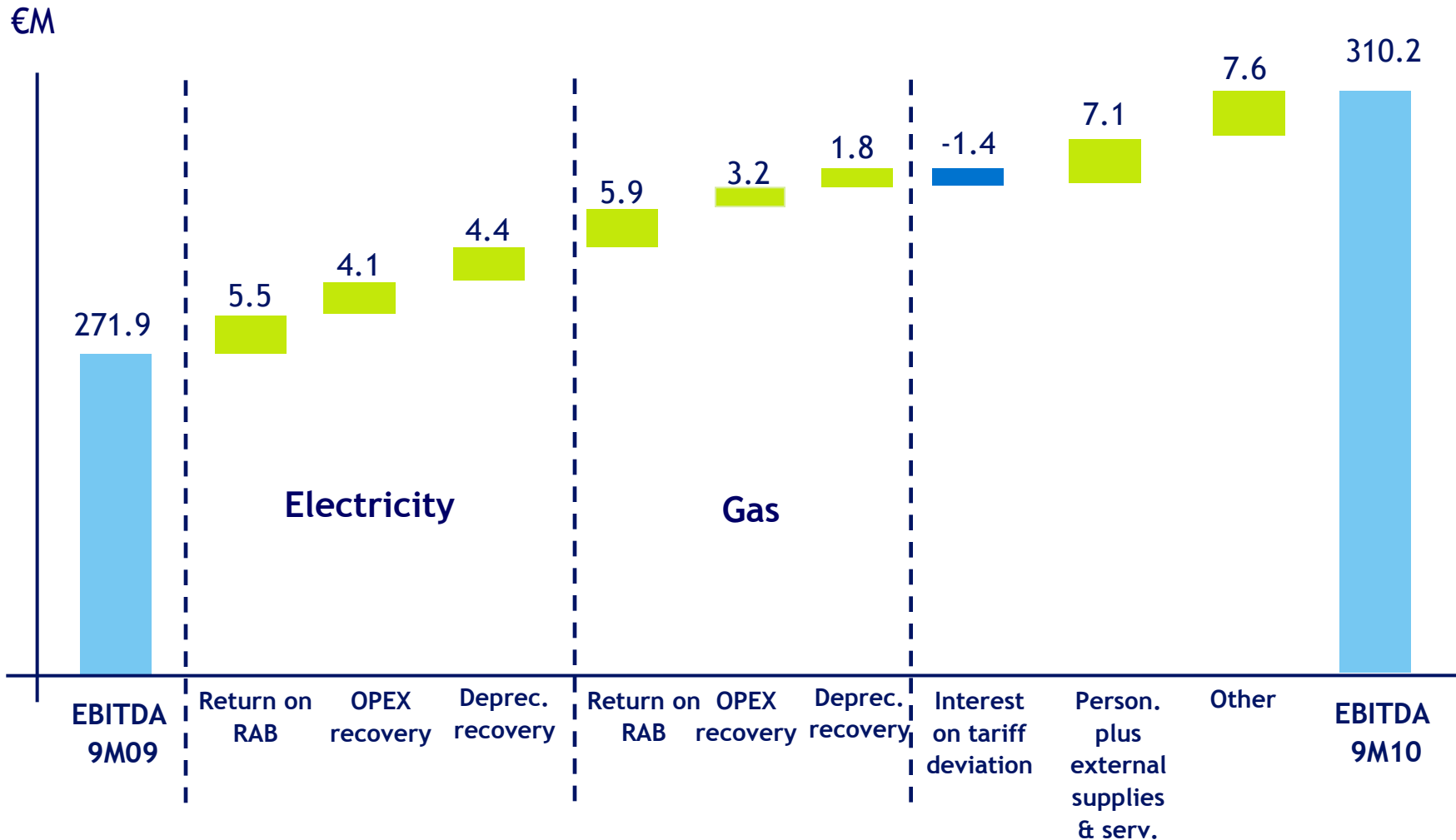
- In the first 9 months of 2010 Net Income stood at €79.2M, which compares with €116.3M in 9M09, a negative variation of 31.9%; the decrease is explained by non recurring items<sup>(1)</sup> and by the rise of the corporate tax rate from 26.5% to 29%.
- Recurring Net Income was €88.7M a decrease of 2% when compared to 9M09. The increase in the corporate tax rate had a €8.9M negative impact from January to September, without it recurrent net income would have been up by 8%.
- EBITDA grew by 14.1% despite the negative variation of the hydro land remuneration (€-8.6M between 9M09 and 9M10). Excluding this effect EBITDA would have increased by 18%.
- CAPEX was €204.9M, partially reflecting the delays related to the (already mentioned) changes in procurement procedures. The company expects to make up for these delays until the end of 2010 according to the budget.

(1)- See slide 14 for detailed information on non recurrent items



- OPEX (excluding pass-throughs) was down by 8.3% reflecting an improvement in operational efficiency.
- In the first 9 months of 2010 financial results were down from €-44.8M in 9M09 to €-52.1M. 9M09 results benefited from a 5.8M€ interest rate swap gain. Excluding this effect 9M10 would have decreased by just 5%.
- The average cost of debt stayed at 3.9%, the same as in 2009 despite the current adverse macroeconomic environment and the downgrades to Portugal's sovereign debt.
- During the third quarter of 2010 REN provisioned another €6.25M to cover the contingency associated with the disagreement with Amorim Energia related to dividends received from GALP in 2006.

# EBITDA analysis(9M10)



# EBITDA analysis (9M10) - cont.

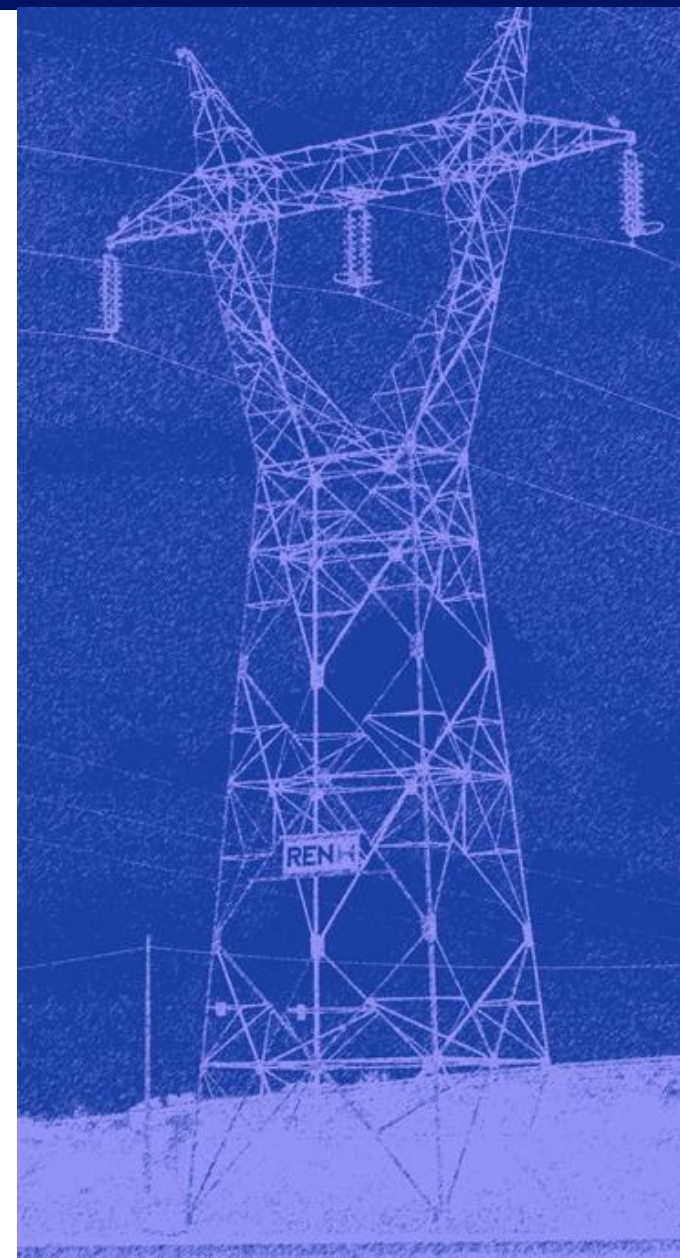
(€M)	9M09	9M10	Δ%
Return on RAB (Electricity)	79.0	89.3	13.0%
Land remuneration	7.6	-1.0	-113.0%
Incentive to fully depreciated assets in use	0.0	3.8	
Recovery of depreciation (Electricity)	76.6	81.0	5.7%
Recovery of OPEX (Electricity)	49.6	53.7	8.2%
Return on RAB (Gas)	56.4	58.2	3.2%
Recovery of OPEX (Gas)	23.0	26.2	14.0%
Recovery of depreciation (Gas)	29.6	31.4	6.1%
Tariff smoothing effect (Gas)	8.4	12.0	43.3%
Closing of smoothing effect (REN Gasodutos)		0.5	
Interest on tariff deficit/deviation	4.8	3.4	-29.7%
Commercial gains	5.1	2.3	-55.5%
Other operational revenues	36.7	51.5	40.4%
Provision reversion	35.1		
Pass through revenues *	66.8	186.0	178.4%
<b>Total revenues</b>	<b>478.8</b>	<b>598.3</b>	<b>25.0%</b>
Personnel plus External supplies & services	93.9	86.7	-7.6%
Depreciation	103.9	126.7	21.9%
Provisions		12.5	
Other operational costs	11.1	11.2	0.3%
Pass through costs *	66.8	186.0	178.4%
<b>Total costs</b>	<b>275.7</b>	<b>423.0</b>	<b>13.4%</b>
Depreciations	103.9	126.7	21.9%
Non recurrent items:	-35.1	8.2	-123.4%
<b>EBITDA</b>	<b>271.9</b>	<b>310.2</b>	<b>14.1%</b>

\* - PPA costs and revenues

# Average RAB and CAPEX

- In the first nine months of 2010 CAPEX reached €204.9M, a decrease of 28.5% versus 9M09 (€286.7M).
- The average RAB for 1H10 reached €2,866.7M, a 5.9% increase versus 9M09 essentially due to late 2009 entries into operation in the electricity business

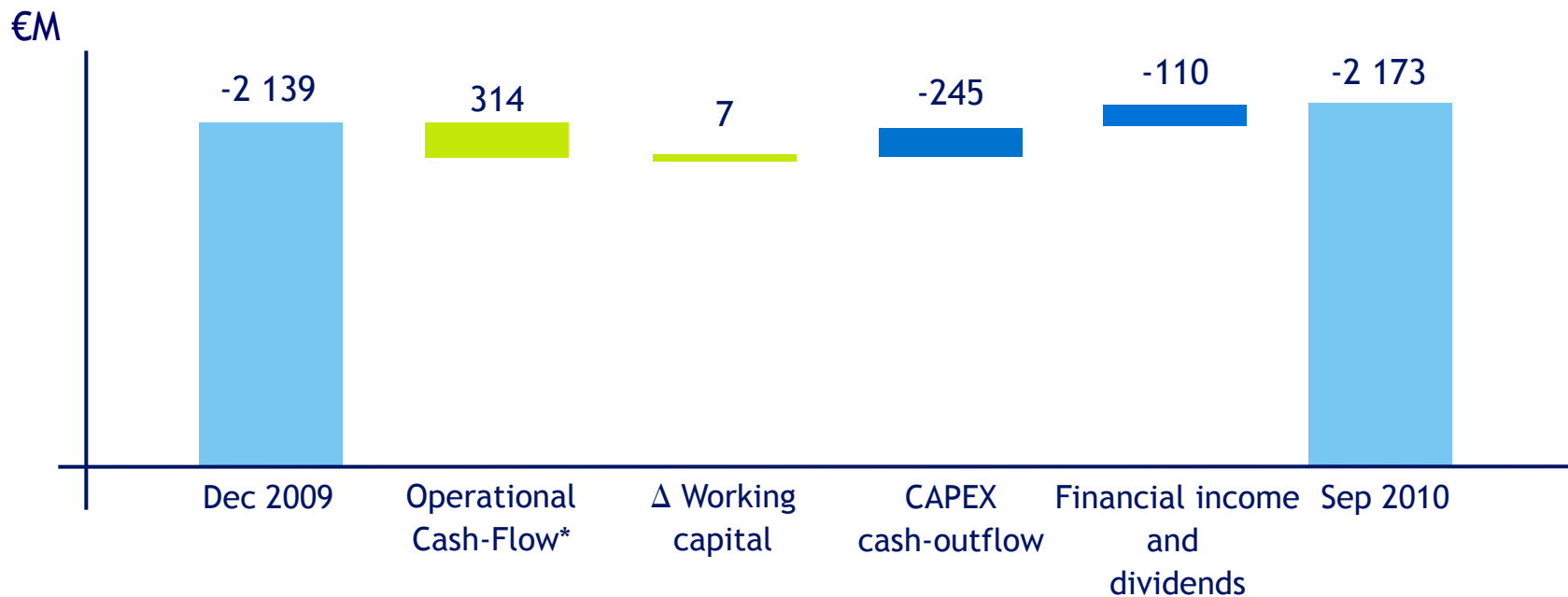
(€M)	9M09	9M10	Δ%
<b>Total Average RAB</b>	<b>2 706.6</b>	<b>2 866.7</b>	<b>5.9%</b>
Electricity	1 383.4	1 544.4	11.6%
Hydro land	365.7	350.8	-4.1%
Gas	957.5	971.5	1.5%
<b>Capex</b>	<b>286.7</b>	<b>204.9</b>	<b>-28.5%</b>
Electricity	204.1	151.7	-25.7%
Gas	82.6	51.9	-37.2%
Other		1.3	





(€M)	Taxa de Remuneração	Valor
<b>Return on RAB (Electricity)</b>		<b>89.3</b>
Lines and substations	8.89%	22.1
Other assets	7.39%	67.2
<b>Return on Hydro Land</b>	-0.4%	<b>-1.0</b>
<b>Return on RAB (Gas)</b>	8.00%	<b>58.2</b>
<b>Total</b>		<b>146.5</b>

- Net debt reached €2 173M at the end of September 2010, an increase of €34M from December 2009.
- The average cost of debt from January to September was kept at 3.9%.

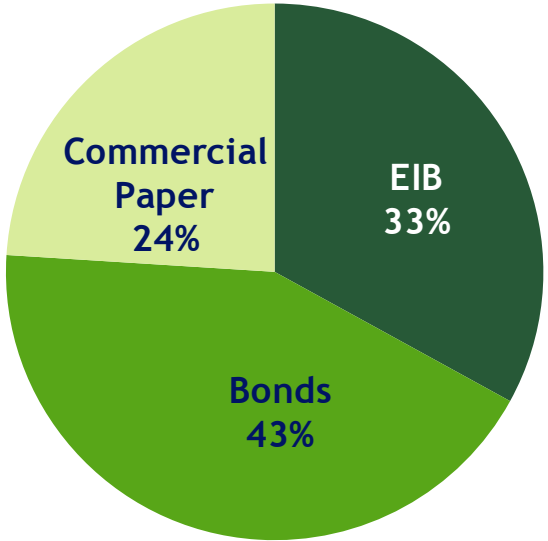


\* - Operational cash - flow = Operational income + Depreciation + Provisions;

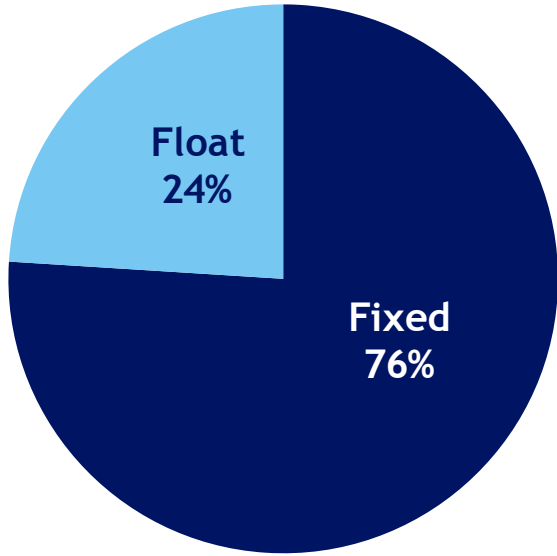
\*\* Includes corporate tax payments

Average maturity: 4.6 years

Sources

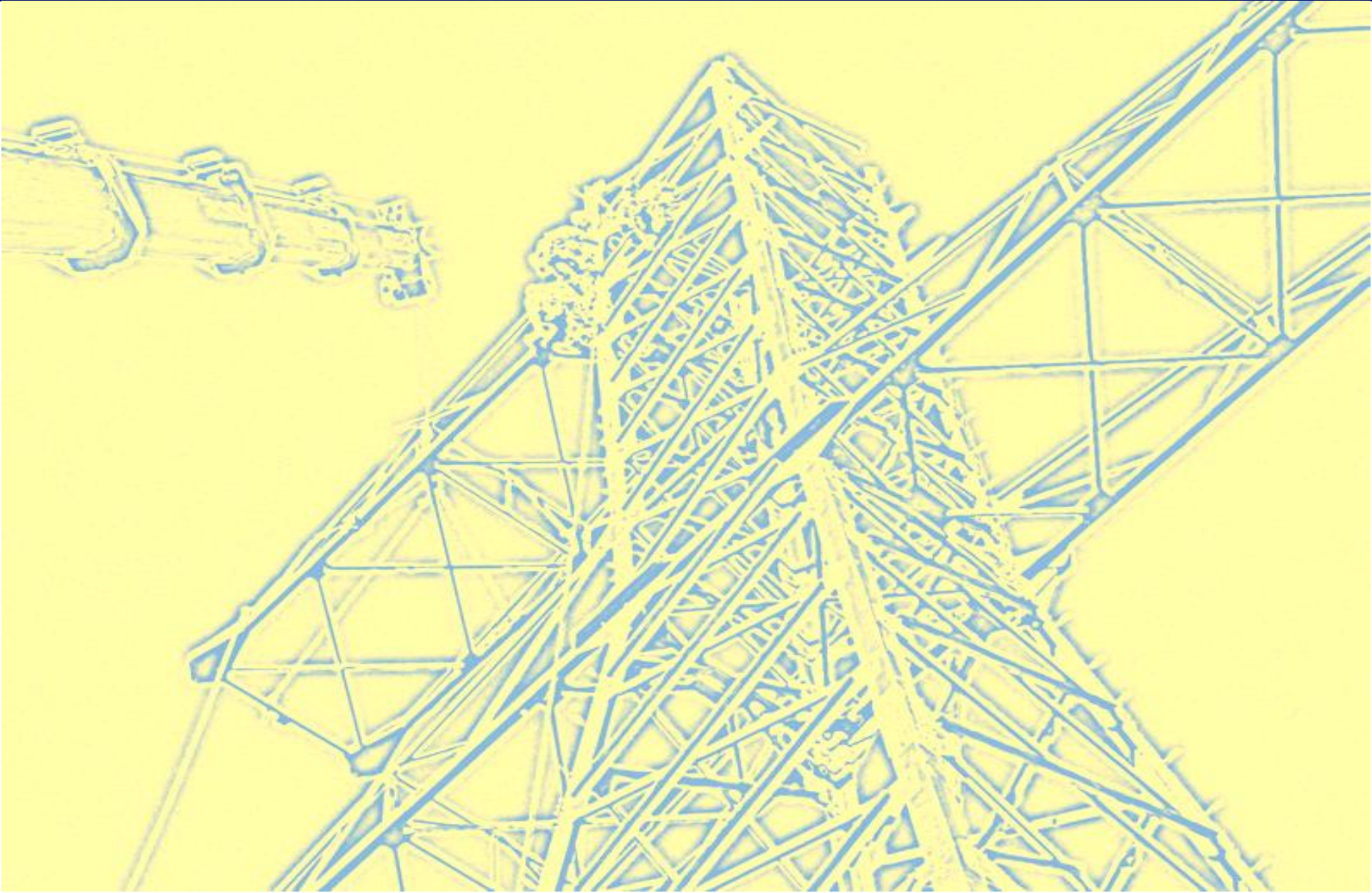


Type



	2009	9M10
Net Debt / EBITDA	5.7 x	5.3 x
FFO / Net Debt	11.3%	11.0%
FFO interest coverage	4.5 x	4.2 x







# From EBITDA to EBIT (9M10)

(M€)	9M09	9M10	Δ%
<b>EBITDA</b>	<b>271.9</b>	<b>310.2</b>	<b>14.1%</b>
Depreciation	103.9	126.7	21.9%
Non recurrent items:			
Provision reversion from assets sale	-22.8		
Provision for Amorim Energia contingency		12.5	
Tariff deviations recognition	-12.4		
Subsidies depreciation		-4.2	
<b>EBIT</b>	<b>203.1</b>	<b>175.3</b>	<b>-13.7%</b>

# Electricity and gas EBITDA analysis (9M10)

## Consolidated values

(€M)	9M09			9M10		
	Electricity	Gas	Other	Electricity	Gas	Other
Return on RAB	79.0	56.4		89.3	58.2	
Recovery of OPEX	49.6	23.0		53.7	26.2	
Recovery of depreciation	76.6	29.6		81.0	31.4	
Tariff smoothing effect (Gas)		8.4			12.5	
Interest on tariff deviation	4.8			3.2	0.1	
Commercial gains	5.1			2.3		
Provision reversion	35.1			0.0		
Other operational revenues	20.1	20.1	4.1	16.1	25.1	13.0
<b>Total revenues</b>	<b>270.4</b>	<b>137.4</b>	<b>4.1</b>	<b>245.7</b>	<b>153.6</b>	<b>13.0</b>
Personnel and external supplies and services	41.7	34.2	17.9	34.8	34.6	17.3
Personnel	14.4	7.2	13.8	14.6	7.3	11.5
Depreciation	69.3	34.2	0.3	90.3	36.1	0.3
Provisions						12.5
Other operational costs	6.3	2.5	2.3	6.5	3.1	1.5
<b>Total costs</b>	<b>117.3</b>	<b>71.0</b>	<b>20.6</b>	<b>131.6</b>	<b>73.8</b>	<b>31.5</b>
<b>EBITDA</b>	<b>198.9</b>	<b>88.2</b>	<b>-15.2</b>	<b>204.3</b>	<b>111.6</b>	<b>-5.7</b>
Depreciation	69.3	34.2	0.3	90.3	36.1	0.3
Non recurrent items:						
Provision reversion from assets sale	-22.8					
Provision for Amorim Energia contingency						12.5
Tariff deviations recognition	-0.8	-12.5	0.9			
Subsidies depreciation					-4.2	
<b>EBIT</b>	<b>153.2</b>	<b>66.5</b>	<b>-16.4</b>	<b>114.0</b>	<b>79.7</b>	<b>-18.4</b>

# Other Operational Revenues and Costs breakdown

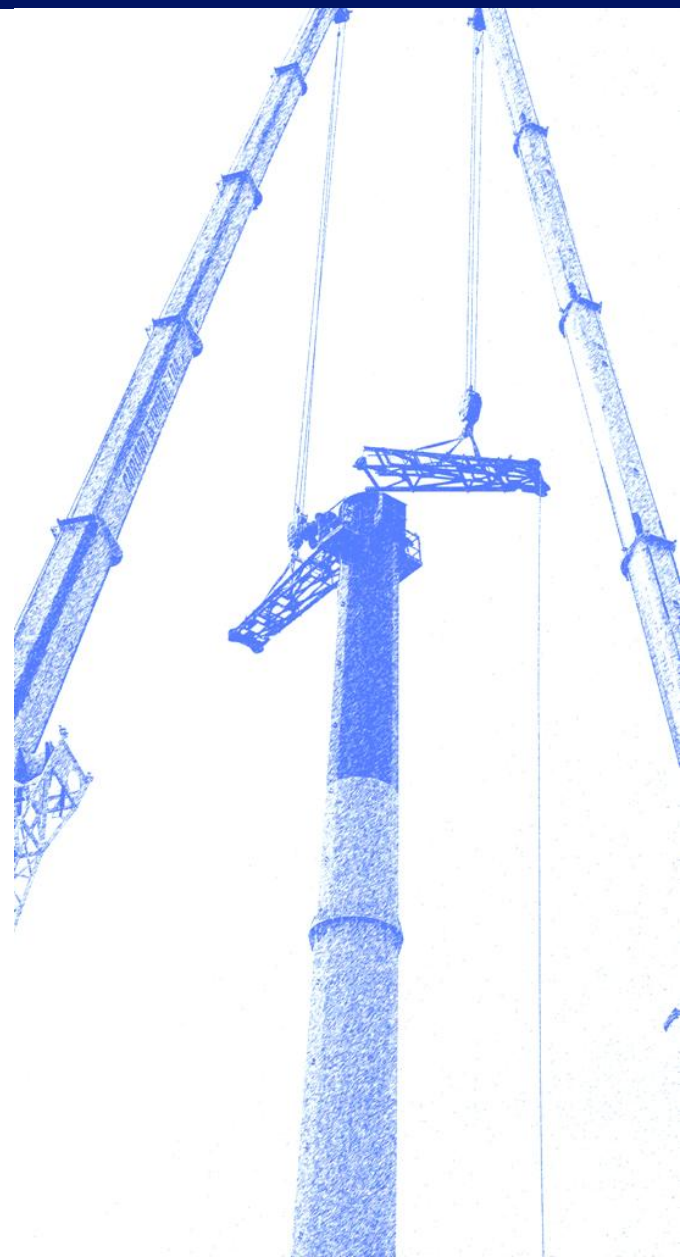
(€M)	9M09	9M10	Δ%
<b>Other operational revenues:</b>	<b>36.7</b>	<b>51.5</b>	<b>40.5%</b>
Income from protection zones (land)	0.6	0.6	2.0%
Investment subsidies depreciation	10.9	18.7	71.5%
<i>Electricity</i>	4.6	7.5	64.0%
<i>Gas</i>	6.3	11.1	76.9%
Profit/loss from joint ventures (Gas) <sup>(1)</sup>	7.5	7.5	1.1%
Interconnections income <sup>(2)</sup>	4.5	2.7	-39.0%
Revenues from trading	0.0	6.2	
<b>Other (non regulated) revenues:</b>			
Revenues from RENTELECOM	2.4	3.8	58.7%
Revenues from gas JV <sup>(1)</sup>	5.9	6.0	0.3%
Revenues from system services	1.9	1.9	0.2%
Other services	1.1	1.2	3.9%
Other income	1.9	3.0	58.2%
<b>Other operational costs:</b>	<b>11.1</b>	<b>11.2</b>	<b>0.9%</b>
Costs with ERSE	7.2	7.8	8.3%
Others	3.9	3.4	-12.8%

(1) - Values partially compensated by external supplies and services, with no effect on income

(2)- Includes costs with system services, TSO's interconnection settlement, with no effect on income

# 3Q10 main financial data

(€M)	3T09	3T10	Δ%
EBITDA	91.9	101.6	10.6%
Net financial income	-16.7	-16.5	-1.5%
Financial costs	-17.5	-19.5	11.5%
Income before taxes	52.8	36.0	-31.8%
Income tax	-12.5	-13.3	7.1%
Net income	40.2	22.6	-43.8%



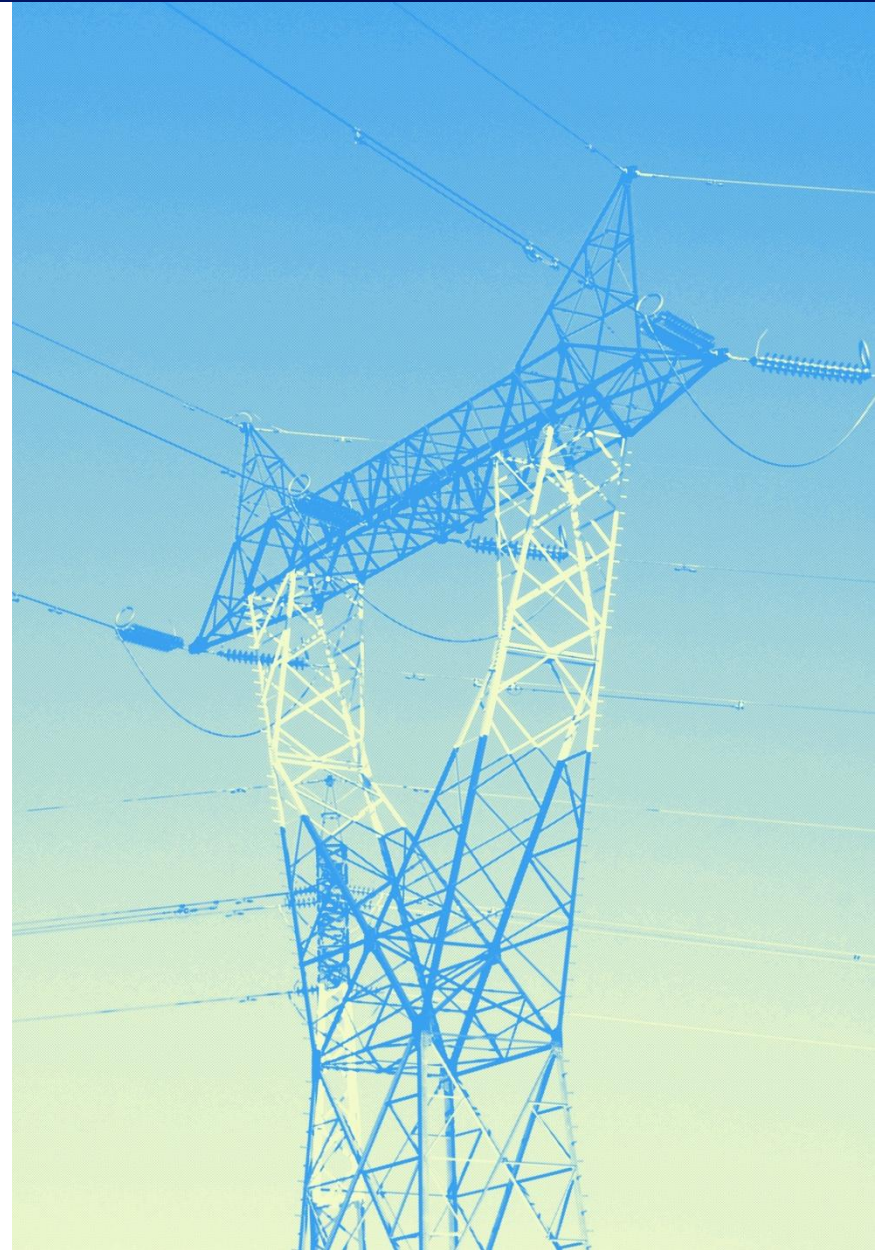
# Share of (loss)/profit of joint ventures

(€M)	
Subcontracts	16.14
Fees paid to Enagás	0.35
Fees	-1.49
O&M	-3.18
Interest	-0.44
Profit before income taxes	11.39
Taxes	-3.30
Net income	8.08
Share of profit from joint ventures	7.55
JV reserves	0.54





- Net Tariff deviations were worth €60.9M in the balance sheet at the end of the September of 2010.



# Statement of profit and loss (9M10)

(€M)	9M09	9M10	Δ%
<b>Operational revenues</b>	<b>478.8</b>	<b>598.3</b>	<b>25.0%</b>
Sales and services provided	394.2	560.3	42.2%
Other	84.7	38.0	-55.1%
<b>Operational cost</b>	<b>-275.7</b>	<b>-423.0</b>	<b>53.4%</b>
External supplies and services	-58.5	-53.3	-9.0%
Personnel	-35.4	-33.4	-5.5%
Depreciation	-103.9	-126.7	21.9%
PPA's costs	-66.8	-186.0	178.4%
(Provisions) / reversions	0.0	-12.5	
Other operational costs	-11.1	-11.2	0.2%
<b>EBIT</b>	<b>203.1</b>	<b>175.3</b>	<b>-13.7%</b>
<b>Net financial income</b>	<b>-44.8</b>	<b>-52.1</b>	<b>16.2%</b>
Financial costs	-55.8	-58.0	3.9%
Financial income	7.6	2.1	-72.6%
Investment income - Dividends	3.3	3.8	13.6%
<b>Income before taxes</b>	<b>158.3</b>	<b>123.2</b>	<b>-22.2%</b>
<b>Income tax expense</b>	<b>-42.0</b>	<b>-44.0</b>	<b>5.0%</b>
<b>Net income</b>	<b>116.3</b>	<b>79.2</b>	<b>-31.9%</b>

(€M)	2009	9M10
Fixed Assets	3 452	3 530
Goodwill	4	4
Financial assets	109	139
LT Receivables	82	124
ST Receivables	554	356
Inventories	24	23
Cash	70	61
<b>Total Assets</b>	<b>4 294</b>	<b>4 237</b>
Shareholders Equity	997	981
Debt (end of period)	2 209	2 234
Provisions	75	81
LT Payables	491	538
ST Payables	522	403
<b>Total equity and liabilities</b>	<b>4 294</b>	<b>4 237</b>

# Disclaimer

This presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation do not constitute, or form part of, a public offer, private placement or solicitation of any kind by REN, or by any of REN's shareholders, to sell or purchase any securities issued by REN and its purpose is merely of informative nature and this presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation may not be used in the future in connection with any offer in relation to securities issued by REN without REN's prior consent.



Visit our web site at [www.ren.pt](http://www.ren.pt)

or contact us:

Av. EUA, 55

1749-061 Lisbon

Telephone: +351 210 013 546

[ir@ren.pt](mailto:ir@ren.pt)