RESULTS PRESENTATION

1H 2017

July 27th, 2017

HIGHLIGHTS

- In the first half of 2017, **EBITDA** rose by €2.5M (1.0%) to €242.7M, reflecting the contribution from the 42.5% Electrogas' stake acquired by REN in the first quarter of the year. However, it was negatively affected by a drop in the gas regulatory asset base remuneration (€-7.4M vs 1H16);

- **Net Profit** increased by €12.4M (30.7%), standing at €53.0M, while **Recurrent Net Profit** grew by €14.4M (21.7%) to €80.9M. The positive results were supported by REN's operational efficiency but mostly by stronger **Financial Results**. These improved by €14.2M (34.0%) to €-27.5M, strengthened by the steady decline in the average cost of debt (to 2.6% from 3.5% in 1H16);

- **Net Debt** stood at €2,577.4M, showing a small 4.0% increase when compared with the end of 2016 despite the purchase of Electrogas (€169.3M). As in recent years, undermining REN's results were the costs incurred with the extraordinary energy sector levy (€25.8M in 2017);

- Total **CAPEX** reached €41.0M and **Transfers to RAB** amounted to €2.3M (€-9.4M). **Average RAB** stood at €3,470.3M (€-52.5M);

- With the purpose of financing the announced acquisition of EDP Gás (EDPG), in 11th May 2017, REN and REN Finance B.V. entered into a **financing agreement** with a syndicate of banks, in the amount of €532.0M, with extension options. EDPG's acquisition is being subjected to standard legal and regulatory approvals, which are expected to be accomplished shortly.

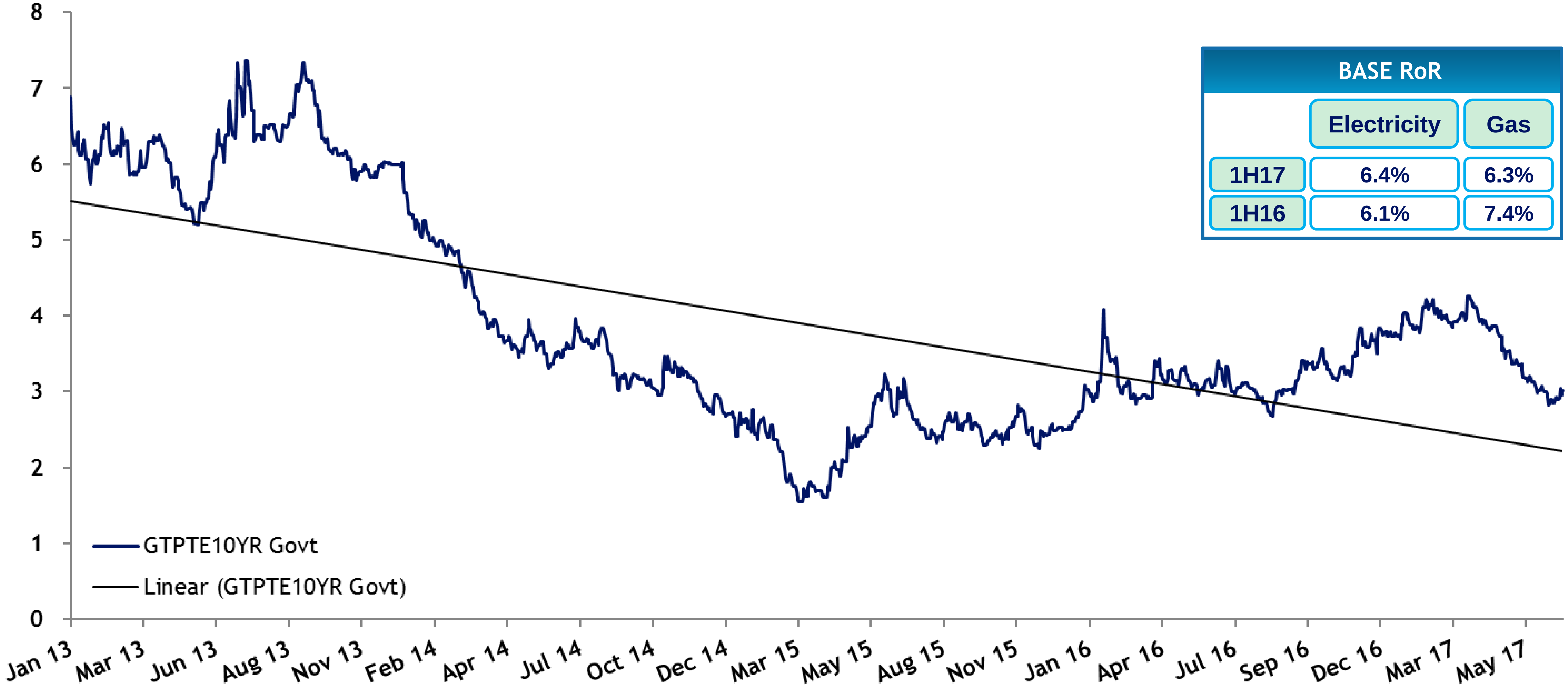
RESULTS AT A GLANCE

€M	2Q17	1H17	1H16	Δ%	Δ Abs.
EBITDA	119.1	242.7	240.2	1.0%	2.5
Financial Result	-12.0	-27.5	-41.7	34.0%	14.2
Net Profit	39.5	53.0	40.5	30.7%	12.4
Recurrent Net Profit	41.6	80.9	66.5	21.7%	14.4
Average RAB	3,470.3	3,470.3	3,522.8	-1.5%	-52.5
CAPEX	27.8	41.0	37.6	8.9%	3.3
Net Debt	2,577.4	2,577.4	2,526.5	2.0%	50.9

EVOLUTION OF PORTUGUESE 10Y BOND YIELDS

With a slight increase versus 1H16

PT 10Y Treasury Bond Yields

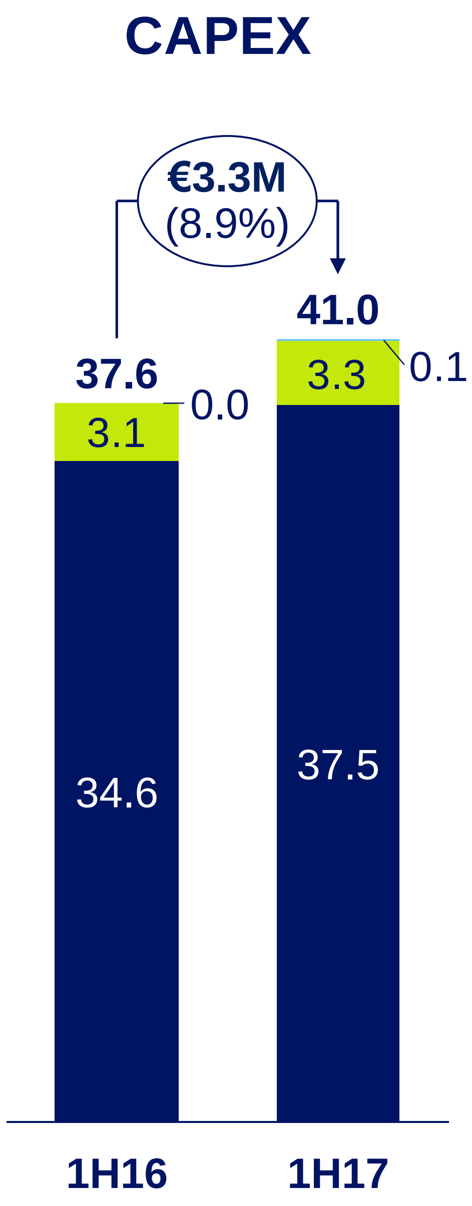


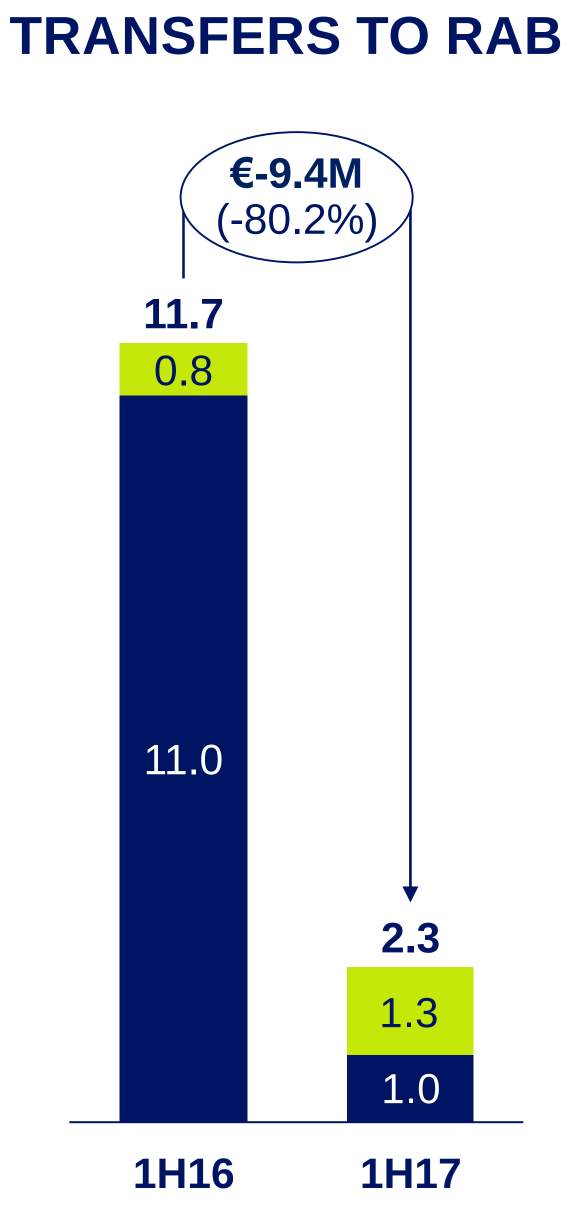
BASE RoR	Electricity	Gas
1H17	6.4%	6.3%
1H16	6.1%	7.4%

Source: Bloomberg, REN

CAPEX WAS STABLE DURING THE FIRST SIX MONTHS

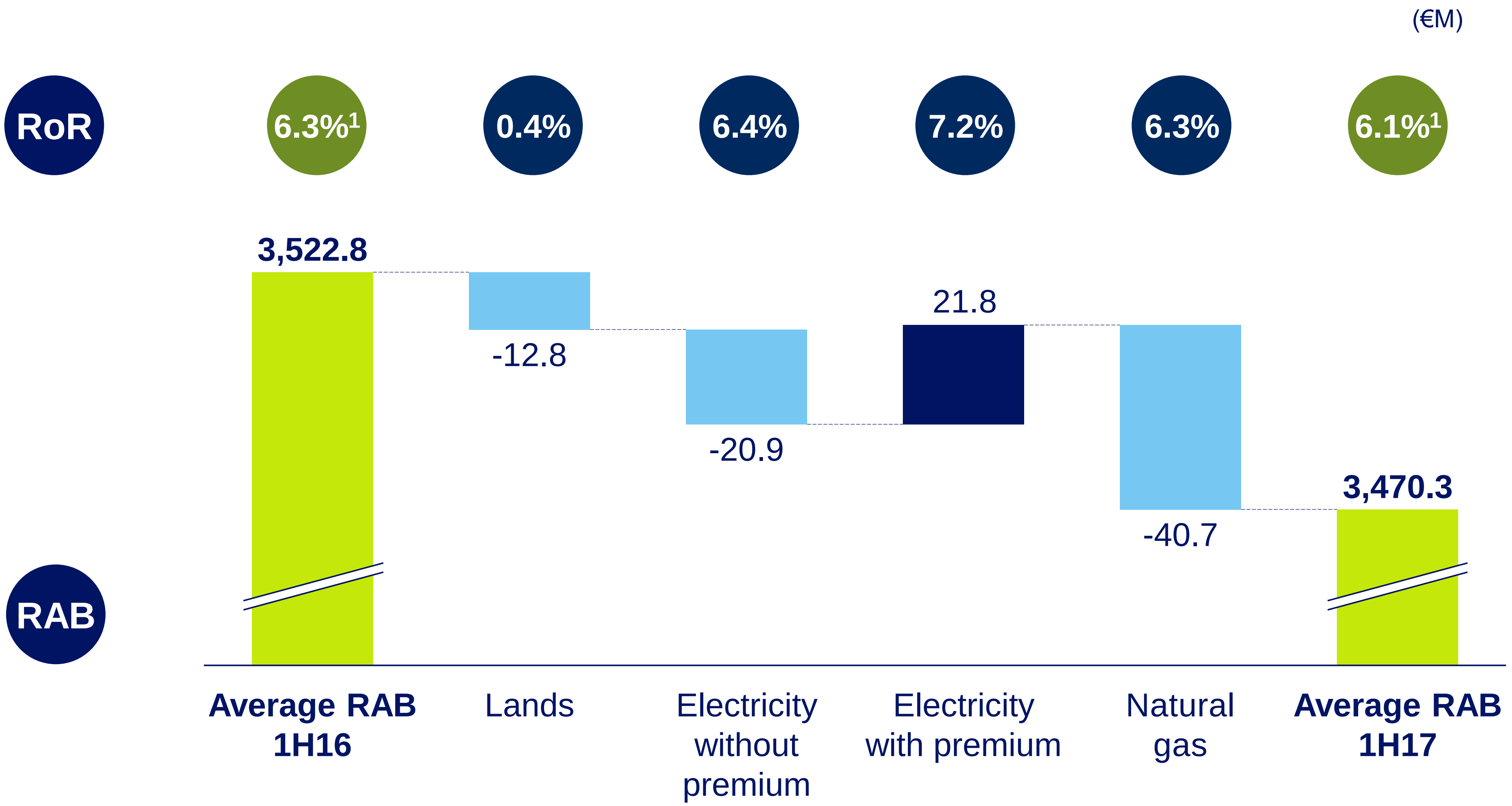
RESULTS PRESENTATION





Other
Natural gas
Electricity

AVERAGE RAB DECLINED BY 1.5%



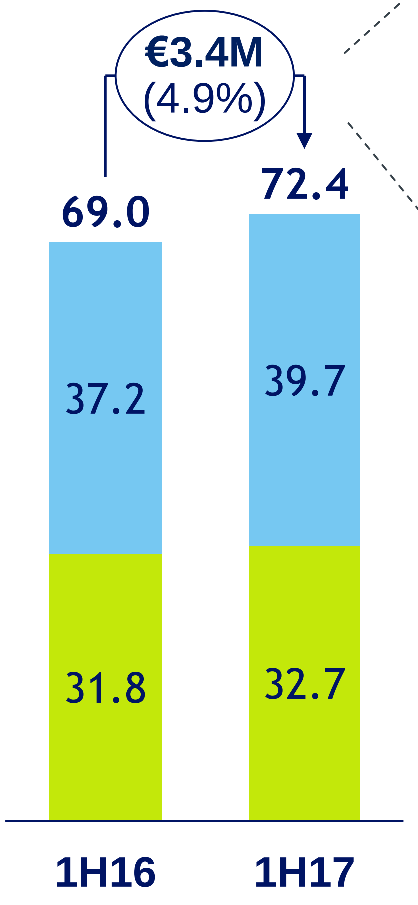
1) RoR is equal to the specific asset remuneration, divided by the average RAB.

RAB REMUNERATION WAS €4.0M LOWER THAN IN 1H16

Despite the increase in the electricity return on RAB (€3.4M)

RAB REMUNERATION ELECTRICITY

(ex. lands)
(€M)



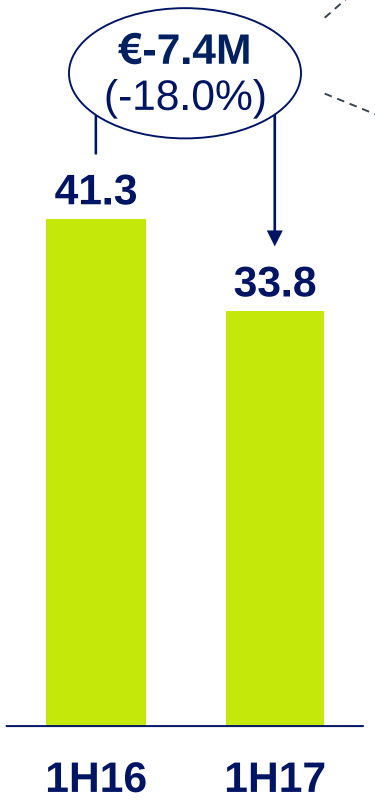
Electricity with premium
Electricity without premium

€0.1M — Impact from the change in **asset mix** – assets with premium increased to 52% in 1H17 from 51% in 1H16 (the **asset base** increased by €0.9M to €2,129.1M).

€3.3M — Impact from the change in the **rate of return** – to 7.16% from 6.85% in assets with premium, and to 6.41% from 6.10% in assets without premium.

RAB REMUNERATION NATURAL GAS

(ex. tariff smoothing effect)
(€M)

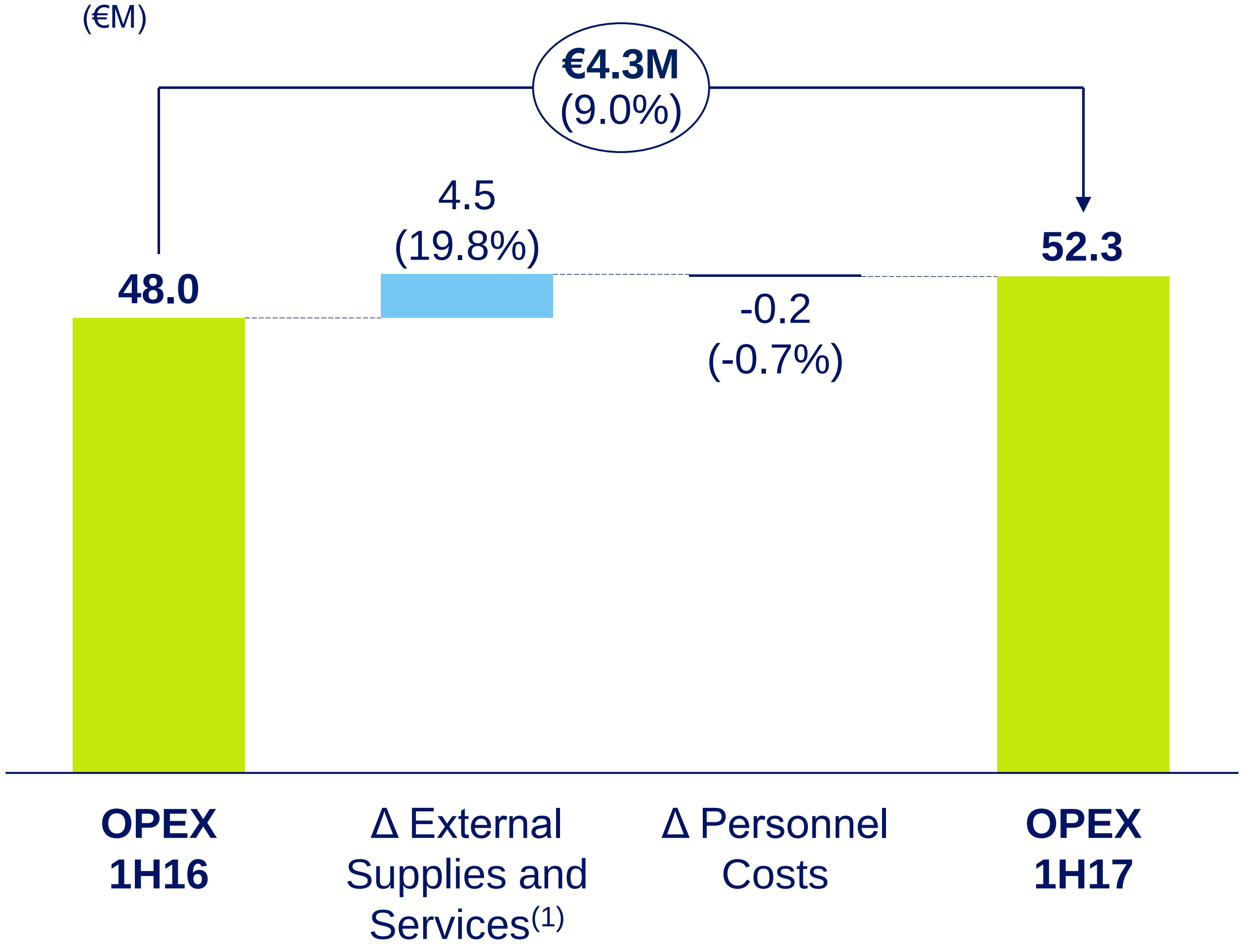


€-6.2M — Impact from the decrease in the **rate of return**, to 6.25% from 7.35%.

€-1.3M — Impact from the €40.7M decrease in the **asset base**, to a total of €1,082.5M.

OPEX GREW BY €4.3M

OPERACIONAL COSTS



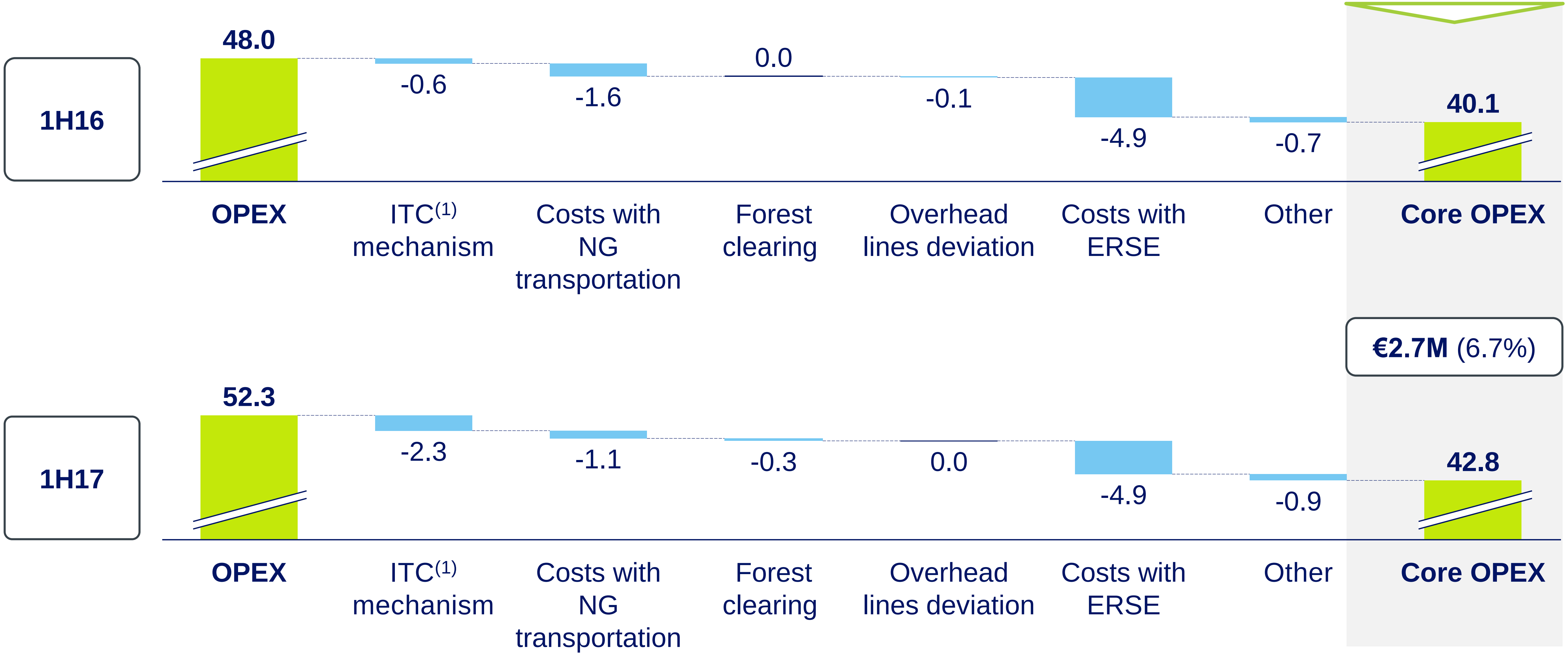
- The **External Supplies and Services** upsurge was mainly due to: (1) €1.9M from the EDPG (currently underway) and Electrogas acquisitions; (2) €1.0M from electricity costs related to the increase in the LNG Terminal activity; and (3) €1.6M of pass-through costs (mainly cross-border costs).

(1) Includes Δ€0.4M of Other Operating Costs.

CONTROLLABLE COSTS ROSE BY €2.7M

CORE OPEX

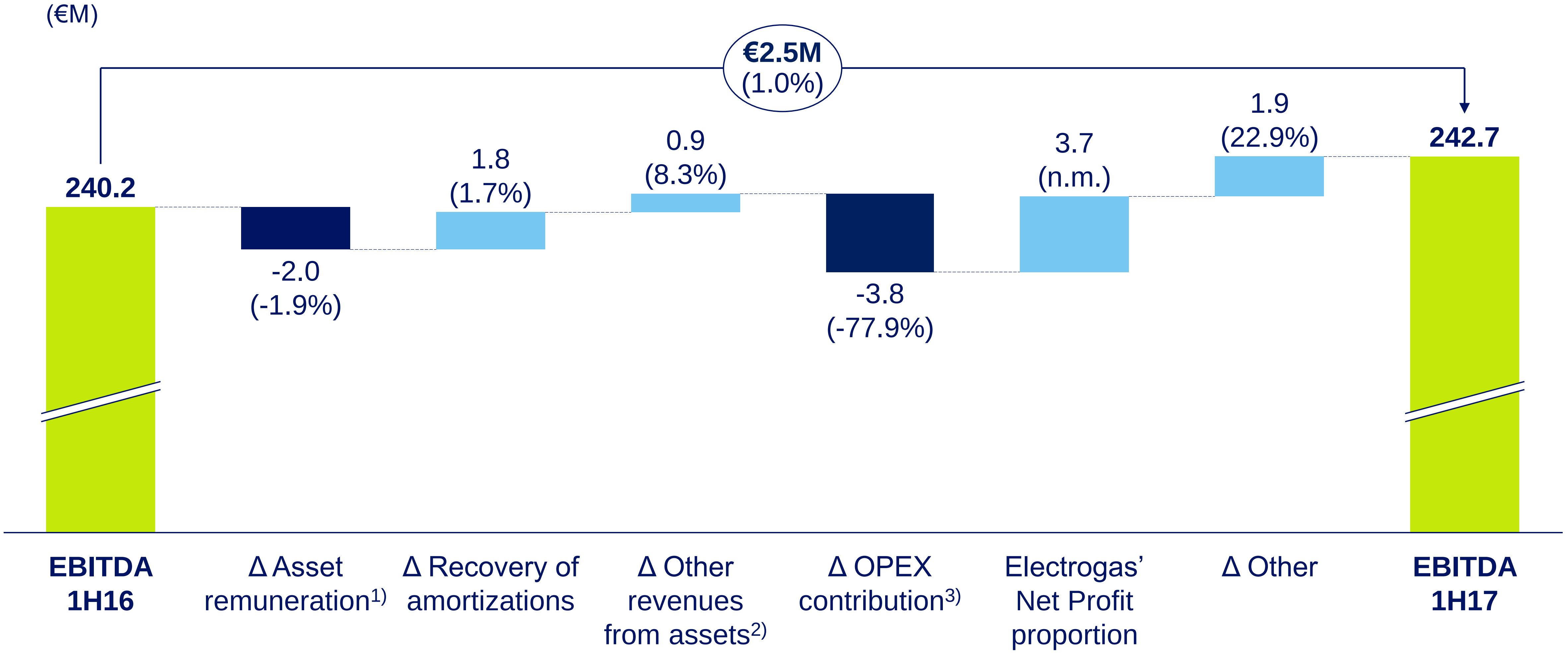
(€M)



(1) ITC - Inter Transmission System Operator Compensation for Transits.

EBITDA GREW BY €2.5M TO €242.7M

Electrogas contributed with €3.7M

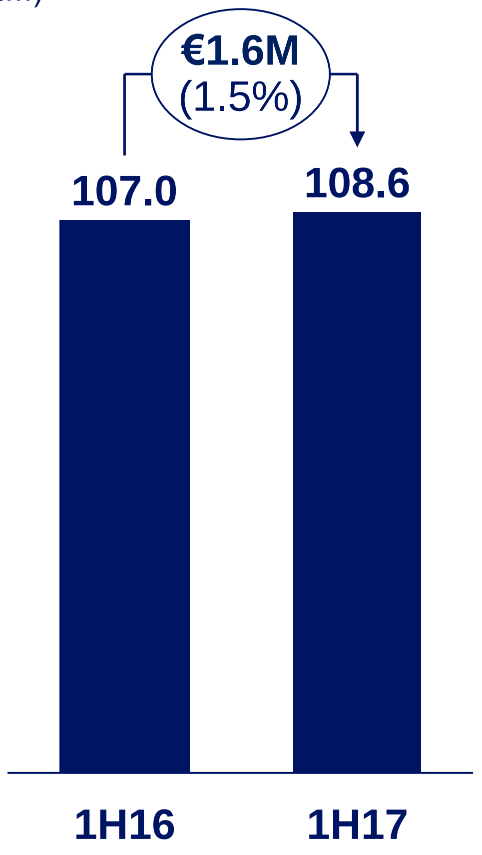


(1) Includes Δ€2.0M of NG tariff smoothing effect;
(2) Includes Δ€0.9M of Remuneration of fully amortized assets;
(3) Includes €1.2M and €0.7M related to the one-off costs with Electrogas and EDPG acquisitions (respectively) and Δ€-1.0M of OPEX own works.

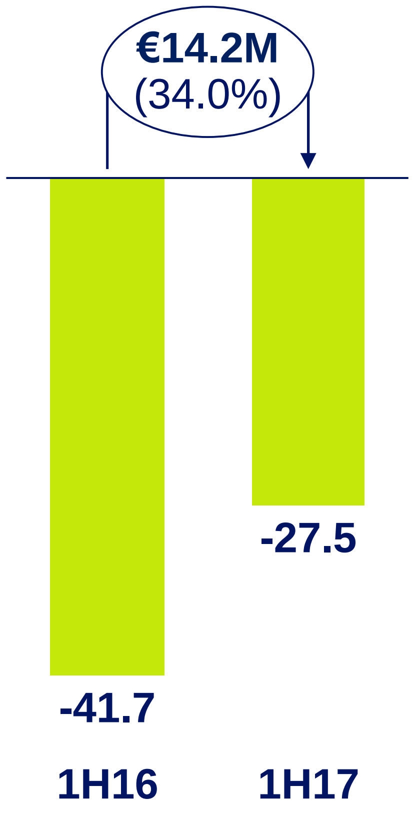
BELOW EBITDA
Financial Results improved by 34.0%

RESULTS PRESENTATION

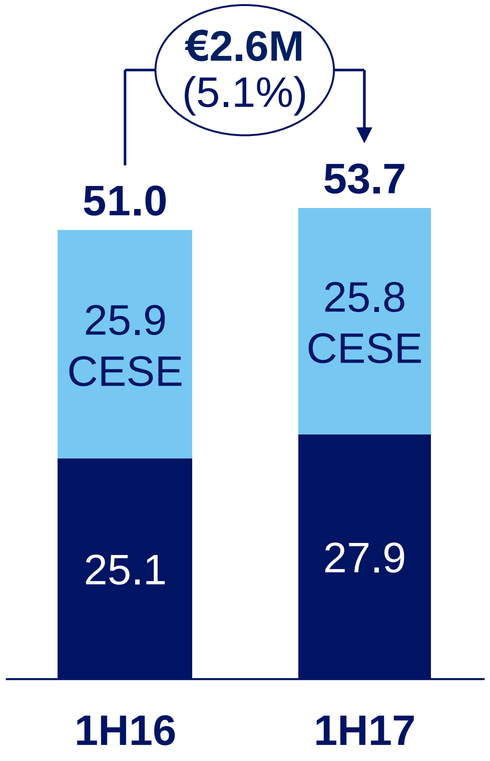
DEPRECIATIONS AND AMORTIZATIONS
(€M)



FINANCIAL RESULTS
(€M)



TAXES
(€M)



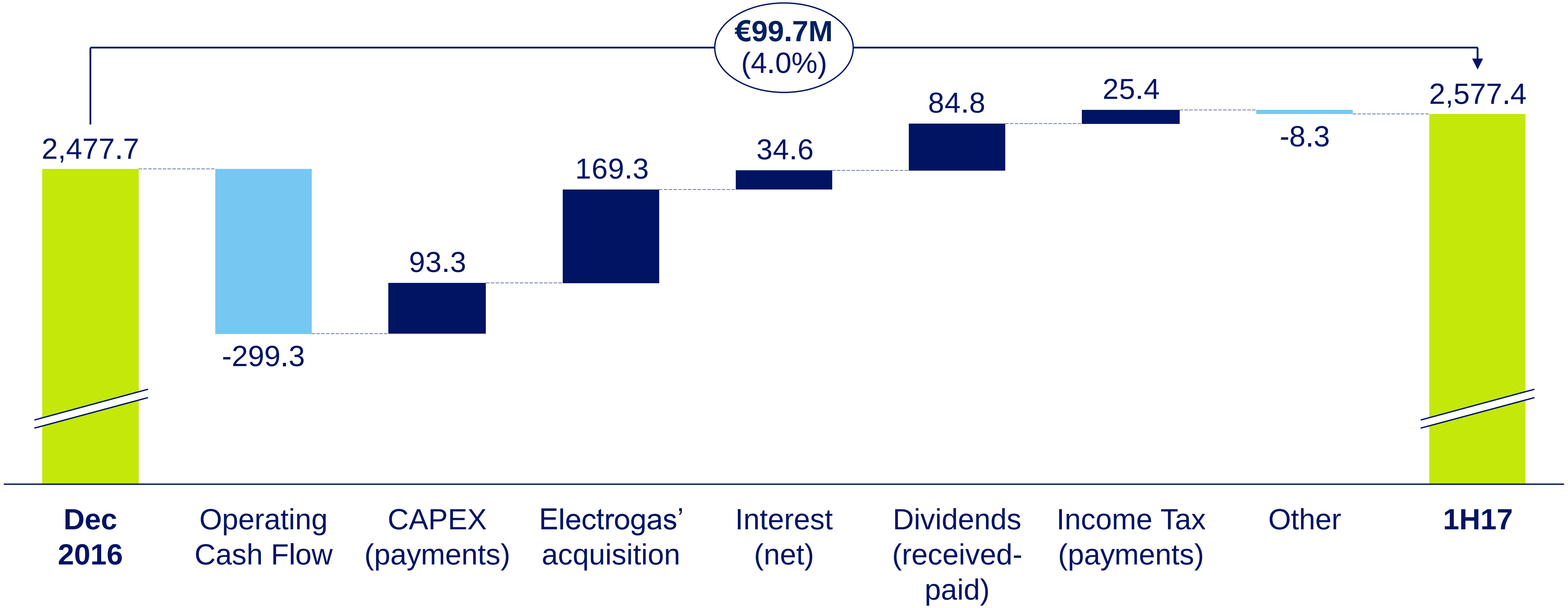
NET DEBT STOOD AT €2,577.4M (4.0% vs 2016)

Tariff deviations had a positive effect of €72.7M

RESULTS PRESENTATION

NET DEBT

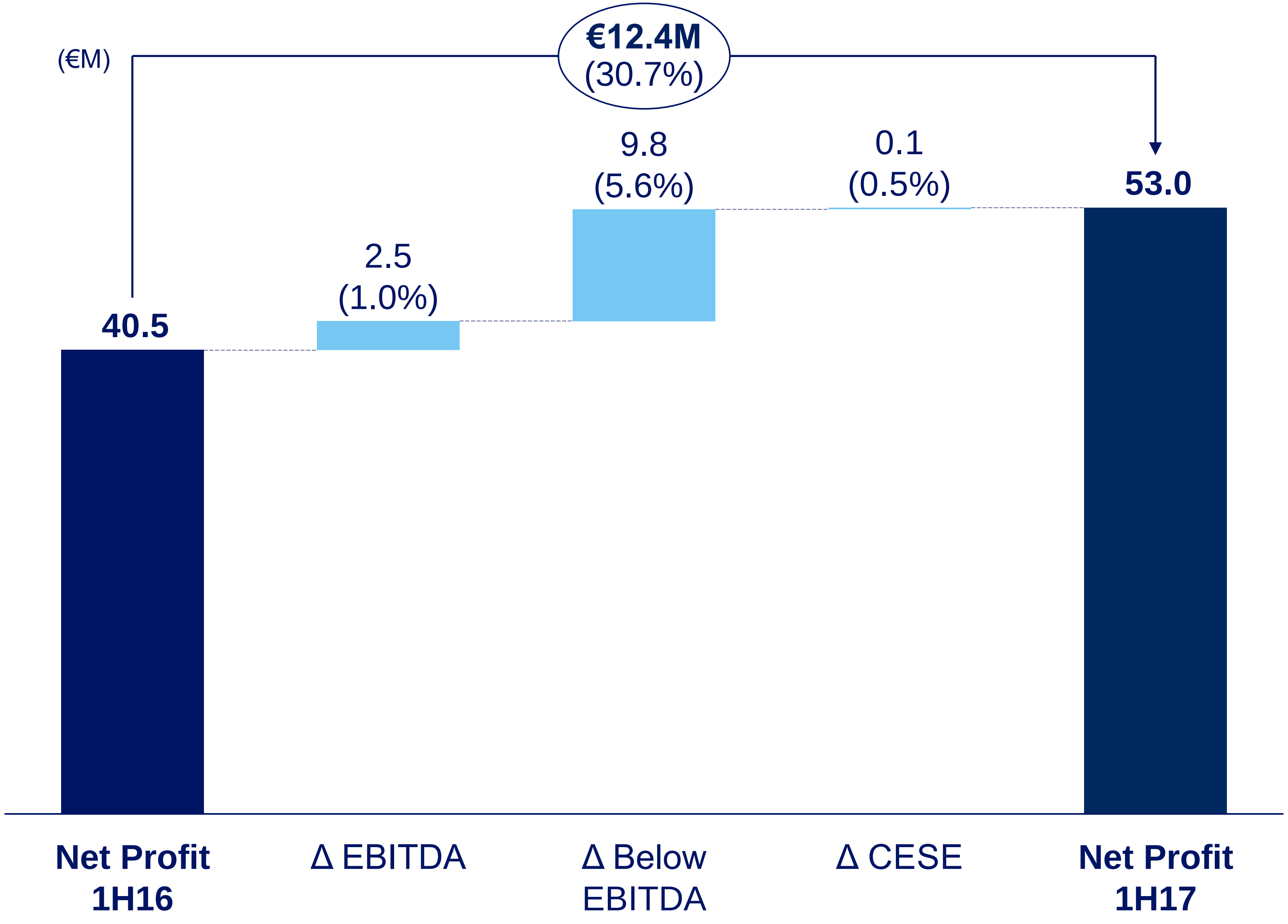
(€M)



- **Average cost of debt** displayed a steady improvement across 2017 (2.6% in 1H17 vs 3.2% in the end of 2016);
- **FFO/Net Debt** ratio stood at 11.2%.

NET PROFIT GREW BY €12.4M

With gains in operational and financial activities



FINAL REMARKS

- In 1H17, REN achieved a sound set of operating results, with Electrogas also adding value. This, together with improved financial results led to a growing Net Profit and Recurrent Net Profit;

- REN's results were nevertheless penalized by the special levy on energy companies and the reduction in gas asset remuneration;

- With the purpose of financing the expected acquisition of EDPG, the second biggest gas distribution company in Portugal, in May 2017, REN entered into a financing agreement[(1)], in the amount of €532.0M. Once the transaction is approved, a capital increase and a bonds' issue will follow. EDPG acquisition will reinforce REN's local business focus, without compromising REN's strong financial and credit profile maintaining the alignment with REN's ongoing strategic framework.

1) Arrangers: J.P. Morgan Limited, Banco Santander Totta, S.A. and Caixa – Banco de Investimento, S.A.

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