

INVESTOR DAY 2012

LISBON | 9th November



REN team: Today's speakers

<p>Rui Cartaxo Chief Executive Officer</p>	<p>Overview and strategic challenges</p>	<p>10h30 / 11h00</p>
<p>João Faria Conceição Chief Operating Officer</p>	<p>Market trends and regulation update Strategic plan</p>	<p>11h00 / 11h30</p>
<p>Maria José Clara General Manager Shan Shewu General Manager / CTO</p>	<p>Overview of European energy integration REN - State Grid strategic partnership</p>	<p>11h30 / 12h00</p>
<p><i>Coffee Break 12h00 / 12h15</i></p>		
<p>Gonçalo Morais Soares Chief Financial Officer</p>	<p>Company objectives and financing considerations for 2012–2016</p>	<p>12h15 / 12h45</p>
<p>Rui Cartaxo Chief Executive Officer</p>	<p>Summary conclusions</p>	<p>12h45 / 13h00</p>
<p><i>Q&A 13h00 / 13h20</i></p>		
<p><i>Lunch 13h20 / 14h30</i></p>		

Agenda

Rui Cartaxo Chief Executive Officer	Overview and strategic challenges
João Faria Conceição Chief Operating Officer	Market trends and regulation update
	Strategic plan
Maria José Clara General Manager Shan Shewu General Manager / CTO	Overview of European energy integration
	REN - State Grid strategic partnership
<i>Coffee Break</i>	
Gonçalo Morais Soares Chief Financial Officer	Company objectives and financing considerations for 2012–2016
Rui Cartaxo Chief Executive Officer	Summary conclusions
<i>Q&A</i>	
<i>Lunch</i>	

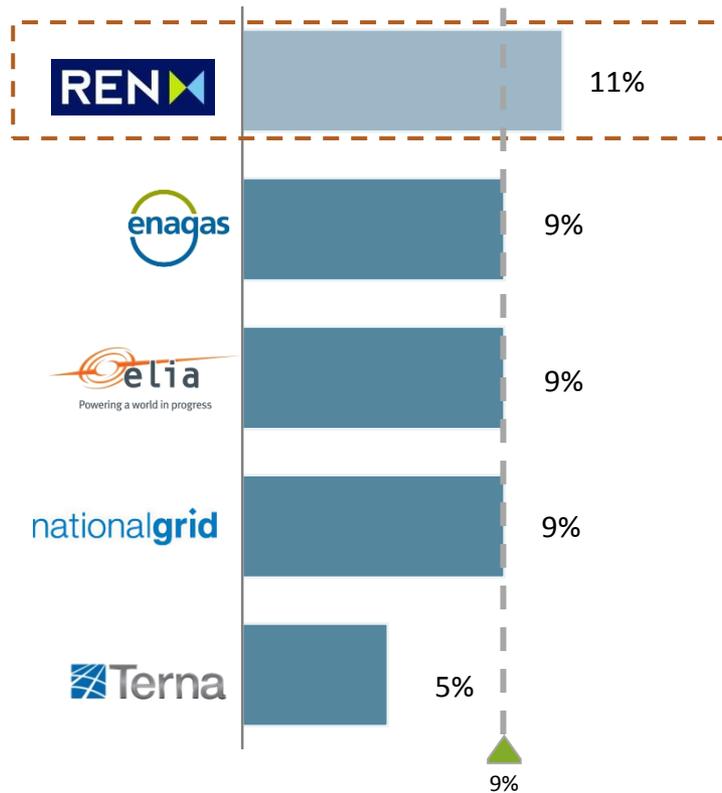
In REN's Investor Day in November 2010 we presented our Business Plan for 2010-2016 and committed to a set of targets

Business Plan 2010—2016E (CAGR '09-'16)		Actual results 2010—2011 (CAGR '09-'11)		Achieved?
RAB	7%	RAB	7.3%	✓
EBITDA	9%	EBITDA	10.9%	✓
Net income	9%	Net income	10.0%	✓
Funding	Focus on medium / long term instruments	Funding	<ul style="list-style-type: none"> Maturity increase Diversified sources 	✓

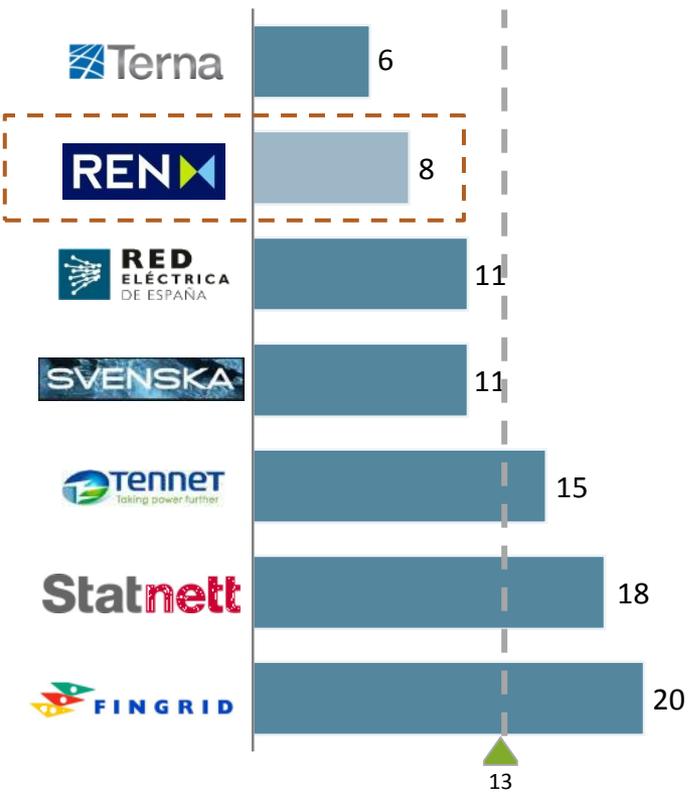
Today we can claim that the company's performance has met its commitments

Since 2007 REN has delivered substantial EBITDA growth and industry-leading efficiency...

EBITDA CAGR % 2007–2011¹⁾



Total opex²⁾ per length of network '000
€/equivalent km 2011



Source: REN, public information

¹⁾ Excluding Red Electrica and Snam due to inorganic growth

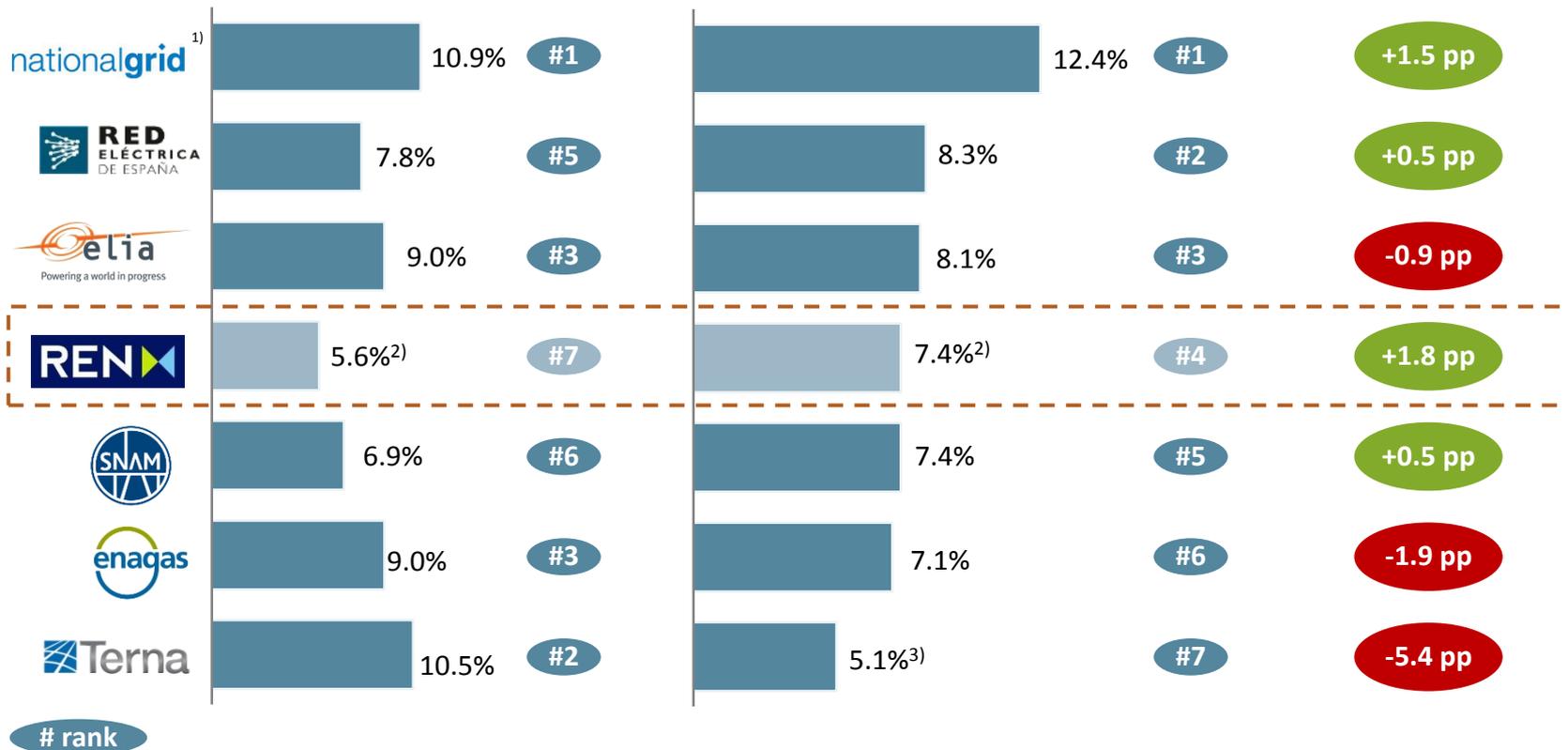
²⁾ Adjusted for differences between costs of labor in each company and for differences in the network topology of the different companies, although not fully adjusted for possible differences in accounting criteria

...leading to a significant improvement in ROIC, now in line with most peers

ROIC % 2007

ROIC % 2011

Δ pp. 2007–2011



Source: Annual Reports

¹⁾ Last available data from 2010

²⁾ Adjusted for non-recurrent incomes, for land donations and for assets non-transferred to RAB

³⁾ Includes the effect of the 6.5% Robin Hood tax introduced in 2008 and posterior increase to 10.5% in 2011 (temporary - for 3 years)

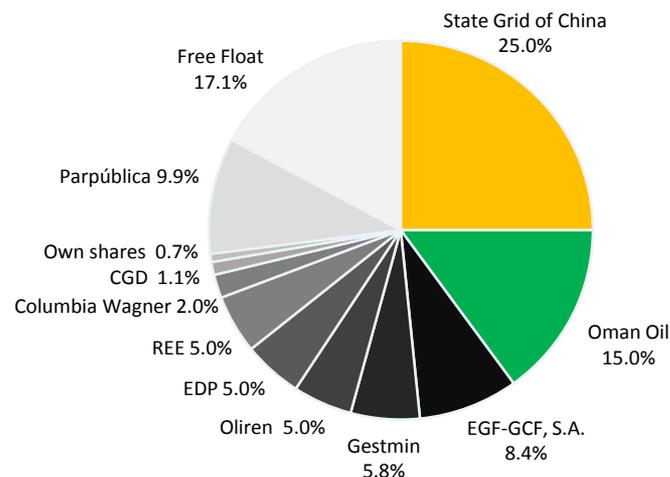
Note: ROIC = NOPLAT (Net Operating Profit Less Adjusted Taxes (EBITx(1-tax ratio)) / Average invested capital)

Since the first half of 2011 REN's context has changed

A more challenging macro environment...

- The eurozone has entered into an economic slowdown period that impacted worldwide macro perspectives
- Portugal entered into a bailout program, following Greece and Ireland
- Volatile capital markets
- Government undertook the 2nd phase of REN's privatization...

...and a stronger shareholder structure



- ...and REN welcomed two new shareholders, with a strong commitment to long term value creation

New shareholders open global perspectives

SGID



Main Industrial Strategic partner

- Endorses REN's international expansion with tangible opportunities as investor and/or service provider, particularly in Brazil, Angola, Mozambique and China
- Further develops REN's technological capabilities
- Contributes significantly to refinance REN's debt and to fund its CAPEX plan

OOC



Financial Strategic Partner

- Endorses REN's international expansion, particularly in the Sultanate of Oman and the GCC region
- Enhances REN's value by creating compelling opportunities in the medium term

Renewed shareholder base

Strong partners for international expansion

Improves REN's credit profile

Complementary strategic partnerships create a strong and stable shareholder structure

What are our competitive advantages?

1

A wide range of business activities

- Integrated TSO for Electricity and Natural Gas
- System Operator track record and capabilities
- Development of the Iberian integrated electricity transmission market in partnership with REE
- Large scale renewable energy integration

2

High efficiency and top quality in operations

- Above-average operational efficiency, both in electricity and gas
- Superior technical performance (e.g. energy not supplied, interruption time)

3

Strategic partnerships with State Grid and Oman Oil

- Financial strength
- Complementary technical skills
- Leading global industrial player as main shareholder

4

REN's cultural proximity with a set of high growth emerging markets

- Austral Africa (Mozambique and Angola)
- Brazil
- Other countries in LatAm

REN Strategic Plan guidelines for 2016

Strategic priorities



Growth

Continue track record of growing EBITDA and net income



Profitability

Ensure adequate return on capital above REN's WACC



Diversification/ Internationalization

Dilute exposure to Portugal focusing capabilities and deployment of capital towards international opportunities



Financial strength

Reduce debt ratios, optimize cost of capital, extend average maturity and improve liquidity position

Strategic Plan guidelines

Ensure profitable growth

- Adjusted capex plan for Portugal
- Promote and ensure fair and incentives-based regulation for electricity and gas
- Increase opex and capex efficiency
- Invest cautiously in new geographies and benefit from opportunities brought by the new strategic partners

Diversify risk and improve credit profile

- Diversify investments and revenue sources
- 2 years funding coverage
- Ensure funding access at a competitive cost from a diversified funding mix
- Progressively improve credit metrics

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Market trends in transmission

Key trends

- Significant growth / investment opportunities, especially in emerging markets
- Europe with two different growth paces between Northern and Southern Europe, initiating a structuring / consolidation program and offering some opportunities in needed interconnections
- Regulation in Europe generally evolving towards wider scope incentive mechanisms, although still with some risks going forward
- Due to financial crisis, most TSOs have pursued a reduction of their debt ratios, although these remain above those of integrated utilities

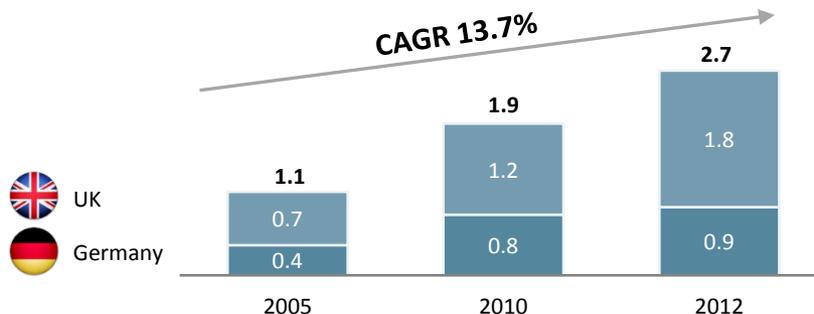
Responses of key players

- TSOs are responding to regulators' incentives, e.g. launching performance improvement programs
- Some TSOs have initiated expansion abroad (outside local market), with consolidation occurring in Northern Europe
- New entrants (e.g. construction companies, EPC players) trying to capture the opportunity in emerging markets

Investments in transmission are expected to grow at a different pace in Northern and Southern Europe...

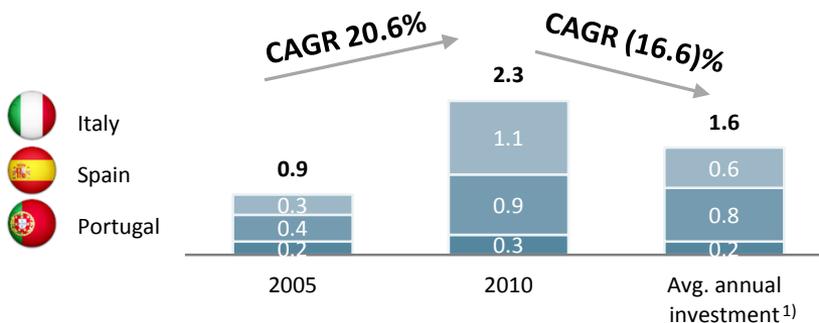
Investments in transmission (€bn 2005—2012)

Northern Europe



- Continued growth due to change in generation mix:
 - Connection of wind (offshore)
 - Connection of new plants (e.g. CCGTs in UK)

Southern Europe



- Investment slowdown mainly due to
 - Demand stagnation
 - Slowdown of renewable penetration and new connections' requirements

Source: Sector presentations, OFGEM, public information
¹⁾ 2012 onwards

...although energy transmission infrastructure is essential to integrate diversified regional energy profiles

Transmission infrastructures are key for regional integration

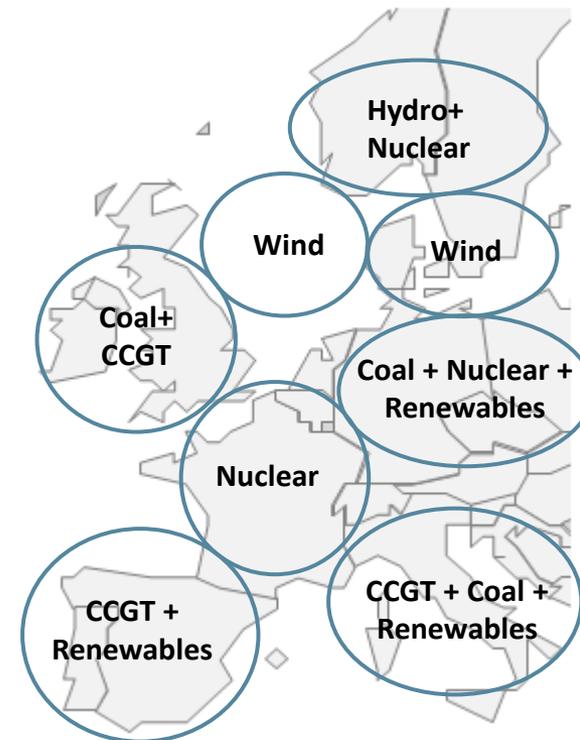
- Geographic specialization in different production technologies and high RES penetration in Europe
- Increase in transmission capacity N-S and W-E at EU level

Strong penetration of renewables in Iberia

- Portugal has already an important share of renewable generation
- Iberia will be key in the interconnection of the solar generation in North Africa
- Increase in exchange capacity across ES-FR frontier

Interconnection bottlenecks

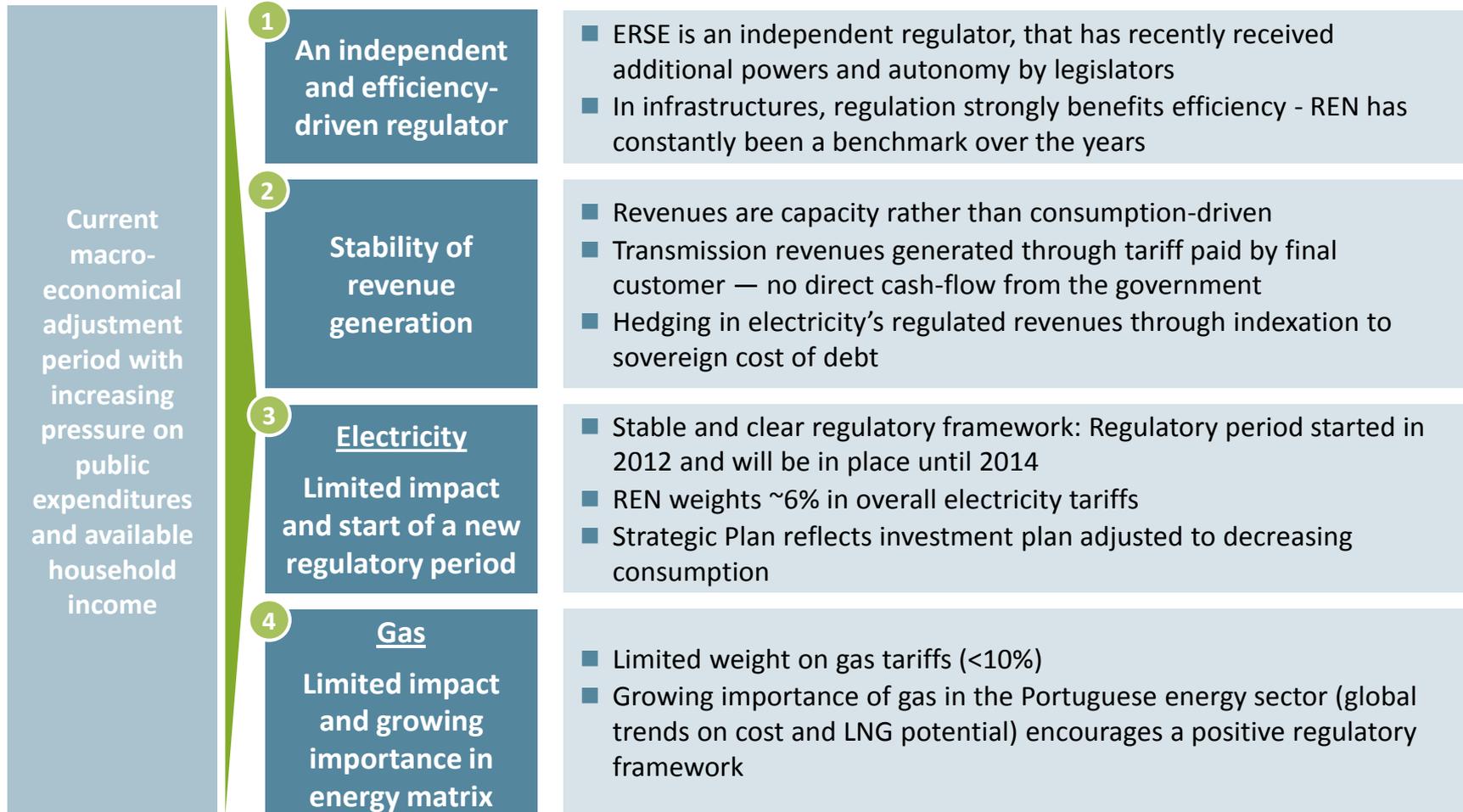
- Iberia is almost an electrical island: ES-FR current interconnections capacity (max 1,400MW is insufficient)
- Increasing ES-FR capacity to 4,000MW by 2020 is key



Interconnection and inner grid capacities are currently insufficient for EU energy goals

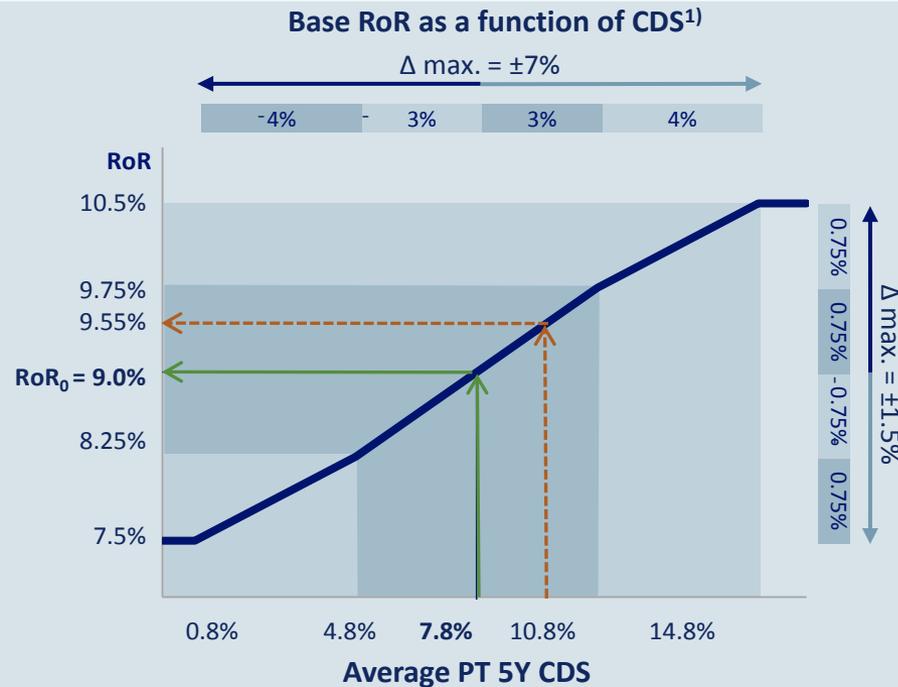
Source: Portuguese "National Renewable Energy Action Plan" (2010); ENTSO-E's "Ten Year Network Development Plan" (2010)

The current political and economic context in Portugal has limited impact on REN's fundamentals



There has been a solid improvement in the Electricity Regulatory Model...

Electricity rate of return (2012-2014)



- RoR calculated as a function of the average Portuguese 5 year CDS between October 1st year (t-1) and September 30th year (t)
- The final base RoR for 2012 is 9.55% (11.05% for assets with premium)

Gas rate of return (model review in July 2013)

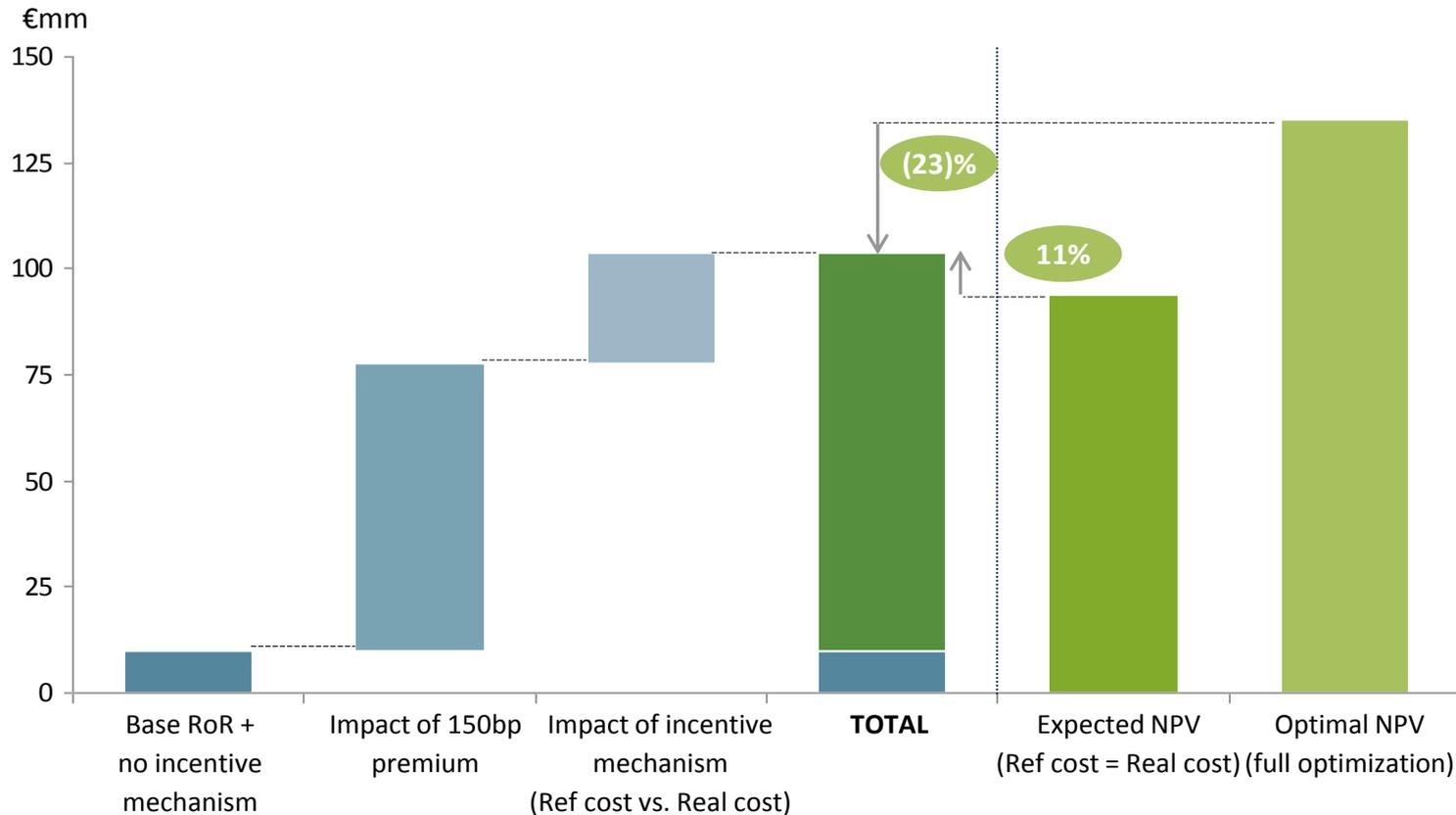
- Although currently the Gas regulation establishes a fixed RoR (8%), improvements in the new regulatory model (review due in 2013) are expected

Source: REN

¹⁾ In case the value of Portuguese Republic CDS increases (decreases) between 0% and 3%, RoR will be subject to a step up (step down) of between 0% and 0.75%. If the referred value goes up (down) between 3% and 7%, the RoR will be increased (reduced) up to plus (minus) 0.75%, up to the total variation limit of $\pm 1.5\%$. Therefore, assets' remuneration rate effectively occurring in 2012 will only be known in October of that year

...reinforced by a good performance related to the electricity capex incentive mechanism

REN-NPV of all electricity projects put into service between 2009–2011

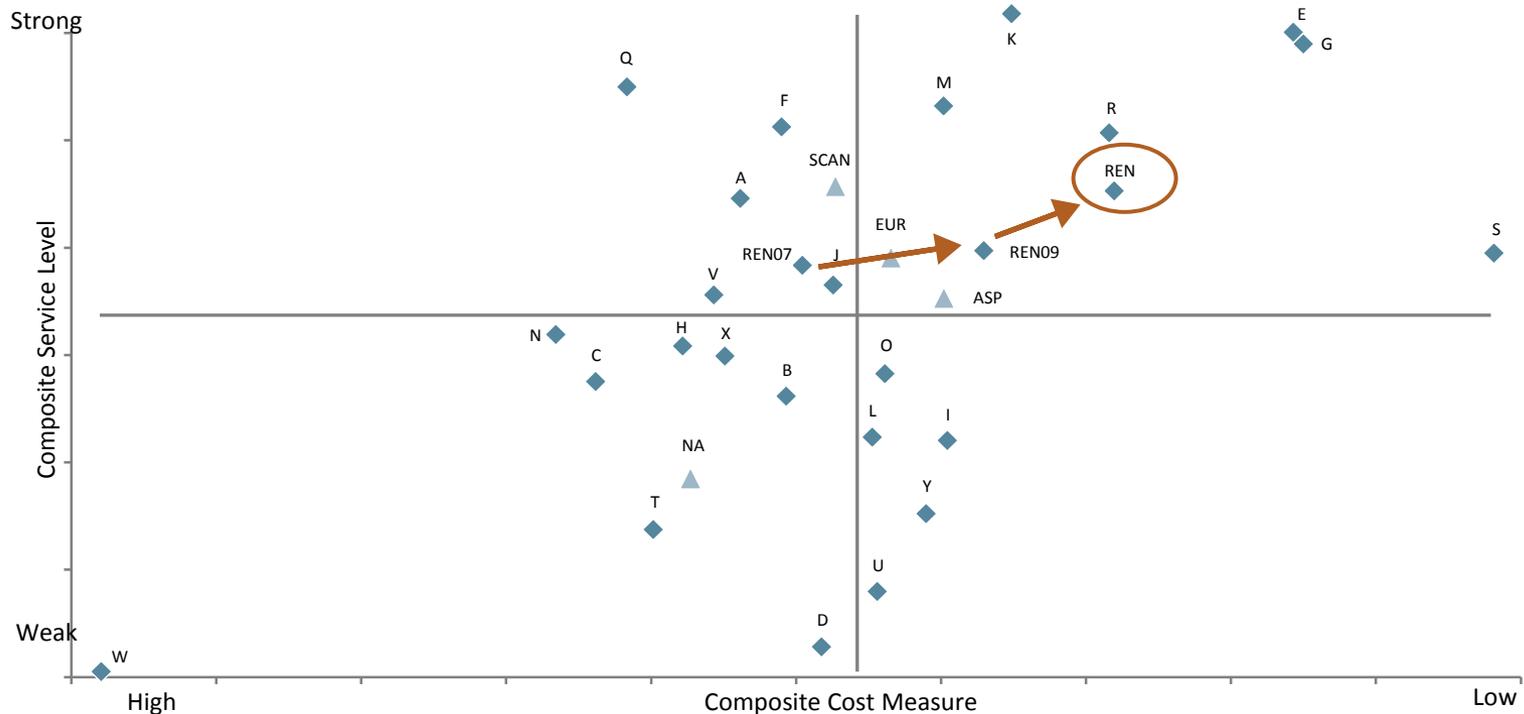


REN is already capturing the majority of Capex incentives

REN has become a top performer in operational efficiency

Overall ITOMs service level and maintenance cost benchmark (electricity) – 2011

Overall Composite Performance Scatter Plot



Source: ITOMs

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Rationale for the Strategic Plan 2012–2016

1

Change in market environment

- Effects of Portuguese bail-out (April 2011) impacting energy demand
- Reduced potential for domestic growth
 - Lower infrastructure investments
- Stabilization of perceived macro risk is resulting in lower CDS trading and impacting RoR

2

Evolution of REN's profile

- New strategic partners helping to raise REN's profile and underpinning the drive for internationalization
- Conclusion of significant capex programme (2009–2012), though still with important investments to be performed
- Continued efficiency improvements (both in capex and opex)

3

Drive into diversification & internationalization

- Full scope transmission expertise and technical capabilities a strong platform to build upon
- Solid, stable revenue base in Portugal supporting drive to expand abroad both through greenfield and M&A
- Disciplined approach based on financial prudence and minimum return requirements

The substantial shift in environment conditions over the last two years, has compelled REN to establish a new Strategic Plan with modest domestic growth complemented by disciplined international expansion



Regulation remains a key priority

Regulation

Electricity

- Maintain current regulatory framework
- Further optimize current incentives
 - E.g., considering some profit sharing mechanism for OPEX that extends the retention period of efficiency gains beyond the current regulatory period



Gas

- Increase and index current RoR
- Ensure adequate incentives for efficiency improvement (e.g. Adjust opex recovery to controllable costs)
- Ensure level playing field within future Iberian Market



Continued focus on capex and opex optimization



Capex Optimization

- **Capex / opex trade off** by ensuring effective balance of capex and opex initiatives

- **Network planning:** systematic methodology to prioritize projects and model future network developments
- **Project design:** identify more efficient solutions and avoid “goldplating” proposals
- **Material / equipment procurement:** optimize procurement process and further improve proposal evaluation system
- **Contractual model:** enhance sophistication aligning incentives and conducting more granular negotiations
- **Monitorization of construction and execution:** sharing KPIs and creating tools to further enhance cost transparency

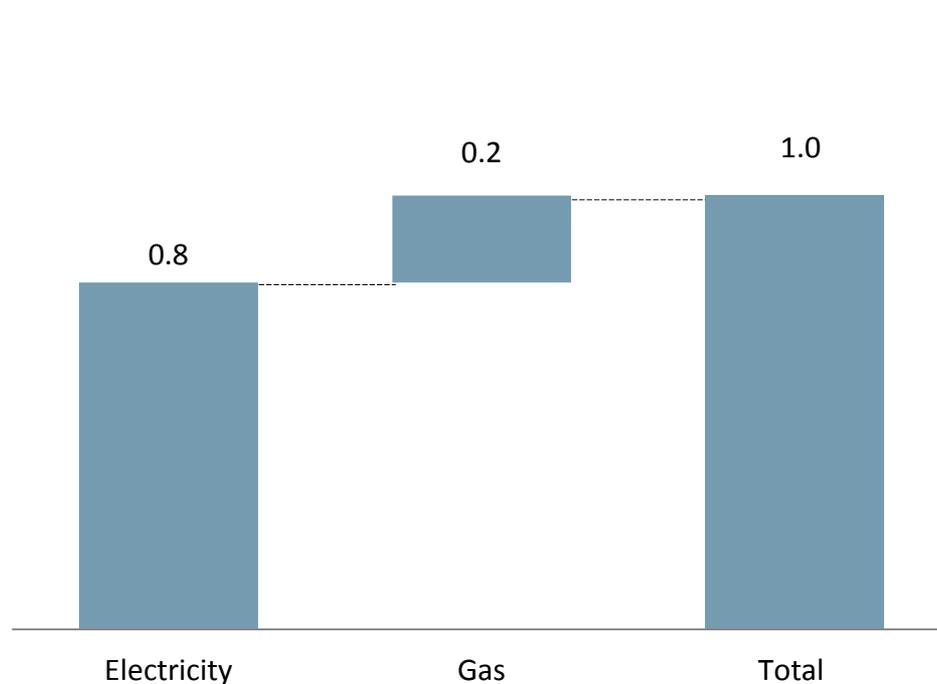
Opex Optimization



- Progress with **risk-based maintenance in electricity / gas:** systematic collection of information on condition of the assets
- **Sub-contracting model (O&M services):** establishing KPIs and a culture of continuous improvement
- **Revise business support functions:** identifying processes and functions that can be streamlined and further savings in the role of the corporate center
- **Concessions (gas and electricity) restructuring and streamlining:** further optimize organizational model centralizing common functions across concessions

Planned investments in Portugal are expected to represent approx. €200mm annually

Capex plan for Portugal 2012–2016 (€bn)



Main projects

Electricity

- New interconnection Minho – Galicia
- Connections to new hydro power plants / reinforcements to existing plants
- Strengthening supply to Lisbon and Oporto
- Lines upgrading and reinforcements in the Interior North of Portugal
- New equipment for managing energy flows on the network

Gas

- 3rd interconnection Mangualde – Zamora
- New pipeline to close Mangualde – Guarda ring
- Compression station in Carregado
- 2 new underground storage caverns

REN will establish an international presence by 2016

1



LatAm

- Brazil
- Chile
- Colombia
- Peru

Multiple opportunities in the short-term (2-3 geographies)

- Short term opportunities under monitorization and further investigation to select interesting / profitable projects
- Development team in place to identify and analyze opportunities

3



Other geographies

- China and Middle East (Oman)
- Europe

Potential new geographies to explore with State Grid / Oman Oil

- Joint task-forces with State Grid for China and with Oman Oil for Middle East

Analysis of investments in Europe on a case by case basis

- Potential opportunities leveraging REN's technical know-how



2



Sub-Saharan Africa

- Mozambique
- Angola
- SAPP¹⁾

Opportunities with a mid/long term perspective

- Priority given strategic fit with REN, mostly realizable over the medium / long term
- Continue developing relationships through consulting services and continuous contacts

Consulting, greenfield and M&A opportunities shall be pursued

Source: REN
¹⁾ South African Power Pool

REN Strategic Plan guidelines for 2016

Strategic priorities



Growth



Profitability



Diversification/
Internationalization



Financial
strength

Strategic Plan guidelines

- Adjusted capex plan for Portugal
 - 2012-2016 Investment: **~€1bn in Portugal**
 - **Maintain track record of on-time completion** for main capex commitments

- Promote and ensure fair and incentives-based regulation for electricity and gas
 - **Gas:** Improve current 8% fixed RoR to a higher and indexed RoR and introduce capex and opex incentives
 - **Electricity:** Promote improvements to current regulation framework

- Increase opex and capex efficiency
 - **Opex:** Aim for efficiency levels above regulatory targets
 - **Capex:** Ensure 100% execution rate for committed investments and further improve performance to optimal target incentive mechanism

- Invest cautiously in new geographies and benefit from opportunities brought by the new strategic partners
 - **Implement joint opportunities** with strategic partners (e.g. Brazil and Mozambique with State Grid)

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European Energy policy

Competitiveness



Sustainable development



Security of supply



First Strategic Review



Energy and Climate Package



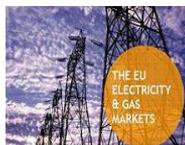
European Recovery Programme



New Infrastructure Instrument

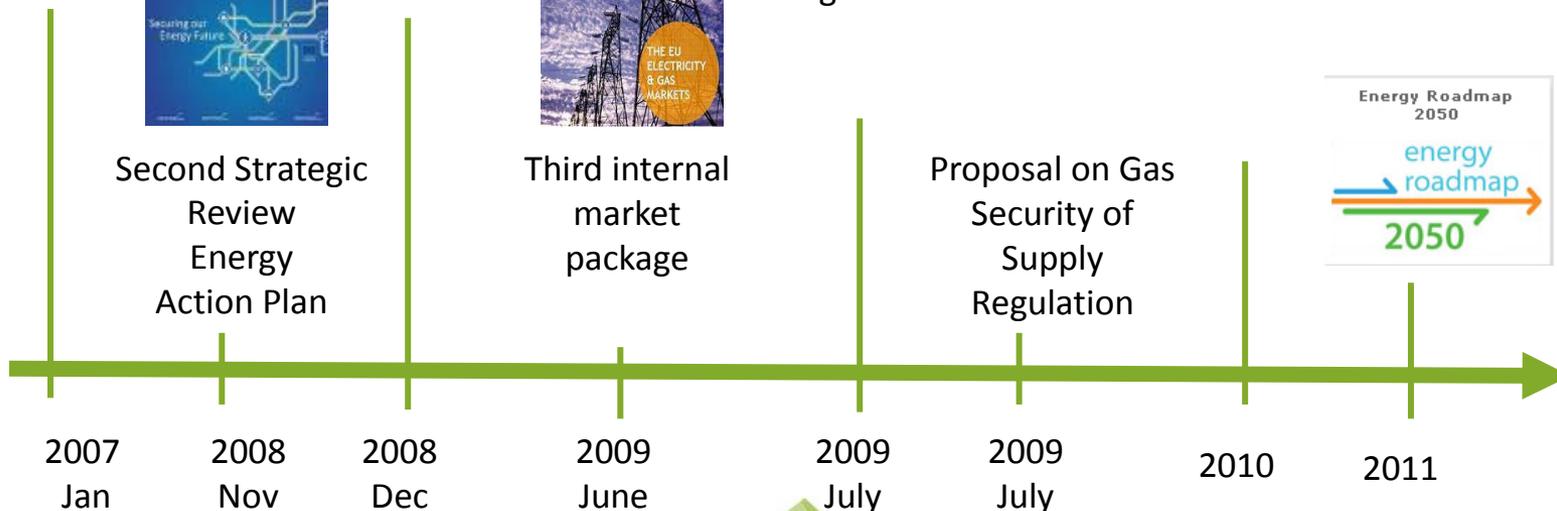


Second Strategic Review
Energy Action Plan



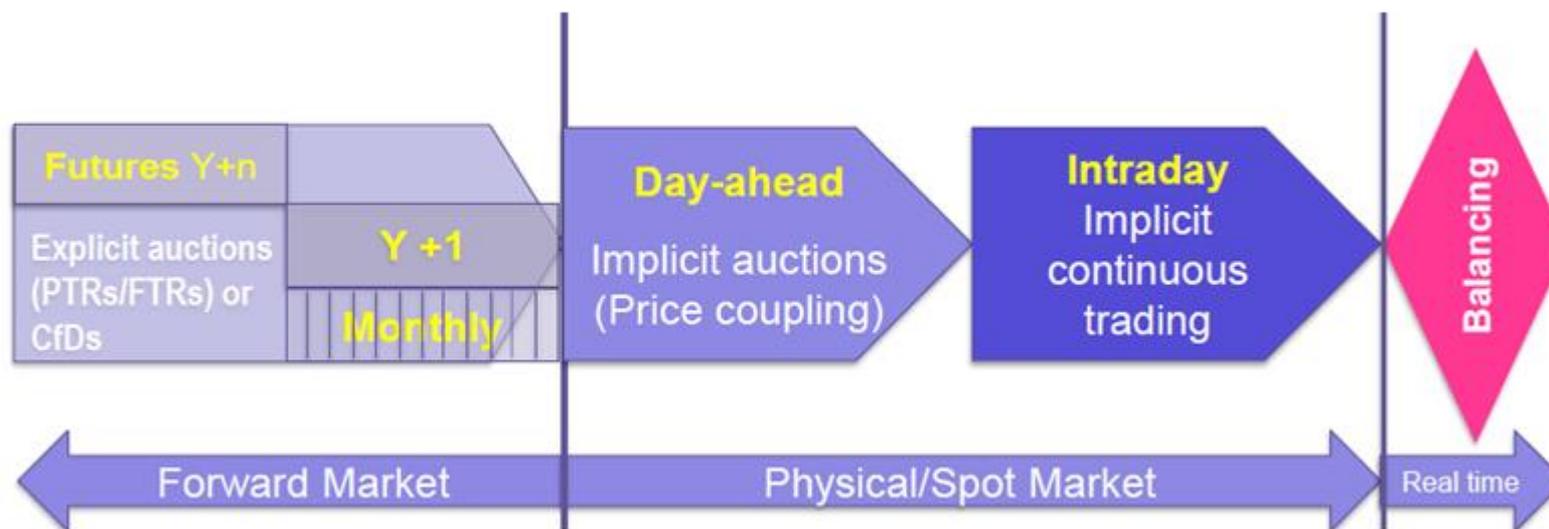
Third internal market package

Proposal on Gas Security of Supply Regulation



Source : EU Commission

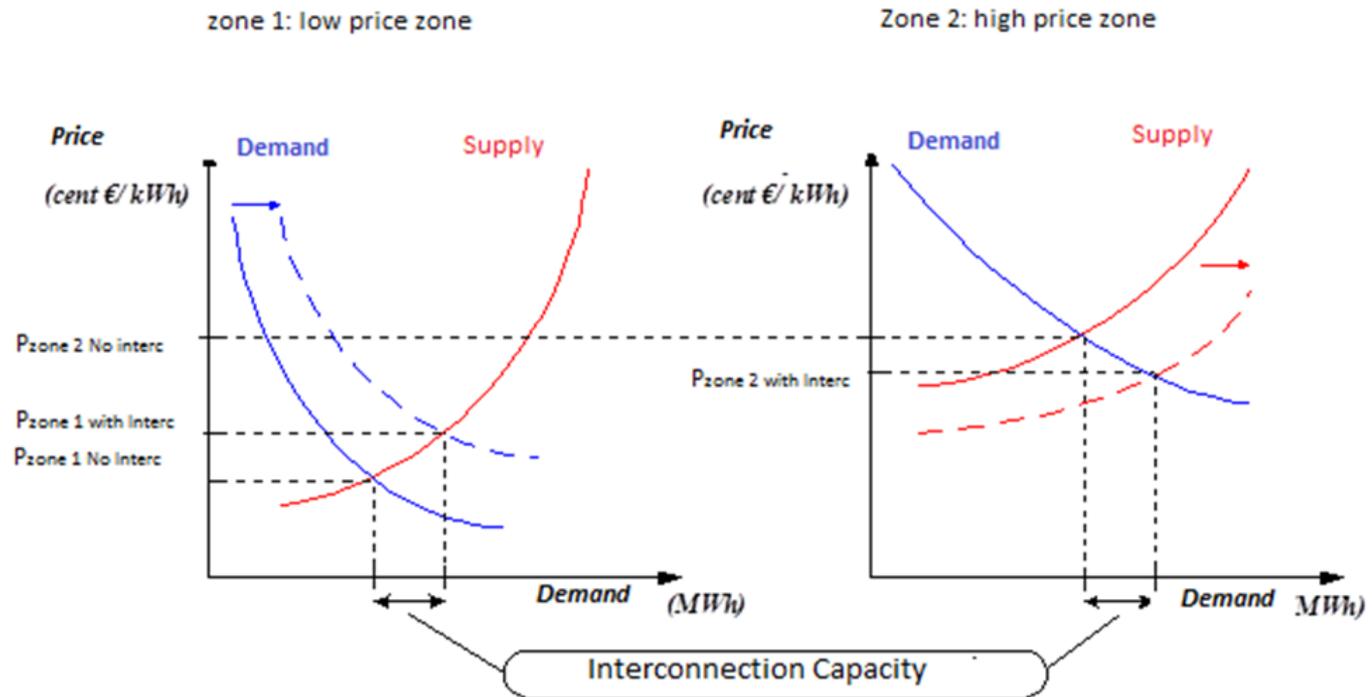
The European Target Model



From MIBEL to European Market

Day ahead Market

Iberian
Market



MIBEL is currently in place ensuring convergence to a single wholesale electricity price in Iberia

There is an ongoing process of integration of the European markets

From Regional Market to a Single European Market

Infrastructure and interconnections are key to ensure
a successful market

- Avoid the **PANCAKING** of transmission tariffs
- Overcome the **CONGESTION** at the interconnections

As part of ENTSO-e, REN is participating in the creation of the necessary frameworks to sustain
the goal of a single integrated market

Market Coupling and Explicit Auctions



REGIONAL DAY-AHEAD IMPLICIT AUCTIONS		
	Nordic+Estonia	Market splitting
	CWE	Price coupling
	EMCC	Tight Volume coupling
	MIBEL	Market splitting
	Czech Rep-Slov.	Price coupling
	Italy-Slovenia	Market splitting
	Great Britain	1 PX price coupled to NL via BritNed only
	Austria	1 PX price coupled to DE (no congestion)



- Physical Transmission rights PTR
 - Annual, monthly and daily **Explicit Auctions** of the transmission capacity at the border
- Financial Transmission rights - FTR
- Contracts for differences - CfD

European Market prices

Day ahead Market



Until September 2012

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State Grid as a world leading power company provides a value-enhancing partnership opportunity for REN

State Grid Corporation of China (SGID)



国家电网公司
STATE GRID
CORPORATION OF CHINA

- Revenue 2011: **US\$259.1bn**
 - **Up 14.5%** from 2010
 - **Largest power company in the world**
 - **7th largest company in the world**
- Profit 2011: **US\$5.7bn**
 - **Up 24.6%** from 2010
- Employees 2011: **1,583,000**
 - **3rd largest employer in the world**

Common strategic interest with REN



— Priority regions previously identified by REN
■ Regions of interest reinforced by Strategic Agreement

- It is a **complementary and long term strategic partnership**
 - Creates a **strong and stable shareholder structure**
 - **Supports REN's international growth ambitions**

State Grid will be a key partner for REN in working towards common expansion goals in Africa and South America

The framework agreement provides a win-win opportunity for the ambitions of both companies

Key strategic partnership highlights

- 1 Facilitate the commitment of a **€1bn credit facility** – of which **€800mm already in place** - by a Chinese financial institution to fund REN's capex and refinancing needs 
- 2 Cooperation will be particularly active in areas such as **exchange of technology skills, R&D initiatives and procurement**
 - I. R&D center in planning stage 
 - II. Supplier certification in progress
- 3 REN and SGID will combine efforts where adequate in a number of strategic initiatives in Portugal and abroad, with the objective of:
 - I. **Enhancing REN's leading position in Portugal** and supporting the development of the Iberian energy market
 - II. **Supporting REN's internationalization** process

Rationale and key benefits

- REN
 - Supports REN's **international growth** and adds to its business and geographic diversification
 - State Grid can be one of the **main industrial Strategic Partners**
 - Endorses REN's international expansion with tangible opportunities
 - Further develops REN's technological capabilities
 - Contributes significantly to help refinance REN's debt and to fund its capex plan
- SGID
 - First step into the **European energy market**
 - **Gateway opportunity** to enter new regions for expansion, in particular African countries with strong economic expansion
 - **Sharing of technological knowledge** and industry expertise in electricity and gas

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Profitability

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Diversification/ Internationalization

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Financial strength

Reduce debt ratios, optimize cost of capital, extend average maturity and improve liquidity position

Business plan main assumptions

Portugal

- Convergence of gas regulatory model towards electricity's
- Investments adjusted to Portugal's long term needs
- Opex efficiency evolution in line with regulatory efficiency targets
- Unchanged corporate tax rate throughout the period



International investments

- Greenfield and Brownfield opportunities in our core business
- Expected average return slightly above domestic investments' rate of return
- International investments in partnership with strategic and/or financial investors
- New investments conditional to positive shareholder value creation and solid credit metrics



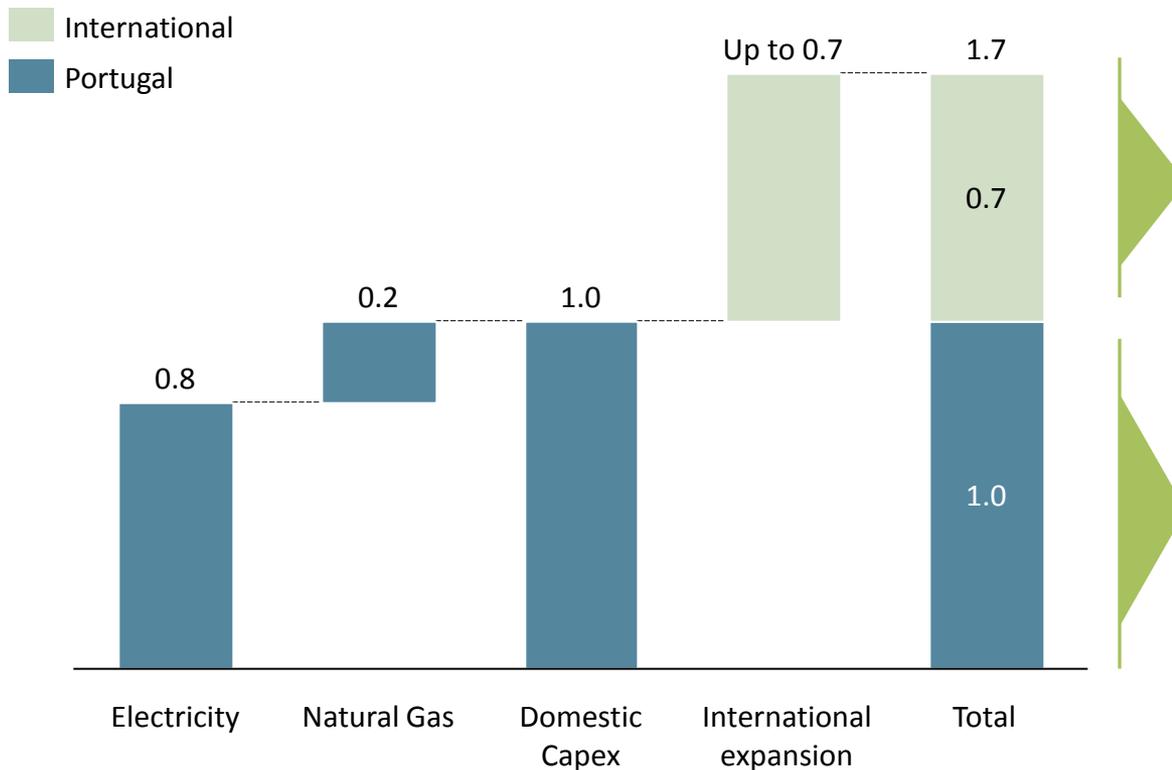
Funding

- Average cost of debt in line with current level



REN will invest up to 1.7bn in 2012–2016

Investment Plan 2012–2016 (€bn)



International

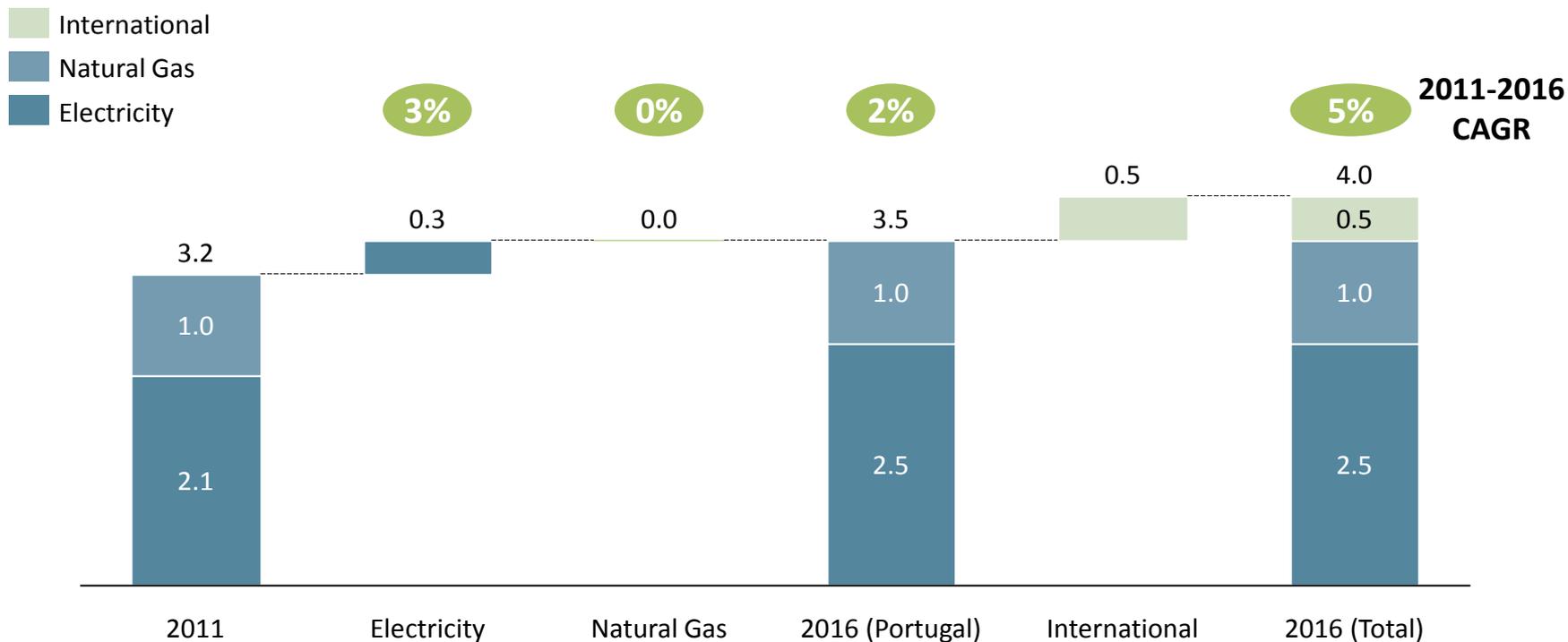
- Up to €140mm/year
- Mainly from 2014 onwards
- Will depend on opportunities, funding and solid credit metrics

Domestic

- Approx. €200mm/year
- Flexibility to increase or decrease investment
- Detailed pipeline of projects

RAB will grow up to 5% p.a. over the 2012-2016 period

Regulated Asset Base (average RAB) (€bn)



REN will continue to execute its Investment Plan in line with regulatory incentives

Focus on operational efficiency will allow REN to comply with regulatory targets

Several initiatives to be launched...

- Risk-based maintenance in electricity / gas
- Optimize the **contracting model (O&M services)**
- **Business support functions revision**, streamlining functions and processes
- **Concessions' (Gas & Electricity) restructuring & streamlining**

...allowing for significant opex savings

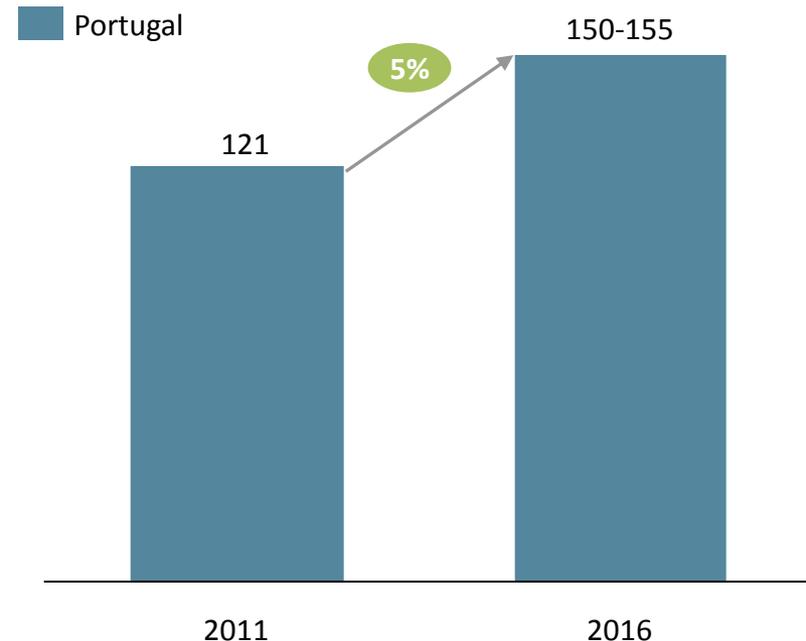
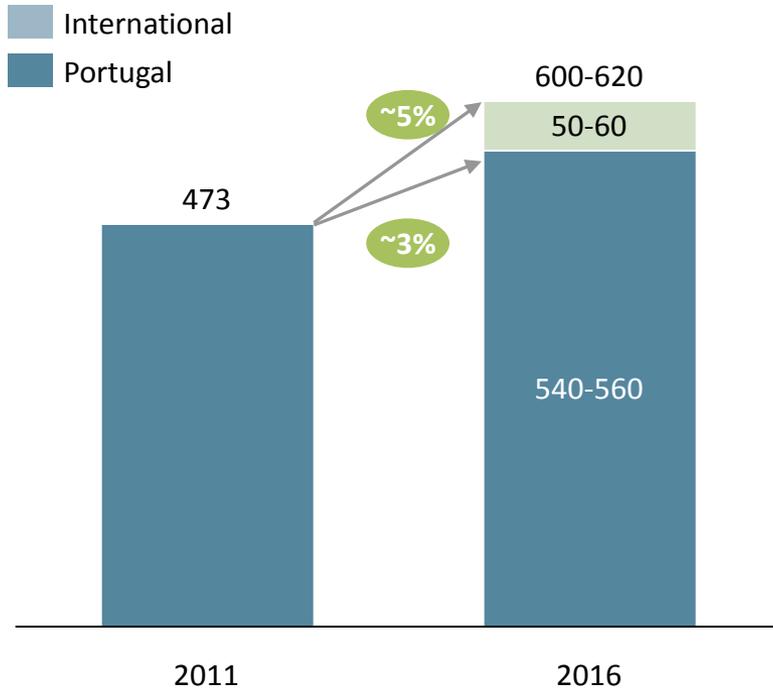
Planned and ongoing initiatives will lead to significant Opex savings

Despite the challenging regulatory efficiency targets, REN is taking measures to maintain its track record of delivering established targets

RAB growth and efficiency measures leading to EBITDA CAGR between 3% and 5% and net income CAGR of 5%

EBITDA growth 2011–2016 (€mm)

Net income growth 2011–2016 (€mm)

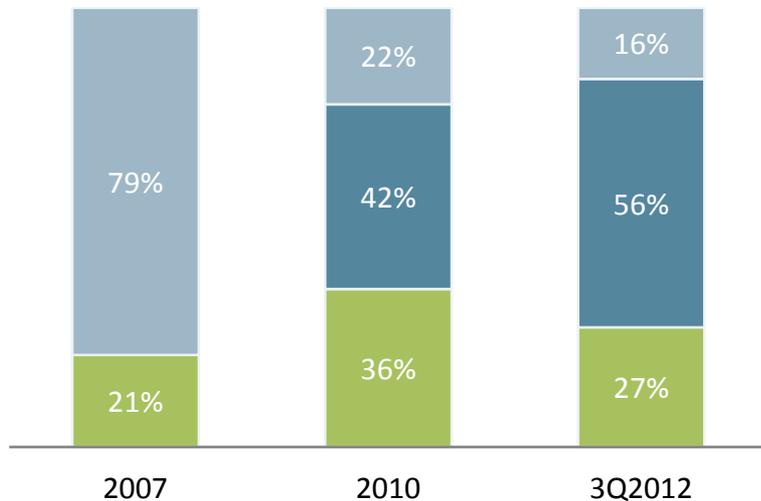


The impact of international expansion will depend on the nature and extent of capex invested, and could represent around 10% of REN's total EBITDA in 2016

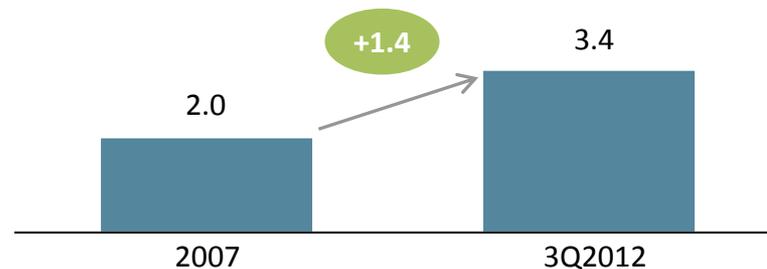
REN has been improving its credit profile in recent years...

Funding sources mix (%)

- Commercial paper
- Bonds
- EIB

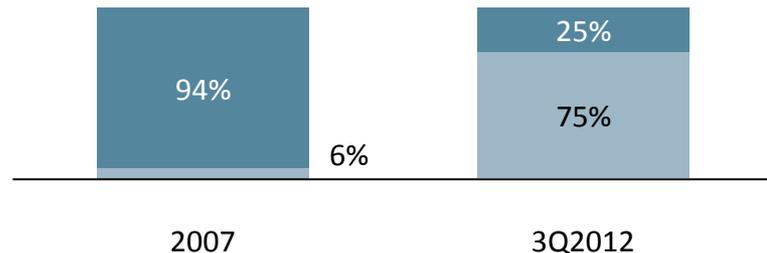


Average debt maturity (years)



Interest rate mix (%)

- Variable
- Fixed

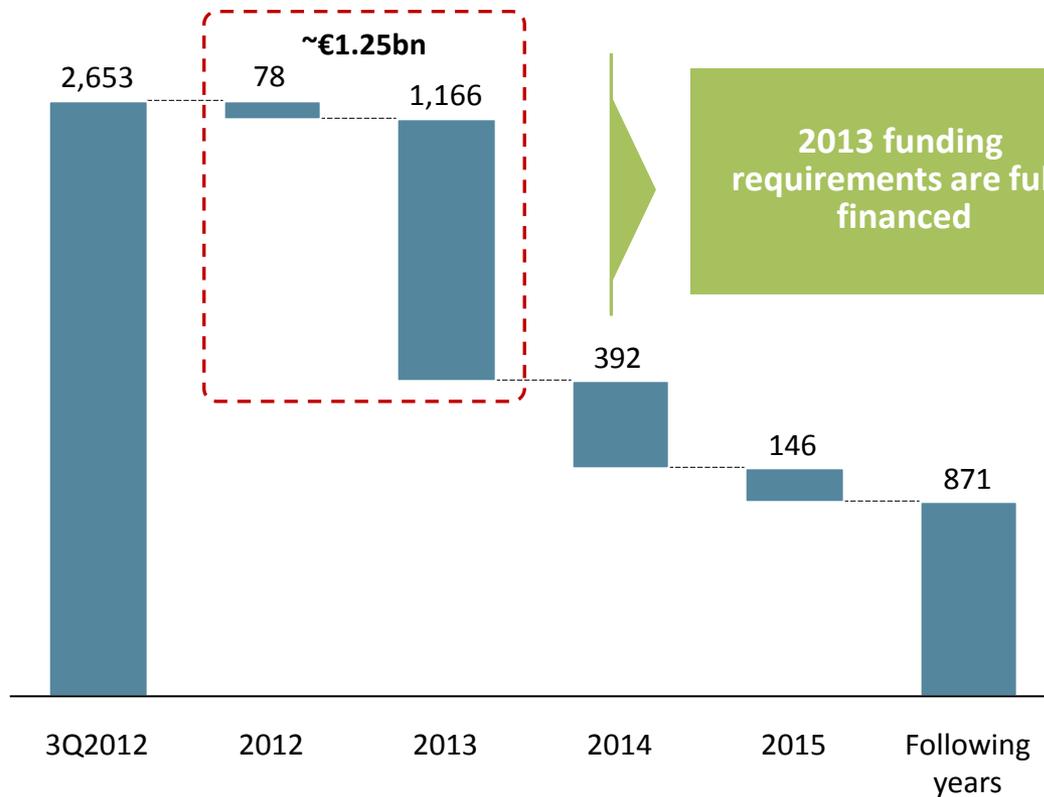


Move from short term debt to medium / long term instruments...

...and debt maturity increases while reducing interest expense volatility

...and has already addressed its 2013 refinancing peak

Gross debt maturity¹⁾ (€mm)



Actions taken

- 1 CDB credit facility (€720mm²⁾)
- 2 Retail bond issuance (€300mm)
- 3 CP extensions and other financing initiatives (€500mm)

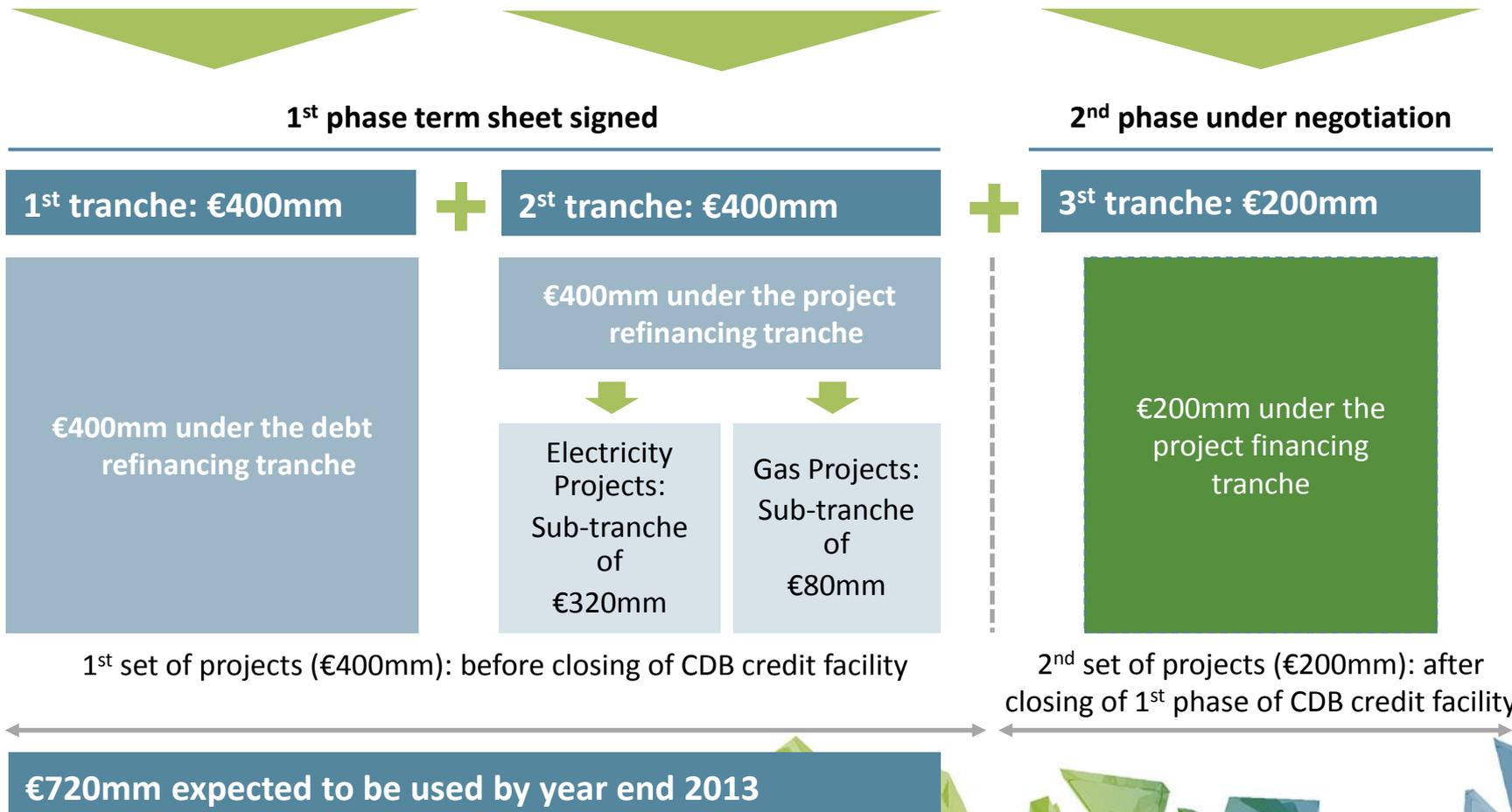
Source: REN

¹⁾ Includes adjustment for hedging on yen-denominated debt

²⁾ Amount deployed in 2013 of €800mm total loan

1 Most of CDB's credit facility is already available

The deployment of the full amount of the credit facility is completed in 2 phases



2 The retail bond issuance was a success

Reviewed amount (placed amount)	€300mm (after revision, initial amount of €200mm)	REN's retail bond issuance success (following similar successful operations by other Portuguese companies) makes this a viable option for future financing needs
Final demand	€600mm (3x the initial amount)	
Maturity date	21 September 2016 (4 years)	
Coupon	6.25%	

High demand (initial amount fully subscribed on the 1st day) a clear evidence of REN's strong credit profile

3 Ongoing refinancing initiatives

1

Already
approved

- €50mm private placement
- New relationship bank – loan c.€40mm
- Structured financing – c.€60mm
- Maturity extension of €250mm CP from 2014 to 2015
- New €100mm private placement to 2015

2

Expected by year
end

- Extension of €70mm to €100mm CP, from 2014 to 2015 (firm offer)
- New loan of €150mm maturing in 2019 (firm offer)
- Refinancing of 2013 commercial papers with current relationship banks
 - Expect to complete around €400mm before year end and the rest in 1H2013

These actions, completed or targeted for completion until year-end, will provide more than €1bn additional liquidity, allowing the coverage of financing needs until 2015

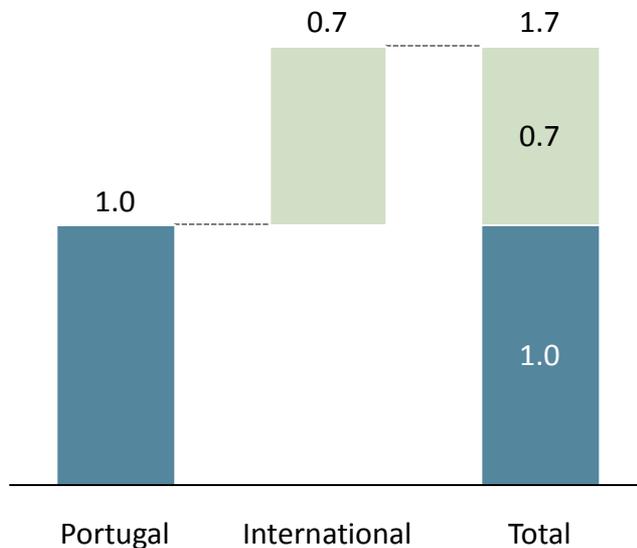
REN will be fully funded until 2015 by year end

Funding sources	4Q2012/2013	2014	2015
CDB credit facility (€720mm)	2013 fully financed ✓		
Retail bond issuance (€300mm)			
CP extensions and other financing initiatives (€500mm)			
Additional refinancing initiatives under way by year end (€500-650mm)	REN will be fully financed until 2015 ✓		

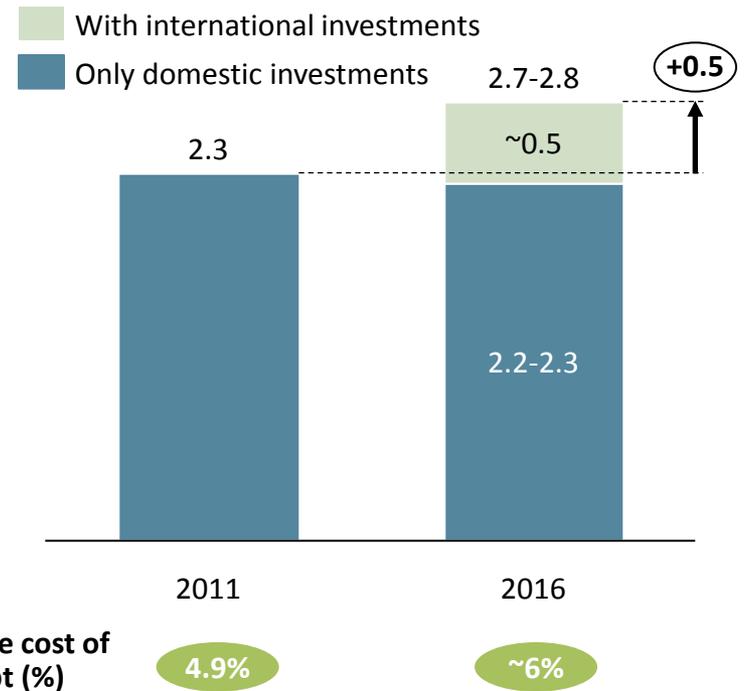
These initiatives will extend REN average debt maturity to above 5 years

REN will fund most of its investment plan using own funds

Cumulative investments 2012-2016 (€bn)



Net debt (€bn)



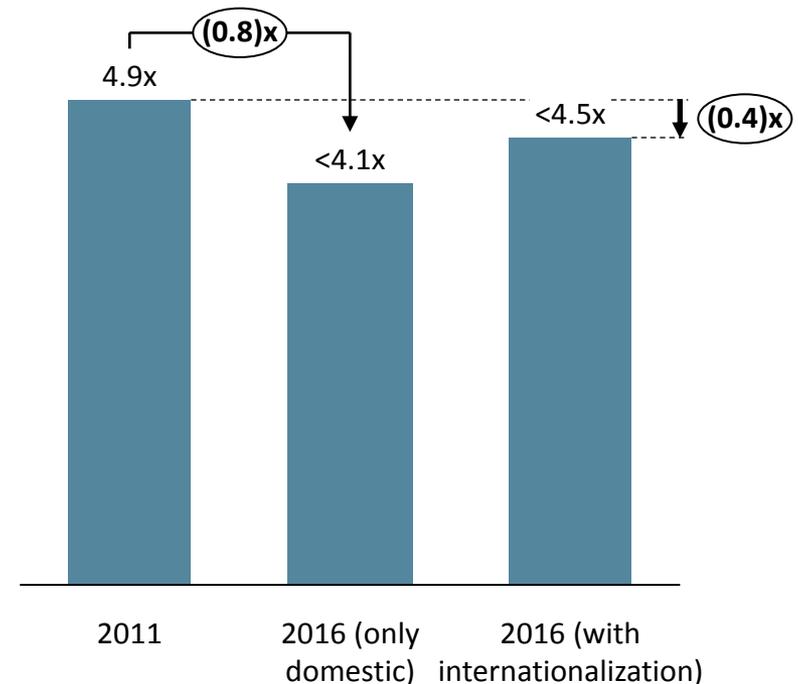
Considering only domestic investments, REN would be able to fully fund its Investment plan and still lower its net debt

Cautious and gradual approach to internationalization, to ensure both value creation and a solid credit profile

Stable cash-flow generation in Portugal

- Investment focus in regulated business, with predictable cash flow generation
- Despite the adjustment in investment values, average domestic RAB will continue to grow at 2% CAGR between 2011-2016
- Stable remuneration framework, providing a natural hedge against variations in funding costs (CDS-driven rate of return)
- Flexibility to maintain stable cash-flow generation

Net debt/EBITDA (x)



REN remains committed to achieve and sustain solid credit metrics

REN maintains its commitment to a stable dividend remuneration

- **REN has maintained a stable nominal dividend per share growth since its IPO in 2007**
 - Guaranteeing a predictable and increasing remuneration to its shareholders
- **In 2012, REN paid €0.169 cents per share as dividend in relation to its 2011 results, resulting in a 8.5% dividend yield¹⁾**
- **Maintaining a solid financial profile and delivering on the financial objectives of the Strategic Plan will continue to drive balance sheet management in the 2012-2016 period**

In this context, REN intends to continue to maintain or slightly increase its nominal dividend per share year on year

Source: REN

¹⁾ Calculated on €2.0 price per share, based on share price as of November 2, 2012

REN Strategic Plan guidelines for 2016

Strategic priorities

Company objectives



Growth



Profitability



Diversification/
Internationaliza-
-tion



Financial
strength

■ Ensure profitable growth

- 2012–2016 investment plan: ~€1bn in Portugal, up to €0.7bn in other geographies
- RAB CAGR 2011–2016 – between 2% and 5%
- EBITDA CAGR 2011–2016 – between 3% and 5%
- Net income CAGR 2011–2016 – ~5%

■ Diversify risk and improve credit profile

- Up to 10% EBITDA from international operations
- Continue optimizing cost of debt and extending maturities
- Net debt/EBITDA: <4.5x in 2016 (4.9x in 2011)
- Maintain or slightly increase nominal dividend per share

Source: REN

Agenda

Rui Cartaxo Chief Executive Officer	Overview and strategic challenges
João Faria Conceição Chief Operating Officer	Market trends and regulation update
	Strategic plan
Maria José Clara General Manager Shan Shewu General Manager / CTO	Overview of European energy integration
	REN - State Grid strategic partnership
<i>Coffee Break</i>	
Gonçalo Morais Soares Chief Financial Officer	Company objectives and financing considerations for 2012–2016
Rui Cartaxo Chief Executive Officer	Summary conclusions
<i>Q&A</i>	
<i>Lunch</i>	

Summary of REN's priorities, objectives and Strategic Plan guidelines

Strategic priorities



Growth

Continue track record of growing EBITDA and net income



Profitability

Ensure adequate return on capital above REN's WACC



Diversification/ Internationalization

Dilute exposure to Portugal focusing capabilities and deployment of capital towards international opportunities



Financial strength

Reduce debt ratios, optimize cost of capital, extend average maturity and improve liquidity position

Company objectives

- 2012–2016 investment plan: ~€1bn in Portugal, up to €0.7bn in other geographies
- RAB CAGR 2011–2016 – between 2% and 5%
- EBITDA CAGR 2011–2016 – between 3% and 5%
- Net income CAGR 2011–2016 – ~5%

- Up to 10% EBITDA from international operations
- Continue optimizing cost of debt and extending maturities
- Net debt/EBITDA: <4.5x in 2016 (4.9x in 2011)
- Maintain or slightly increase nominal dividend per share

Strategic Plan guidelines

1. Adjusted capex plan for Portugal
2. Promote and ensure fair and incentives-based regulations for electricity and gas
3. Increase opex and capex efficiency
4. Invest cautiously in new geographies and benefit from opportunities brought by the new strategic partners
5. Diversify investments and revenue sources
6. 2 years funding coverage
7. Ensure funding access at a competitive cost from a diversified funding mix
8. Progressively improve credit metrics

Q&A

Thank you

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