2012

ANNUAL RESULTS PRESENTATION

March 7th 2013

2012 Highlights

- **EBITDA** reached €514.6M, an **8.9%** (+€42.0M) **growth** versus 2011. This growth was driven by an **increase of €195.0M in the average RAB** (+6.1%) and in the **weighted average rate of return**, which increased due to the indexation mechanism of electricity RoR, as well as the change in the asset mix, with a greater weight of assets subject to premium remuneration;
- **Net Income amounted to €123.9M, a 2.7% increase versus 2011**, which reflects a good operational performance that more than compensated the increase in interest charges;
- **CAPEX** and **transfers to RAB** stood at €201.1M and €320.6M respectively. The reduction with respect to the previous year reflects the deceleration of demand for new gas and electricity infrastructure;
- In the 4th quarter of 2012, **China Development Bank approved the terms of an €800M loan to be provided to REN**. This loan helped REN achieve an **investment grade rating** from Fitch;
- With the entry of the new strategic partners **- State Grid Corporation of China** and **Oman Oil Company -** REN approved a new and more ambitious investment strategy, which includes the development abroad;
- In 2012, the company continued to improve its efficiency in the core concessions, nevertheless the level **of quality of service** reached an all-time **record level.**

Main financial indicators 2012

(€M)	2012	2011	Variation	
			Δ%	Δ Abs.
EBITDA	514.6	472.5	8.9%	42.0
Net Financial Income	-136.0	-103.4	31.6%	-32.7
Net Income	123.9	120.6	2.7%	3.3
Recurrent Net Income	120.1	131.0	-8.3%	-10.9
Average RAB	3,380.7	3,185.8	6.1%	195.0
CAPEX	201.1	349.4	-42.5%	-148.4
Net Debt	2,512.4	2,311.3	8.7%	201.1

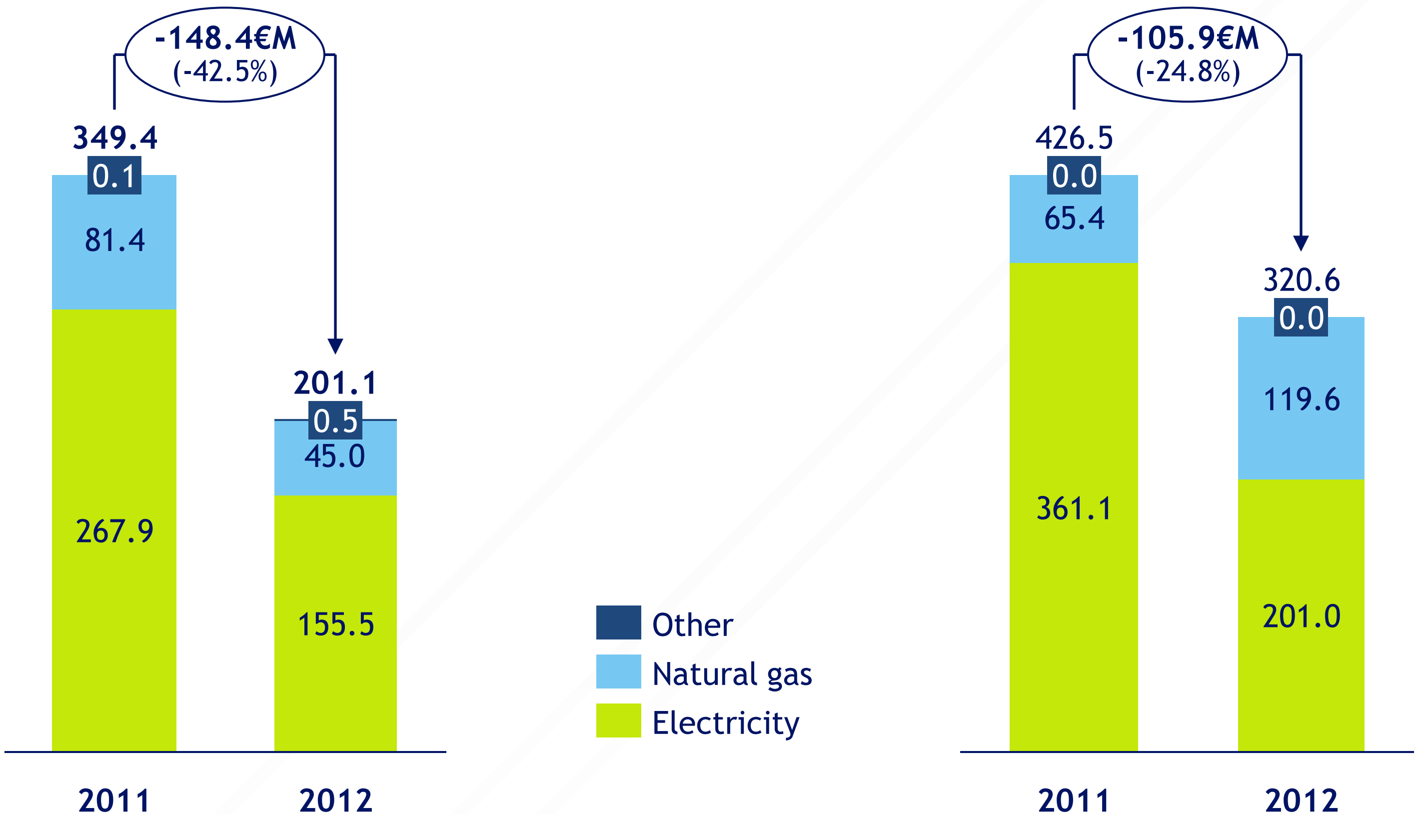
REN

Transfers to RAB decreased by 25%

Capex down from previous peak levels

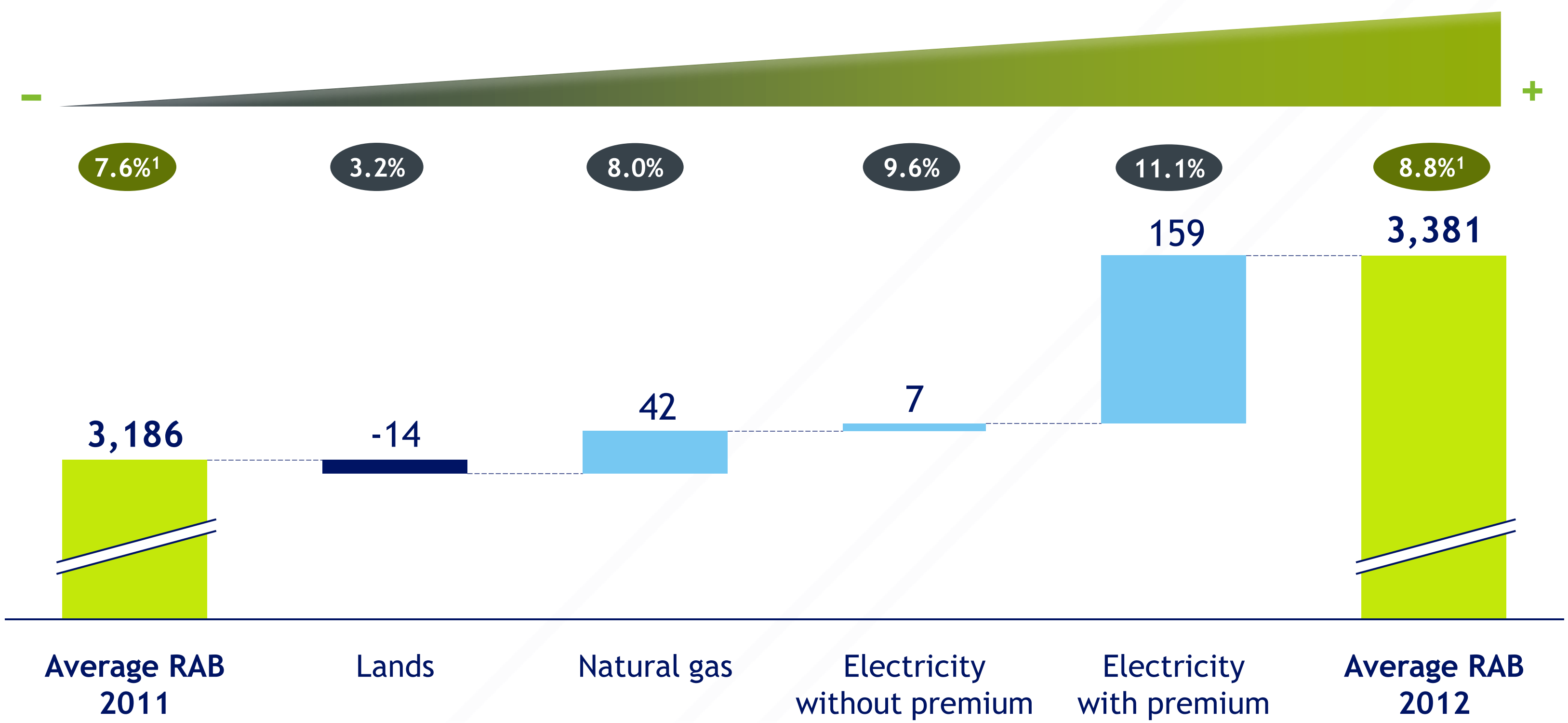
CAPEX

TRANSFERS TO RAB



Average RAB grew 6%

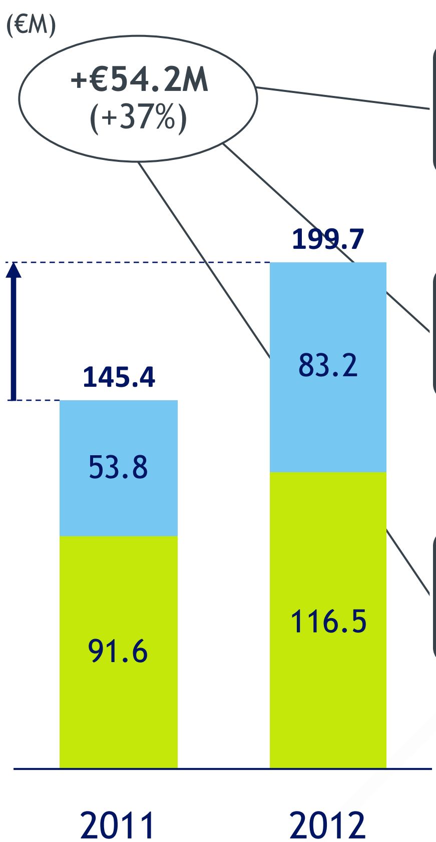
with an increasing weight on highest RoR assets



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

Return on RAB with strong growth
due to the evolution of RoR and the increase in assets

RAB REMUNERATION IN ELECTRICITY (ex. lands)



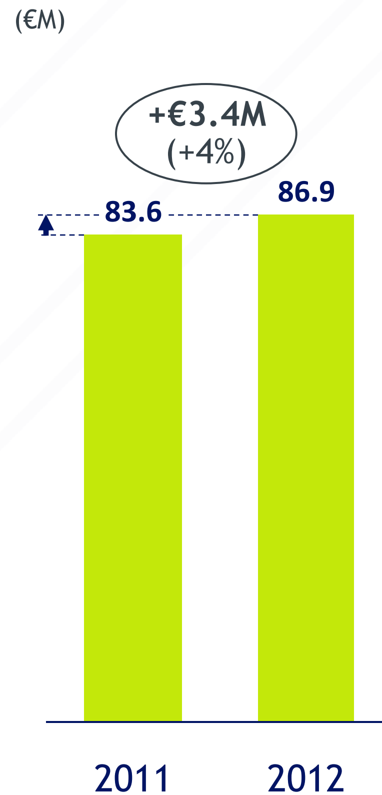
+€13.4M — Impact of the increase in **asset base** by €167M to €1,973M.

+€1.6M — Impact of the change in **asset mix** - assets with premium weight increased from 33% in 2011, to 38% in 2012.

+€39.3M — Impact of indexation of the base **rate of return** - from 9.1% to 11.1% in assets with premium, and from 7.6% to 9.6% in assets without premium.

Electricity with premium
Electricity without premium

NATURAL GAS RETURN ON RAB (ex. tariff smoothing effect)



Positive impact of the **increase in assets base** in €42M, to €1,087M.

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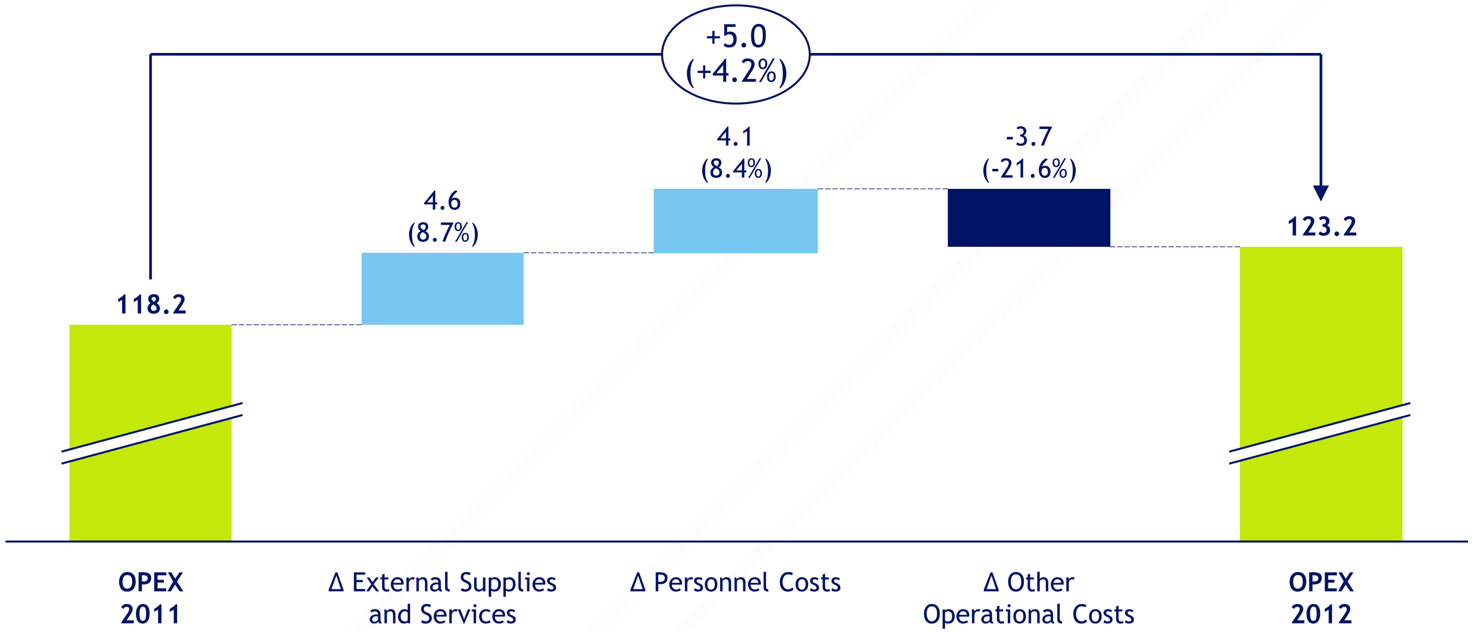
OPEX increased 4.2%

OPERATIONAL COSTS

(€M)

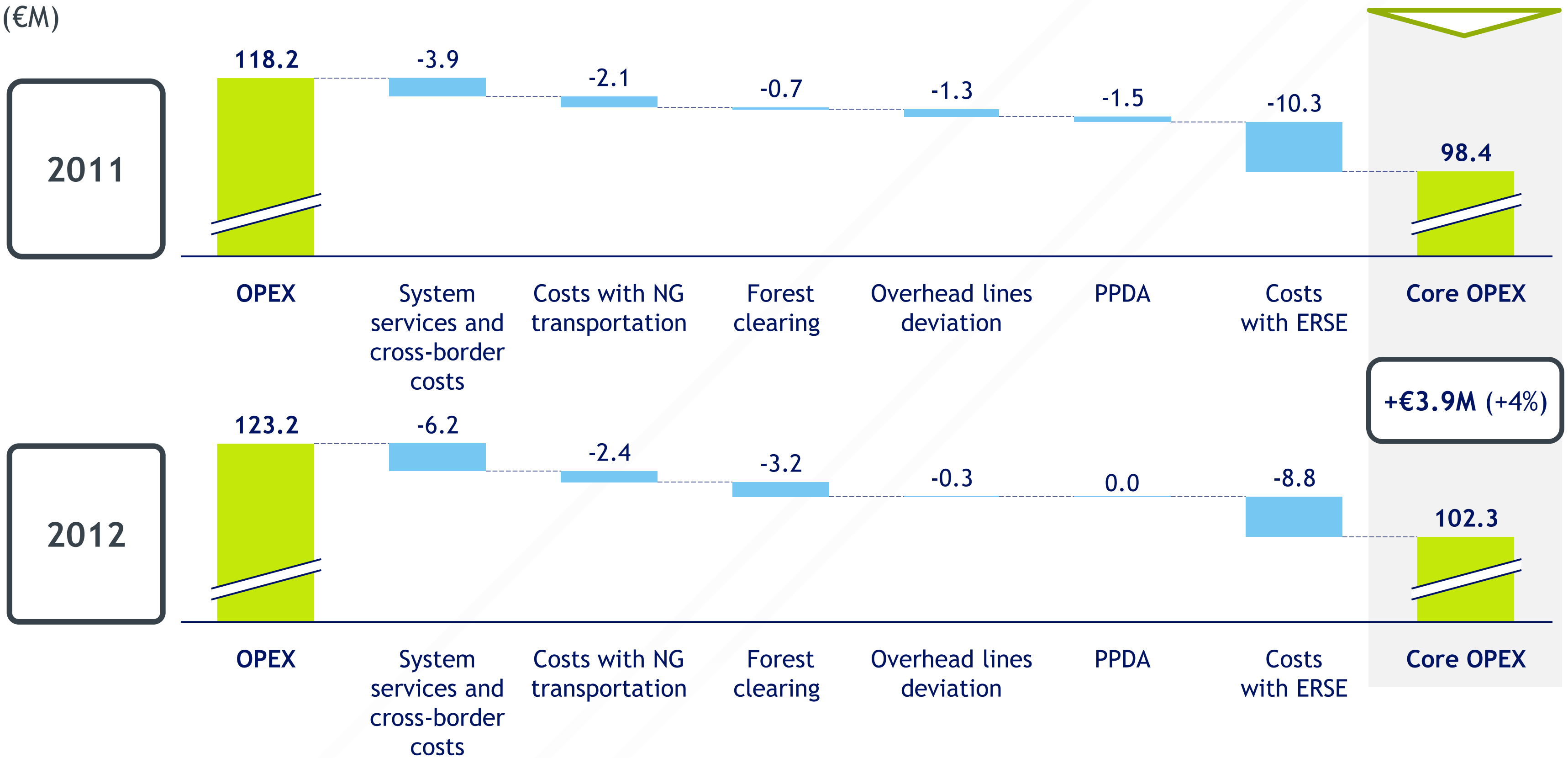


Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €316.3M in 2011 and €172.9M in 2012.

Core OPEX increased by 4%

CORE OPEX

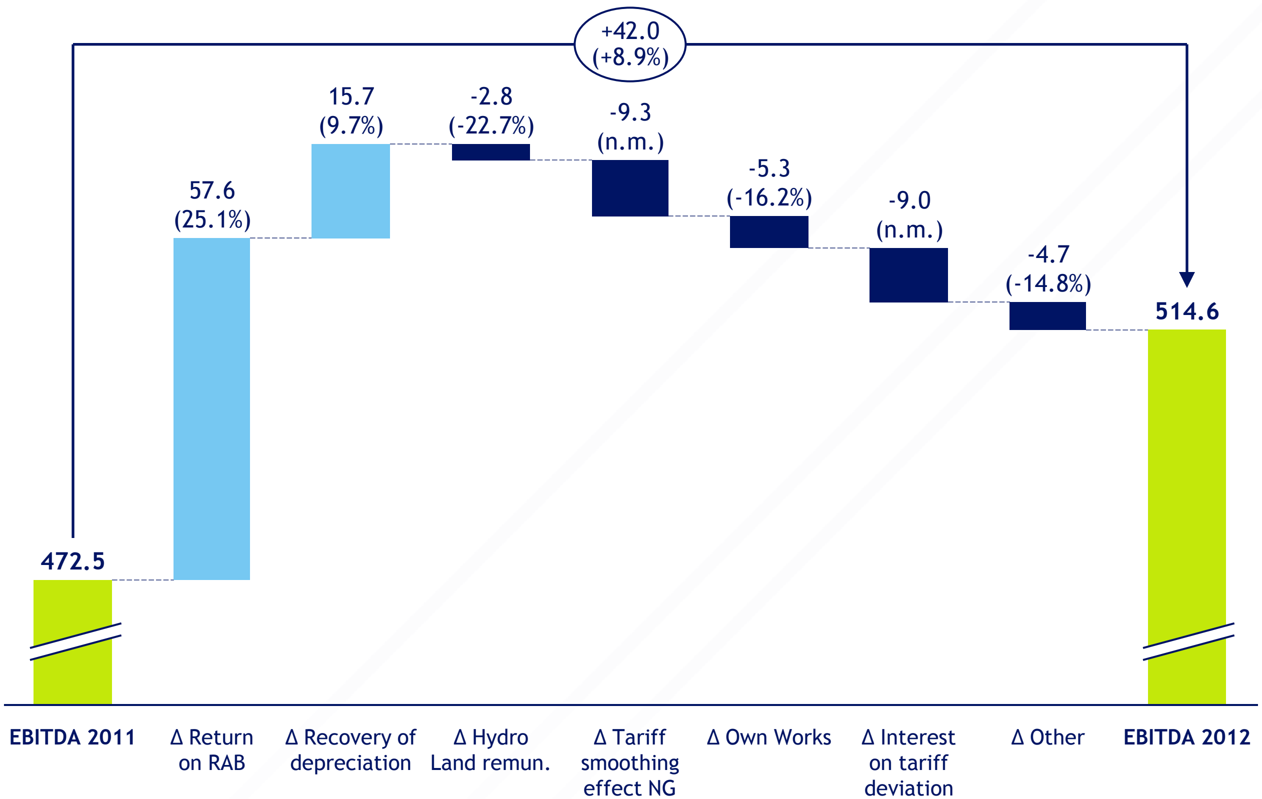
(€M)



Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €316.3M in 2011 and €172.9M in 2012.

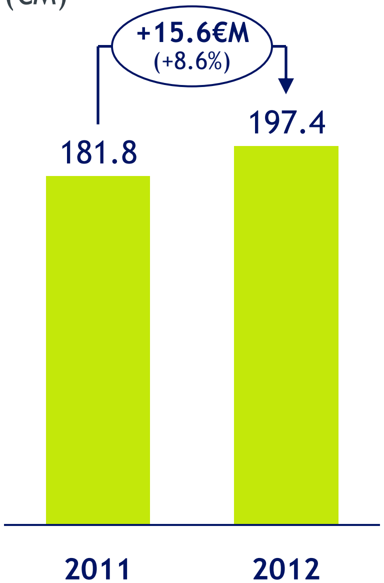
EBITDA maintained its growing trend (+8.9%)

(€M)

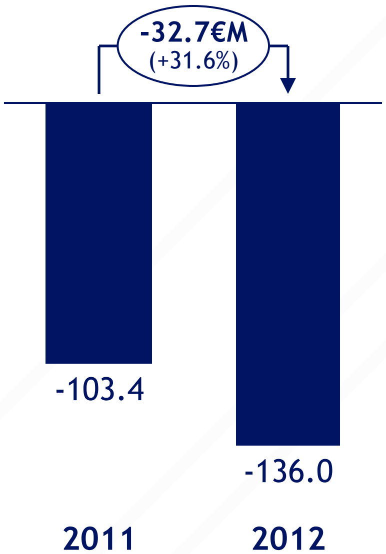


Below EBITDA, net financial income down by €33M

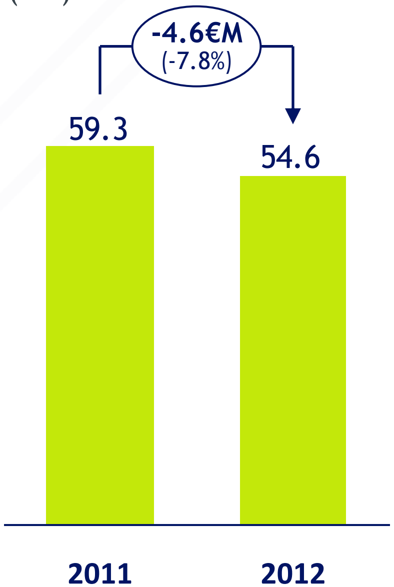
DEPRECIATION
(€M)



NET FINANCIAL INCOME
(€M)



TAXES
(€M)

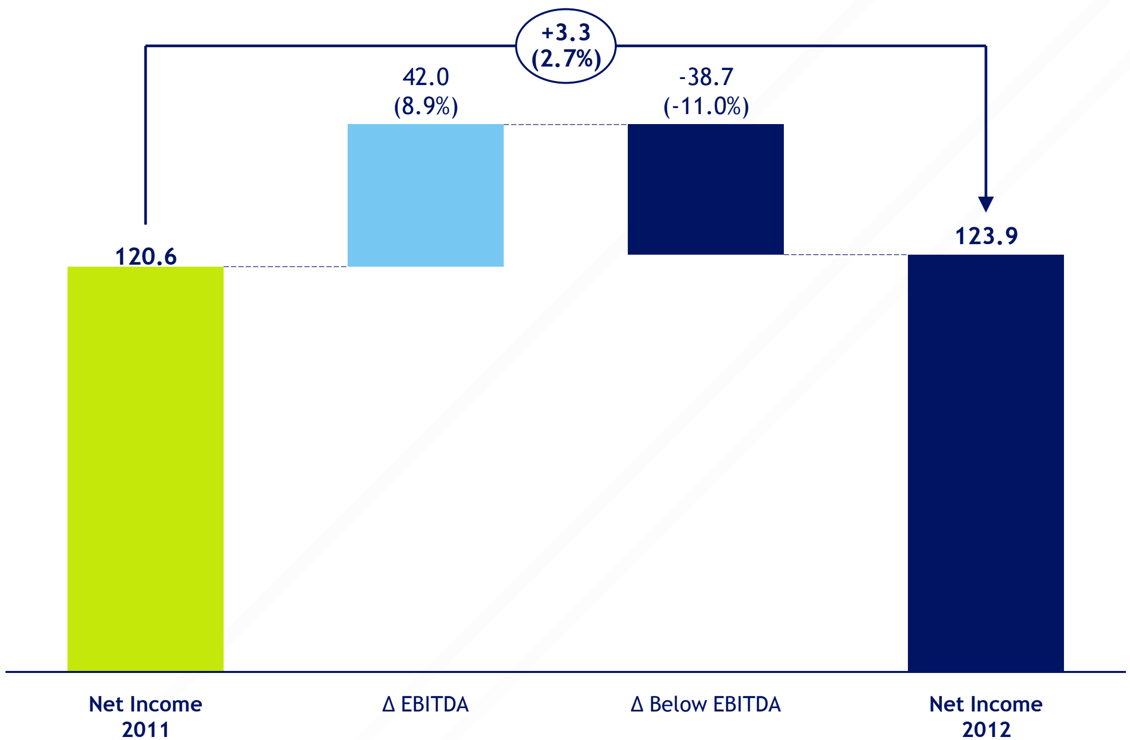


REN

Net Income increased

as the good operational performance more than compensated the worsening financial income

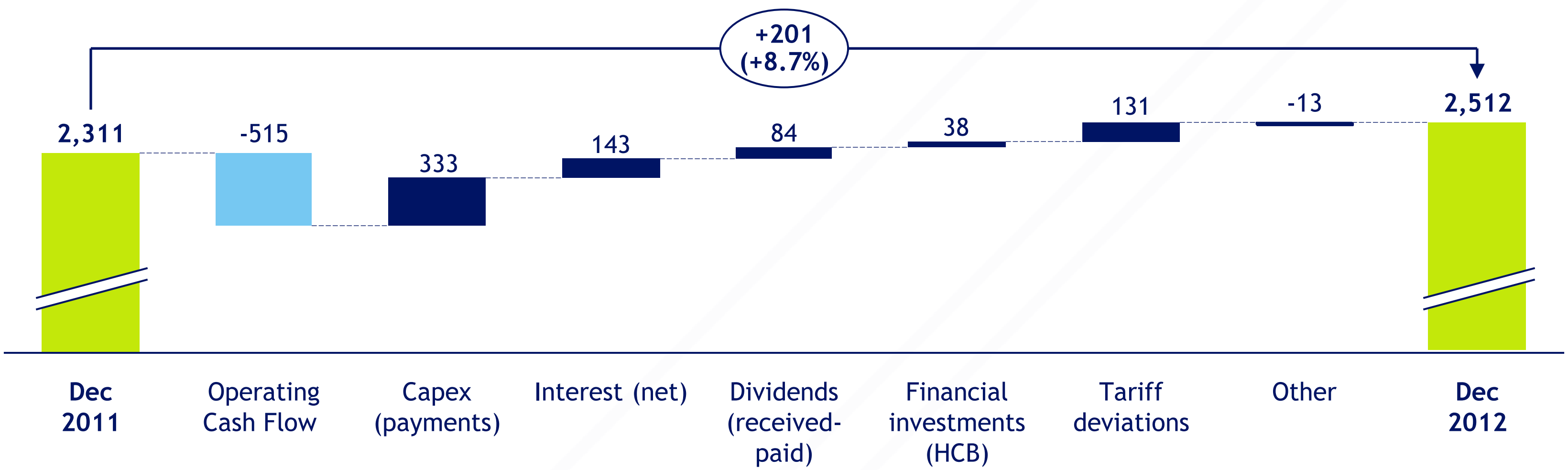
(€M)



Net debt increased €200M

NET DEBT

(€M)



- The **average cost of debt** was 5.70% (4.72% in 2011);
- **Credit metrics: FFO/Net debt** improved vs 2011 (13.3% in 2012 vs 11.6% in 2011) while **Net debt/EBITDA** stood stable at 4.88x (4.89x YoY). **FFO interest coverage** decreased to 3.35x versus 3.52x in 2011.

Operational cash flow = EBIT + Depreciation + Provisions

HCB = Hidroeléctrica Cahora Bassa

IN CONCLUSION

- In 2012, despite the challenging macro-economic environment, REN managed to improve its financial performance, while also achieving record levels of service quality;
- Net Income rose to €123.9M, a 2.7% increase, and EBITDA kept its growing trend (+8.9%);
- New funding (namely the CDB €800M loan and the EuroBond €300M public issue) strengthens REN's liquidity position and debt average maturity. REN is now fully funded until 2015;
- REN´s new strategic plan, presented in 4Q12, marks the start of the Company's internationalization stage. Nevertheless, a more streamlined Portuguese operation remains the Company's number one priority;
- The Board of Directors will propose to the General Shareholders' Meeting the payment of a dividend of 17.0 cents per share.

Visit our web site at www.ren.pt or contact us:

Ana Fernandes – Head of IR
Alexandra Martins
Telma Mendes

Av. EUA, 55
1749-061 Lisboa
Telephone: +351 210 013 546
ir@ren.pt

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