



REN ANNUAL RESULTS

2011

March 1st 2012

2011 Highlights

- Net Income amounted to €120.6M, a 9.4% growth over 2010.
- EBITDA rose by 9.5% reflecting the expansion of the regulatory asset base as well as the increase of its (weighted) average rate of return. Cost reduction also contributed to the improvement of EBITDA: on a comparable basis OPEX costs decreased by 3.4%. However part of this is a consequence of the suspension of the collective bargaining agreement clauses imposed by the State Budget upon all of the State-owned companies.
- Net financial costs decreased by 23.2% and asset depreciation rose by 5.3%.
- The increase in financial costs reflects the deterioration of the company's rating and more generally the adverse macroeconomic environment. Not only did new funding become more expensive but also existing loans were re-priced upwards as a consequence of the worsening of the company's rating.

2011 Highlights (cont.)

- The level of investment showed some slowdown which will continue in 2012-2013. This reflects partly a slower demand for some infrastructures - for example wind farm connections to the grid - and partly the company's decision to stop new investments in natural gas. However the level of assets put into operation was the highest ever reaching €426M.
- The quality of service indicators were also the best on record.
- Finally the year closed with the start of the negotiation with the prospective new shareholders, a process that led to the sale of 25% of the share capital to State Grid Corporation of China and of 15% to Oman Oil Company. As a result REN faces improved growth perspectives in the coming years.

Main financial indicators 2011

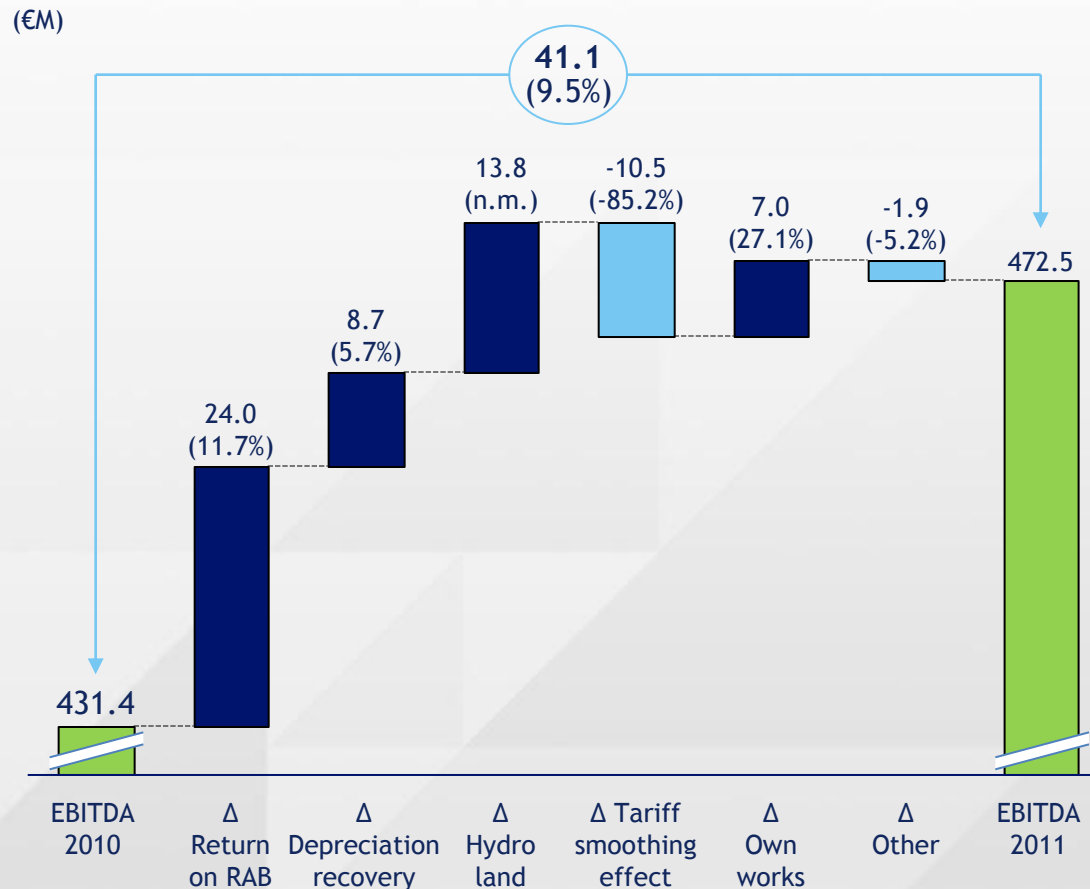
(€M)	2010	2011	Δ%
EBITDA	431.4	472.5	9.5%
Net financial income	-83.9	-103.4	23.2%
Net income	110.3	120,6	9.4%
Recurrent net income	119.8	131.0	9.3%
Average RAB	2,970.1	3,185.8	7.3%
CAPEX	443.0	349.4	-21.1%
Net debt	2,100.0	2,311.3	10.1%



Profit and Loss breakdown 2011

(€M)	2010	2011	Δ%
1) TOTAL REVENUES	977.1	917.3	-6.1%
Revenues of assets	399.0	430.2	7.8%
Return on RAB	205.1	229.0	11.7%
Electricity	125.3	145.4	16.1%
Natural Gas	79.7	83.6	4.8%
Hydro land remuneration	-1.3	12.5	
Lease revenues from hydro protection zone	0.8	0.8	3.5%
Remuneration of fully depreciated assets	5.5	7.0	26.5%
Tariff smoothing effect (natural gas)	12.3	1.8	-85.2%
Recovery of depreciation (net from subsidies)	152.9	161.6	5.7%
Subsidies depreciation	23.7	17.5	-26.2%
Revenues of OPEX	111.5	109.4	-1.9%
Recovery of net OPEX	105.4	106.8	1.4%
Recovery of cross-border costs	5.0	2.1	-58.0%
Recovery of lines rerouting costs	1.2	0.5	-59.3%
Other revenues	46.2	28.4	-38.5%
Construction revenues (IFRIC 12)	420.5	349.3	-16.9%
2) OPEX	146.7	118.2	-19.4%
Personnel costs	51.2	48.3	-5.7%
External supplies and services	80.4	52.9	-34.2%
Other operational costs	15.0	17.0	13.0%
3) Construction costs (IFRIC 12)	394.5	316.3	-19.8%
4) Depreciation	172.6	181.8	5.3%
5) Provisions and Reversions	12.8	17.9	40.0%
6) EBIT (1-2-3-4-5)	250.5	283.2	13.0%
7) Depreciation	172.6	181.8	5.3%
8) EBITDA non recurrent items	8.3	7.6	-8.3%
9) EBITDA (6+7+8)	431.4	472.5	9.5%
10) Depreciation	172.6	181.8	5.3%
11) Financial income	-83.9	-103.4	23.2%
12) Income tax	56.4	59.3	5.1%
13) NET INCOME (9-10+11-12-8)	110.3	120.6	9.4%
14) NI Non recurrent items	9.5	10.4	9.1%
15) RECURRENT NET INCOME (13+14)	119.8	131.0	9.3%

Change in EBITDA 2010 - 2011

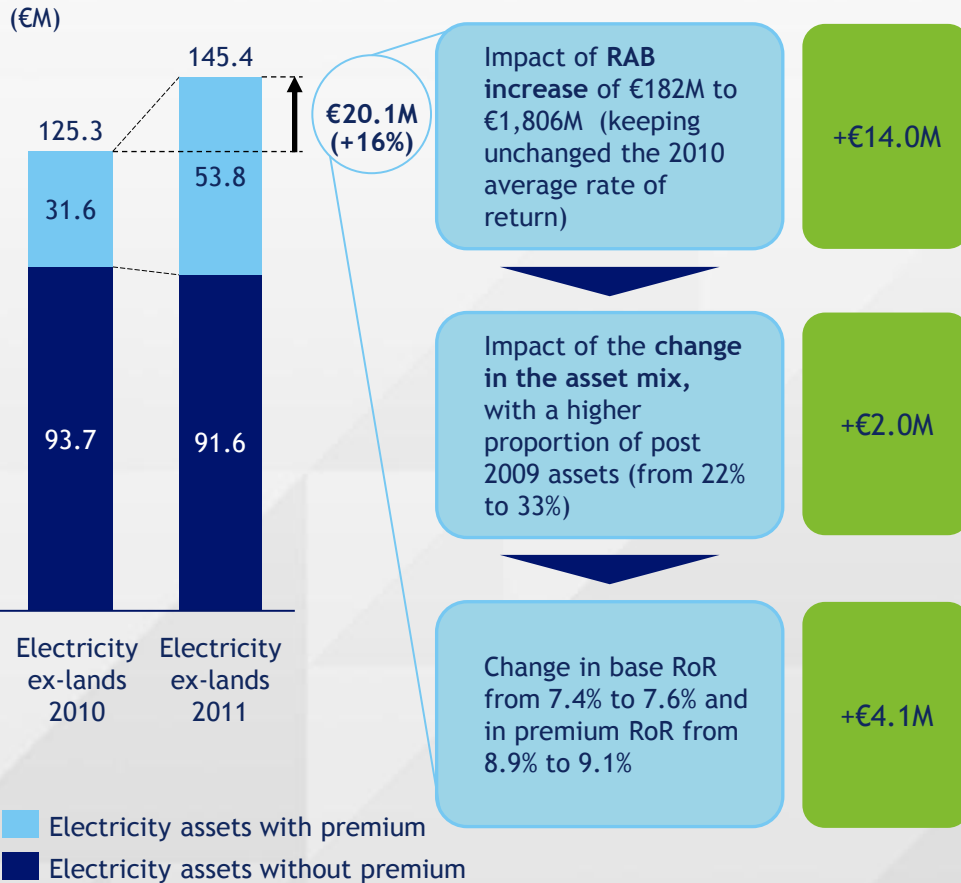


EBITDA grew by 9.5% (€41.1M), mainly due to:

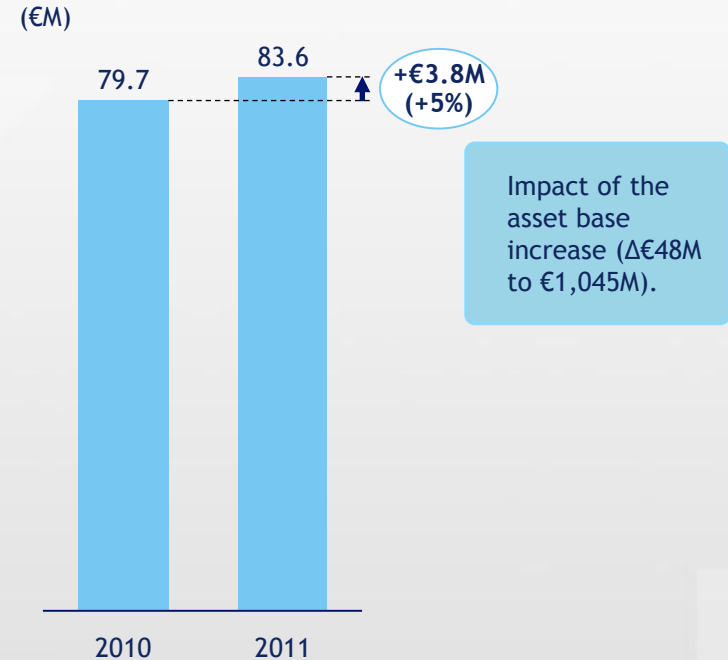
- The increase in the average RAB of 7.3% and a favorable change in the asset mix;
- The decrease of €10.5M in the revenues from the gas tariff smoothing effect (mostly related to the LNG terminal tariff);
- The impact of the change in the remuneration formula applicable to hydro land.

Breakdown of return on RAB

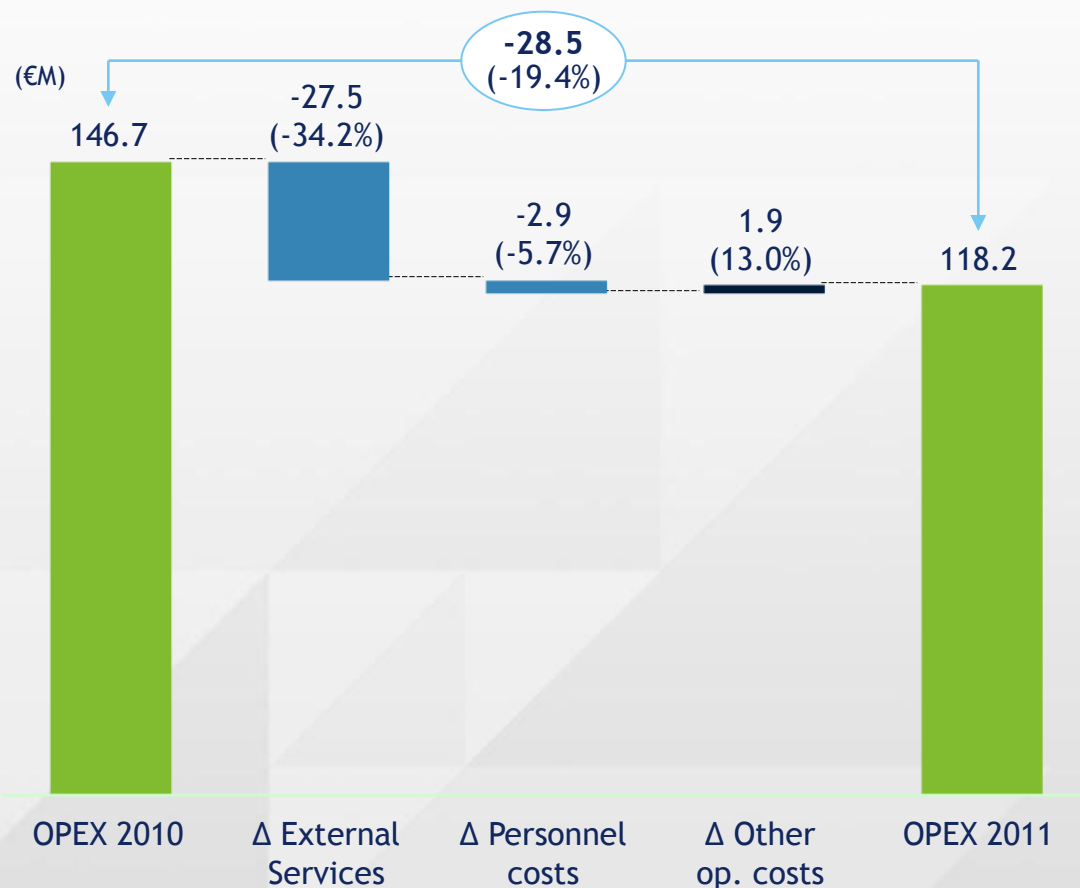
Electricity return on RAB (ex. lands)



Natural Gas return on RAB



Operational costs

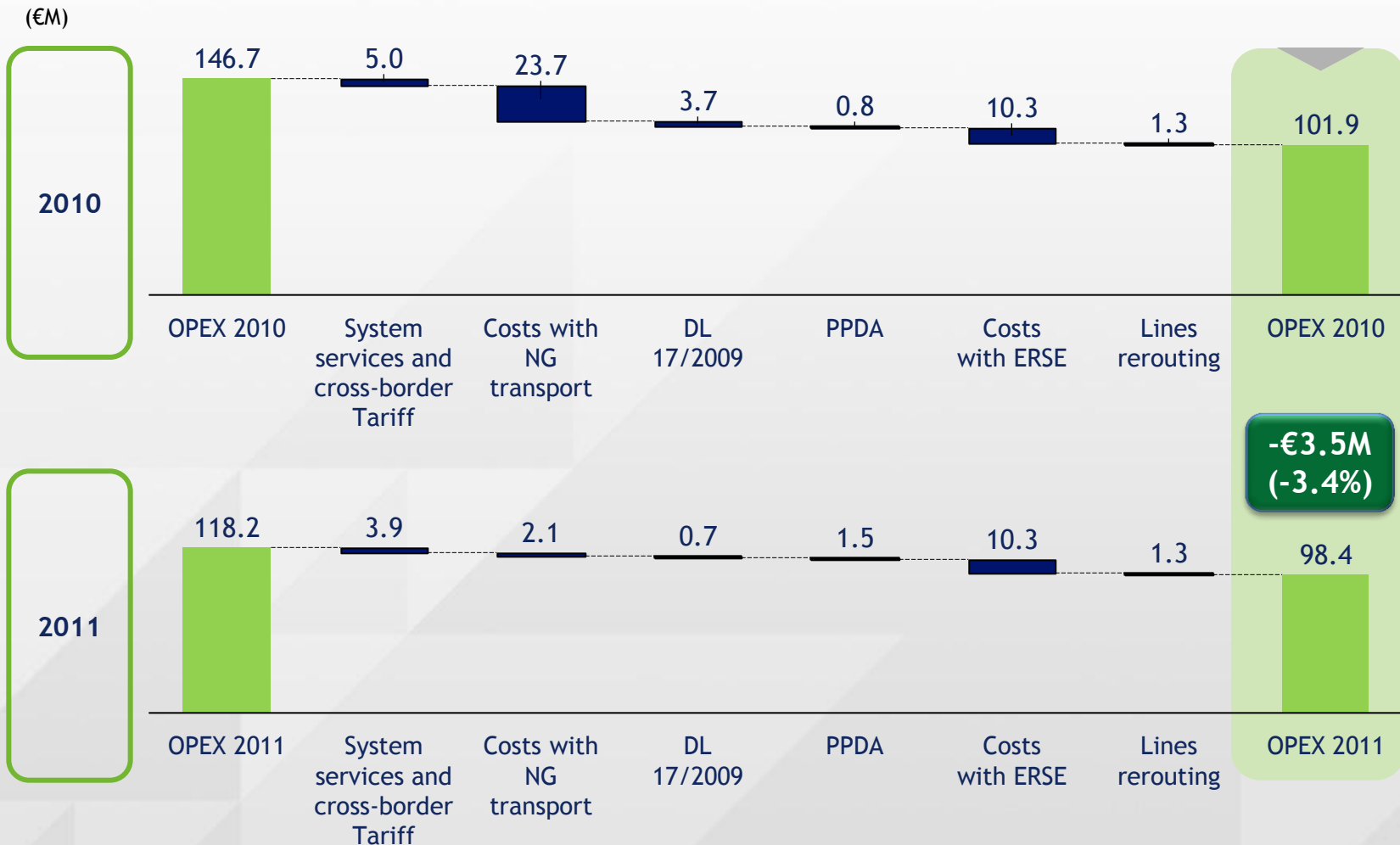


- Operational costs dropped by 19.4%. External services decreased by 34.2% and personnel costs by 5.7%.

- This decrease reflects three main events:
 - 1) The change in the consolidation method of natural gas transport subsidiaries;
 - 2) The higher operational efficiency;
 - 3) The freezing of the collective bargaining agreement clauses imposed by the state budget.

Note: values do not include costs incurred with the construction of concession assets (€394.5M in 2010 and €316.3M in 2011).

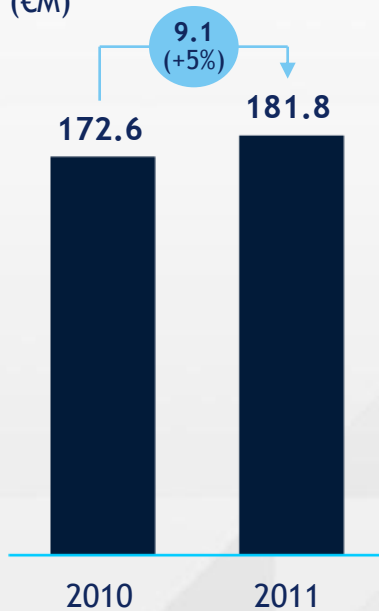
Opex core



Note: figures do not include costs incurred with the construction of concession assets (€394.5M in 2010 and €316.3M in 2011).

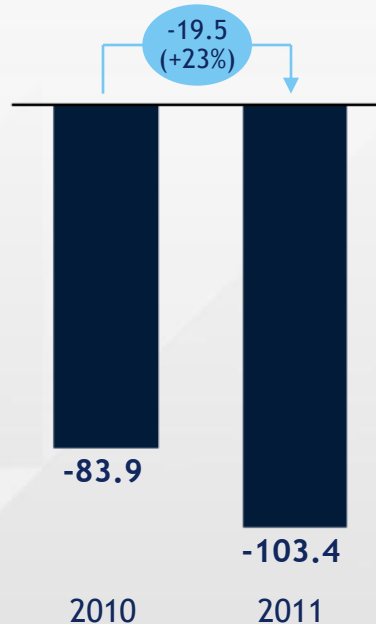
Below EBITDA

Depreciation
(€M)



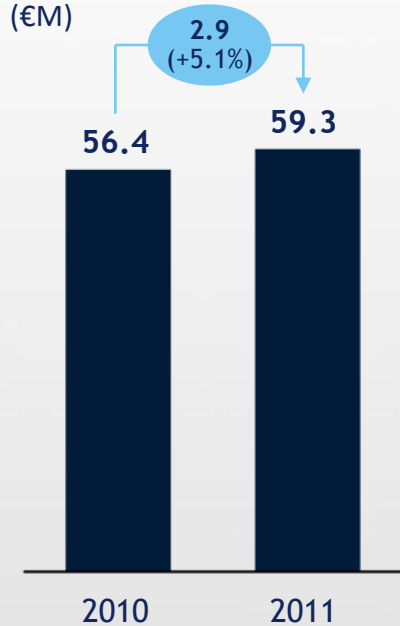
- The increase in depreciation follows the growth of RAB.

Net financial income
(€M)



- Financial results reached -€103.4M at the end of the year versus -€83.9M in 2010.
- The average cost of debt was 4.72% (3.99% in 2010).

Taxes
(€M)



- Taxes increased by €2.9M, reflecting the growth in profits before taxes and a one-off tax payment of €3.6M relative to 2008.

Average RAB and CAPEX

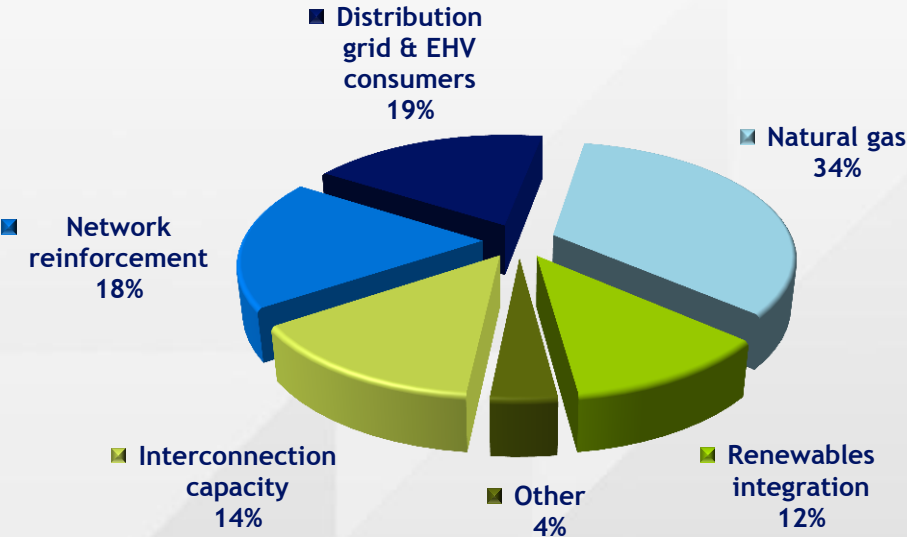
(€M)	2010	2011	Δ%
Total average RAB	2,970.1	3,185.8	7.3%
Electricity	1,640.8	1,821.7	11.0%
Hydro land	332.6	319.2	-4.1%
Natural Gas	996.7	1,044.9	4.8%
RAB end of period	3,068.5	3,303.0	7.6%
Electricity	1,707.0	1,936.5	13.4%
Hydro land	325.6	312.7	-4.0%
Natural Gas	1,035.9	1,053.8	1.7%
CAPEX	443.0	349.4	-21.1%
Electricity	293.9	267.9	-8.8%
Natural Gas	148.5	81.4	-45.2%
Other	0.7	0.1	-79.8%
RAB variation	196.7	234.4	19.2%
Electricity	133.0	229.5	72.5%
Hydro land	-14.7	-13.0	-12.0%
Natural Gas	78.4	17.9	-77.2%

- CAPEX amounted to €349.4M, a decrease of 21.1% versus 2010.
- The completion of the Tavira substation and the 400 kV overhead lines between Portimão, Tavira (in the Algarve) and the Spanish border are the most relevant items on the electricity side. Also relevant are the new GIS substations in Prelada and Ermesinde (220 kV) (near Porto), Zambujal (220 kV) and Fernão Ferro (150 and 60 kV) (near Lisbon).
- The Sines LNG Terminal expansion to be completed in 2012 was the single most important project in the natural gas business.
- Average RAB increased 7.3%, reaching €3,186M.

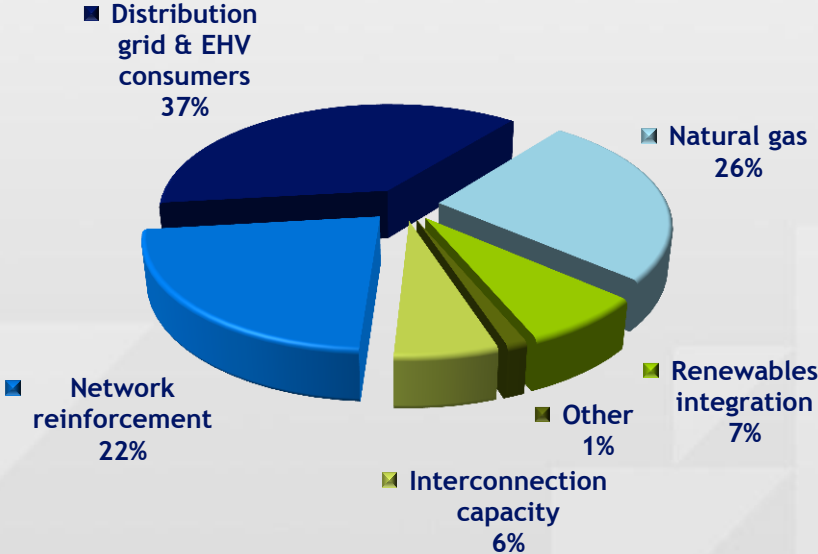
CAPEX breakdown



2010

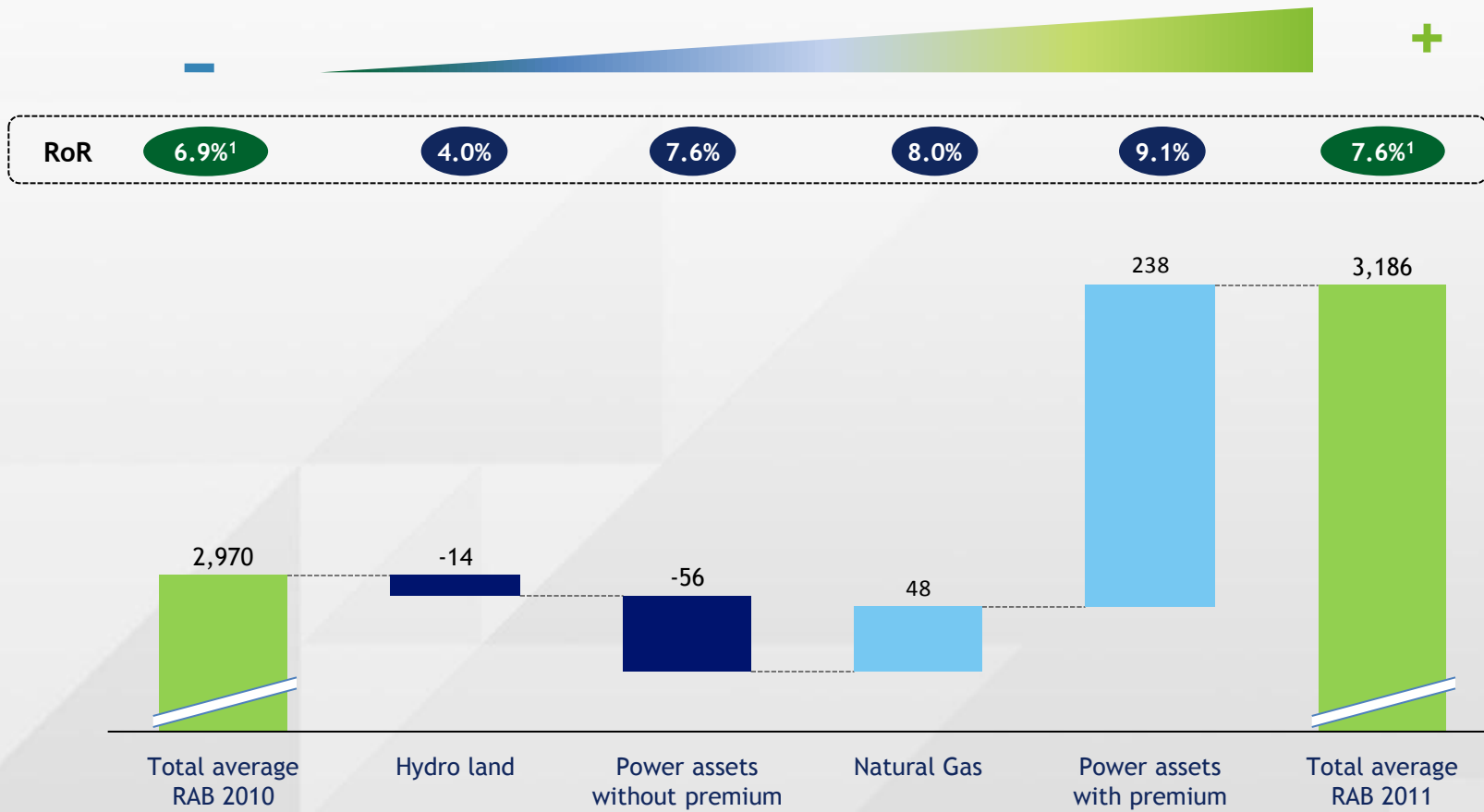


2011



RAB breakdown

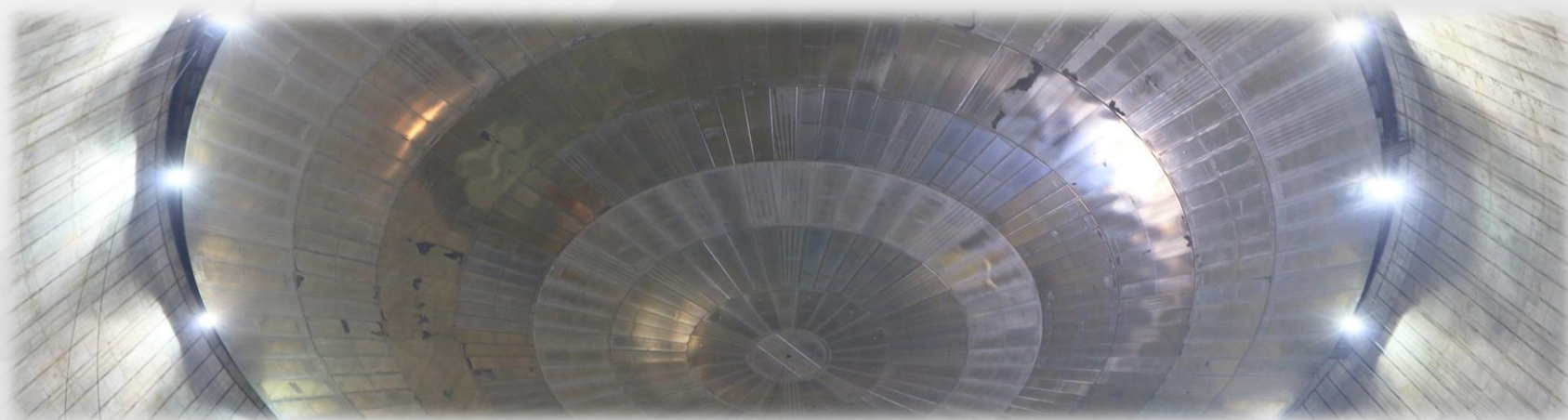
(€M)



1) RoR obtained as both the RAB and hydro and protection zone land remuneration, divided by the total average RAB.

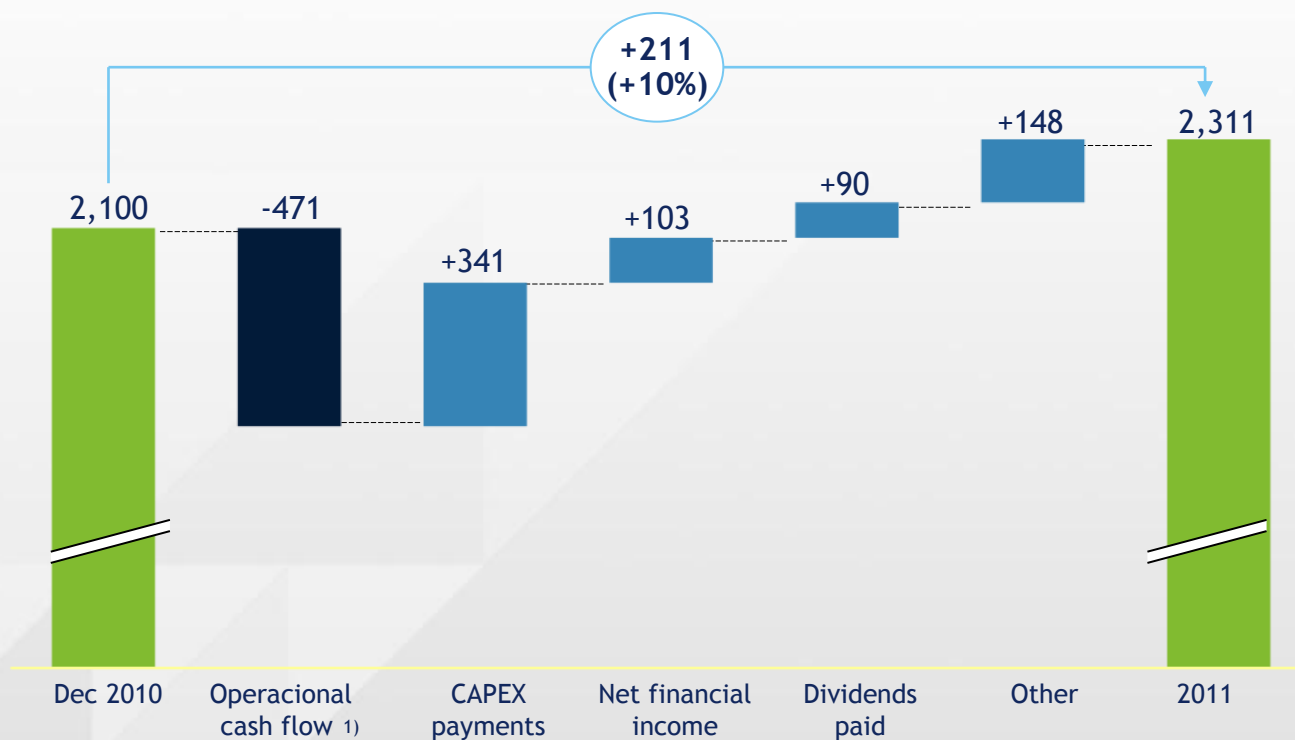
Breakdown of return on assets

(€M)	Average RAB	Average rate of return	Return
Electricity	1,806.1	8.1%	145.4
Assets with premium	593.8	9.1%	53.8
Assets without premium	1,212.2	7.6%	91.6
Land	334.8	4.0%	13.3
Natural Gas	1,044.9	8.0%	83.6
TOTAL	3,185.8	7.6%	242.3



Net debt

(€M)

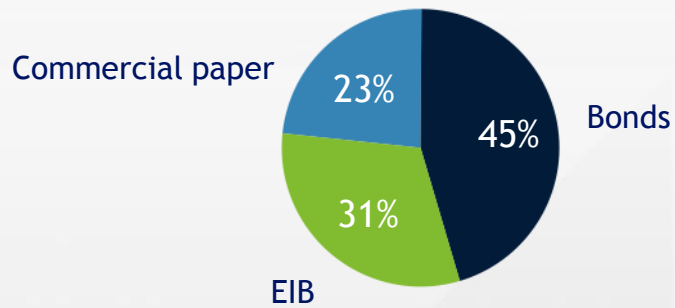


- Net debt at the end of the year reached €2,311M, resulting in a growth of 10% compared with the end of 2010.
- The average cost of REN's debt was 4.7%.

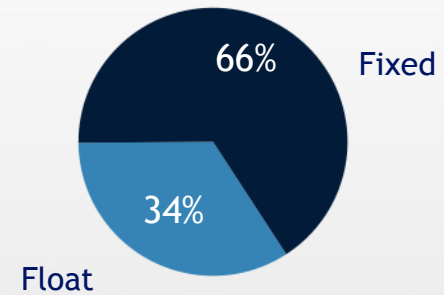
¹⁾ Operational Cash flow = EBIT + Depreciation + Provisions

Debt profile

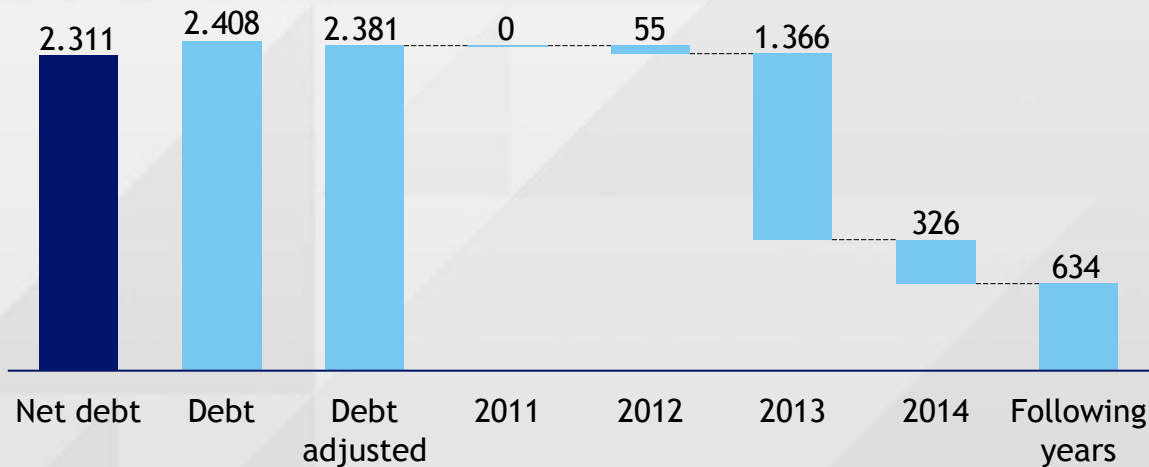
Debt by source of funds



Debt by interest rate type



Debt maturity schedule



Average maturity:
3.86 years

¹⁾ Adjusted by yen currency exchange.

Credit metrics

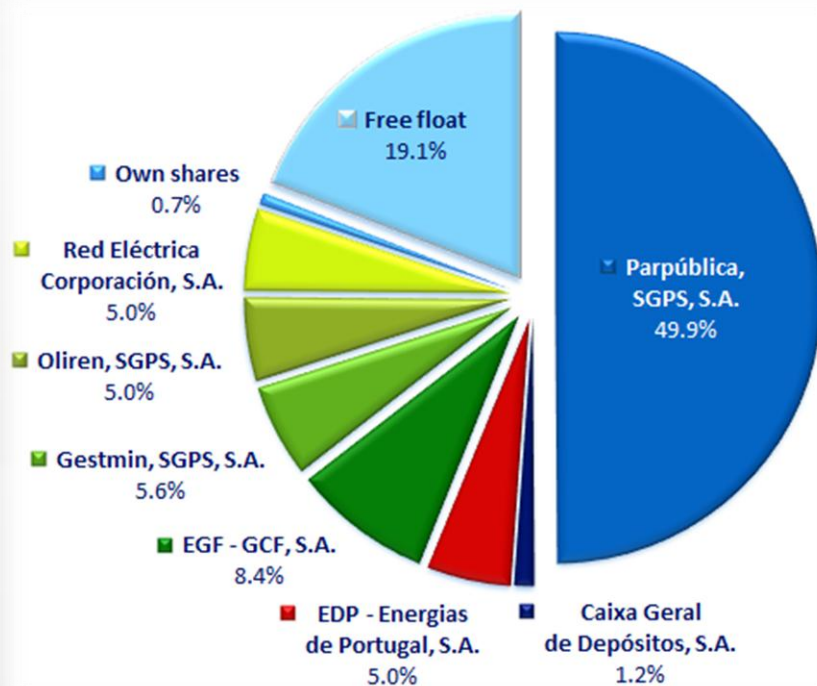


	2010	2011
Net Debt / EBITDA	4.9 x	4.9 x
FFO / Net Debt	10.2%	11.6%
FFO interest coverage	3.4 x	3.5 x

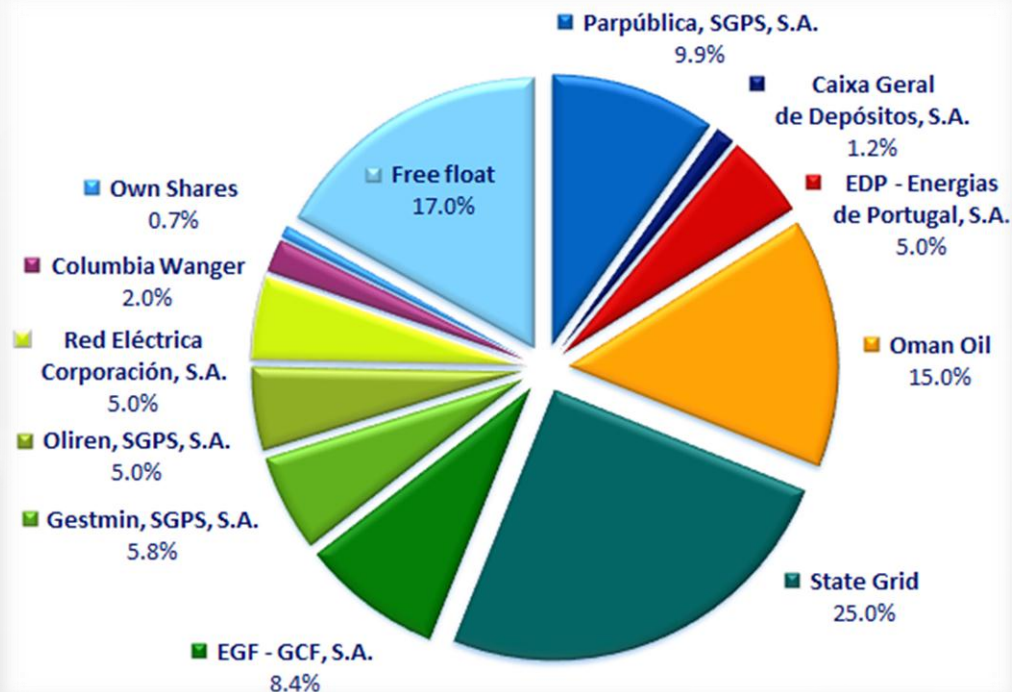
REN's credit metrics display a slight improvement versus 2010

REN's shareholder structure

December 2011



After Privatization II



Note: Attributable voting rights.



Appendix

Other operational revenues and costs



(€M)	2010	2011	Δ%
Other revenues	46.2	28.4	-38.5%
Commercial gains	3.2	2.5	-21.6%
Interest on tariff deviation	4.0	2.5	-38.1%
Grid availability incentive	0.3	0.6	100.0%
Hedging contracts	5.9	0.4	-93.4%
Telecoms	5.9	4.9	-16.4%
Services provided to Market Operator	2.5	1.9	-24.1%
Earnings from associated companies	0.0	10.3	
Consultancy services	5.0	1.3	-74.3%
Revenues from natural gas JV	8.1	0.0	
Services rendered to natural gas JV	4.7	0.0	
Other services provided	6.6	4.0	-38.7%
Other operational costs	15.0	17.0	13.0%
Costs with ERSE	10.3	10.3	-0.2%
Other	4.7	6.7	42.0%

Non recurring items breakdown

(€M)	2010	2011	Δ%
Non recurring items affecting EBIT:	8.3	7.6	-8.3%
Provision to cover the litigation with Amorim Energia	12.5	15.3	22.4%
Extraordinary amortisation of subsidies	-4.2	0.0	
Impairment reversion	0.0	2.7	
Earnings from associated companies	0.0	-10.3	
Non recurring items affecting Net Income:	9.5	10.4	9.1%
Provision to cover the litigation with Amorim Energia	12.5	15.3	22.4%
Correction of income tax related to previous years	0.0	3.6	
Extraordinary amortisation of subsidies	-4.2	0.0	
Impairment loss on trade receivables	0.0	2.7	
Earnings from associated companies	0.0	-10.3	
Tax effect	1.2	-0.8	-167.5%

EBIT breakdown (electricity¹)



(€M)	2010	2011	Δ%
REVENUES	631.0	632.7	0.3%
Revenues of assets	249.7	292.2	17.0%
Return on RAB	125.3	145.4	16.1%
Hydro land remuneration	-1.3	12.5	
Lease revenues from hydro protection zone	0.8	0.8	3.5%
Remuneration of fully depreciated assets	5.5	7.0	26.5%
Recovery of depreciation (net from subsidies)	109.2	115.0	5.3%
Subsidies depreciation	10.2	11.5	12.4%
Revenues of OPEX	74.9	70.4	-6.1%
Recovery of net OPEX	68.8	67.8	-1.5%
Recovery of cross-border costs	5.0	2.1	-58.0%
Overhead lines rerouting	1.2	0.5	-59.3%
Other revenues	12.4	2.2	-82.0%
Commercial gains (trading)	3.2	2.5	-21.6%
Interest on tariff deviation	3.7	1.7	-53.3%
Grid availability incentive	0.3	0.6	
Other	5.3	-2.6	-148.8%
Construction revenues (IFRIC 12)	293.9	267.9	-8.8%
OPEX	69.0	59.0	-14.4%
External supplies and services	34.7	27.5	-20.7%
Personnel costs	25.6	21.8	-14.7%
Other operational costs	8.7	9.7	11.7%
Construction costs (IFRIC 12)	271.9	242.4	-10.8%
Depreciation	122.3	128.6	5.1%
Provisions and reversions	0.3	2.6	
EBIT	167.5	200.1	19.4%
Depreciation	122.3	128.6	5.1%
Non recurring items	0.0	2.7	
EBITDA	289.8	331.3	14.3%

¹) Includes Electricity, REN Trading and Enondas (wave energy concession)

EBIT breakdown (natural gas)



(€M)	2010	2011	Δ%
TOTAL REVENUES	326.2	265.6	-18.6%
Revenues of assets	149.2	138.1	-7.5%
Return on RAB	79.7	83.6	4.8%
Tariff smoothing effect	12.3	1.8	-85.2%
Recovery of depreciation (net from subsidies)	43.7	46.7	6.7%
Subsidies depreciation	13.5	6.0	-55.5%
Revenues of OPEX	36.5	39.0	6.8%
Recovery of net OPEX	36.5	39.0	6.8%
Other revenues	13.8	7.1	-48.7%
Interest on tariff deviation	0.3	0.7	153.0%
Revenues from natural gas JV	8.1	0.0	
Services rendered to natural gas JV	4.7	0.0	
Other	0.7	6.3	
Construction revenues (IFRIC 12)	126.6	81.4	-35.7%
OPEX	51.4	28.1	-45.4%
Personnel costs	10.2	8.9	-12.8%
External supplies and services	37.0	14.1	-61.8%
Other operational costs	4.3	5.1	18.8%
Construction costs (IFRIC 12)	122.6	73.9	-39.8%
Depreciation	50.0	52.8	5.7%
Provisions	0.0	0.0	
EBIT	102.1	110.7	8.4%
Depreciation	50.0	52.8	5.7%
Non recurring items	-4.2	0.0	
EBITDA	147.9	163.6	10.6%

EBIT breakdown (other¹)



(€M)	2010	2011	Δ%
TOTAL REVENUES	20.0	19.1	-4.4%
Other revenues	20.0	19.1	-4.4%
Earnings from associated companies	0.0	10.3	
Hedging contracts	5.9	0.4	-93.4%
Telecoms	5.9	4.9	-16.4%
Services provided to Market Operator	2.5	1.9	-24.1%
Other services provided (consulting)	5.0	1.3	-74.3%
Other	0.6	0.3	-56.8%
OPEX	26.3	31.1	18.2%
External supplies and services	8.7	11.3	29.1%
Personnel costs	15.5	17.6	13.7%
Other operational costs	2.1	2.2	5.9%
Depreciation	0.3	0.4	6.8%
Provisions	12.5	15.3	22.5%
EBIT	-19.1	-27.6	44.4%
Depreciation	0.3	0.4	6.8%
Non recurring items	12.5	4.9	-60.4%
EBITDA	-6.3	-22.3	

¹) Includes REN SGPS, REN Serviços and REN Telecom.

Tariff deviations

- Net Tariff deviations were worth -€17.5M in the balance sheet at the end of 2011 as follows:
 - Electricity: -€70.7M
 - Natural Gas: €53.1M



Profit and loss statement

(€M)	2010	2011	Δ%
Operational revenues	977.1	917.3	-6.1%
Sales and services rendered	510.8	530.8	3.9%
Construction revenues (IFRIC12)	420.5	349.3	-16.9%
Other operational revenues	37.8	26.9	-28.8%
JV revenues	8.1	0.0	
Income from related companies	0.0	10.3	
Operational costs	-726.6	-634.1	-12.7%
External supplies and services	-80.4	-52.9	-34.2%
Personnel	-51.2	-48.3	-5.7%
Construction costs (IFRIC 12)	-394.5	-316.3	-19.8%
Depreciation	-172.6	-181.8	5.3%
Provisions/Reversions	-12.8	-17.9	40.0%
Others	-15.0	-17.0	13.0%
EBIT	250.5	283.2	13.0%
Net financial income	-83.9	-103.4	23.2%
Financial costs	-89.9	-111.9	24.5%
Financial revenues	2.2	4.0	82.1%
Investment income (dividends)	3.8	4.6	21.3%
EBT	166.6	179.8	7.9%
Income tax	-56.4	-59.3	5.1%
NET INCOME	110.3	120.6	9.4%



Balance Sheet



(€M)	2010	2011
Fixed assets RAB related	3,700.0	3,870.3
Investments and goodwill ¹	118.1	119.3
Tariff deviations	124.5	111.6
Receivables ²	279.0	272.3
Cash	138.6	69.4
Other ³	100.4	30.7
Total assets	4,460.5	4,473.7
Shareholders equity	1,021.9	1,037.4
Debt (end of period)	2,257.8	2,407.6
Provisions	17.1	32.3
Tariff deviations	129.1	129.2
Payables ⁴	887.2	796.1
Other ⁵	147.5	71.1
Total equity and liabilities	4,460.5	4,473.7

1. Goodwill and financial investments
2. Trade and other receivables, deferred tax assets, current income tax recoverable
3. Inventories and guarantee deposits, fixed assets and assets in progress (not RAB related)
4. Trade and other payables, deferred tax liabilities and income tax payable
5. Retirement and other benefits obligations, derivative financial instruments and guarantee deposits

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THANK YOU

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