

REN

2012 ANNUAL RESULTS REPORT



Highlights 2012 (I/II)

MAIN INDICATORS

(€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

- ▶ **EBITDA** grew to €514.6M, an 8.9% (+€42M) increase versus 2011. This growth was driven by a 6.1% increase in the average RAB, which combined with a higher rate of return led to a 25.1% (+€57.6M) increase in RAB remuneration.
- ▶ **Net Income** rose to €123.9M, a 2.7% (+€3.3M) year-on-year increase, despite the negative evolution of net financial income (-€32.7M).
- ▶ When adjusted for non recurring items, **Recurrent Net Income** stood at €120.1M, an 8.3% (-€10.9M) decrease versus 2011.

Highlights 2012 (II/II)

MAIN INDICATORS

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▶ CAPEX at the end of 2012 was €201.1M, a decrease of 42.5% versus last year, which resulted in a €105.9M drop in transfers to RAB (-24.8%). Electricity transfers decreased €160.1M having been partially offset by an increase of €54.3M in natural gas, mainly due to the Sines Terminal Transfer to RAB of €106.9M. **Average RAB** grew by 6.1%, with a larger focus on the categories with the highest rate of return.

▶ In the fourth quarter, China Development Bank Corporation approved an €800M loan to be provided to REN, that will contribute to the mitigation of REN's refinancing risk and helped **REN achieve an investment grade rating** from Fitch. This loan together with the debt issues done in the fourth quarter of 2012, allows **REN to be fully financed until 2015.**

▶ The entry of the new strategic partners - State Grid Corporation of China and Oman Oil Company - marked the start of the Company's **internationalization stage**. On November 9th, REN presented the guidelines for its new **2012-2016 Strategic Plan.**

Average RAB rose by 6.1%

CAPEX and RAB

(€M)

	2012	2011	Variation	
			Δ%	Δ Abs.
Average RAB	3,380.7	3,185.8	6.1%	195.0
Electricity	1,972.7	1,806.1	9.2%	166.6
Land	321.2	334.8	-4.1%	-13.6
Natural gas	1,086.9	1,044.9	4.0%	42.0
RAB end of period	3,458.0	3,303.0	4.7%	155.0
Electricity	2,023.6	1,921.2	5.3%	102.5
Land	314.4	328.0	-4.2%	-13.6
Natural gas	1,119.9	1,053.8	6.3%	66.2
CAPEX	201.1	349.4	-42.5%	-148.4
Electricity	155.5	267.9	-41.9%	-112.4
Natural gas	45.0	81.4	-44.7%	-36.4
Other	0.5	0.1	269.0%	0.4
RAB variation e.o.p.	155.0	234.4		
Electricity	102.5	230.2		
Land	-13.6	-13.7		
Natural gas	66.2	17.9		

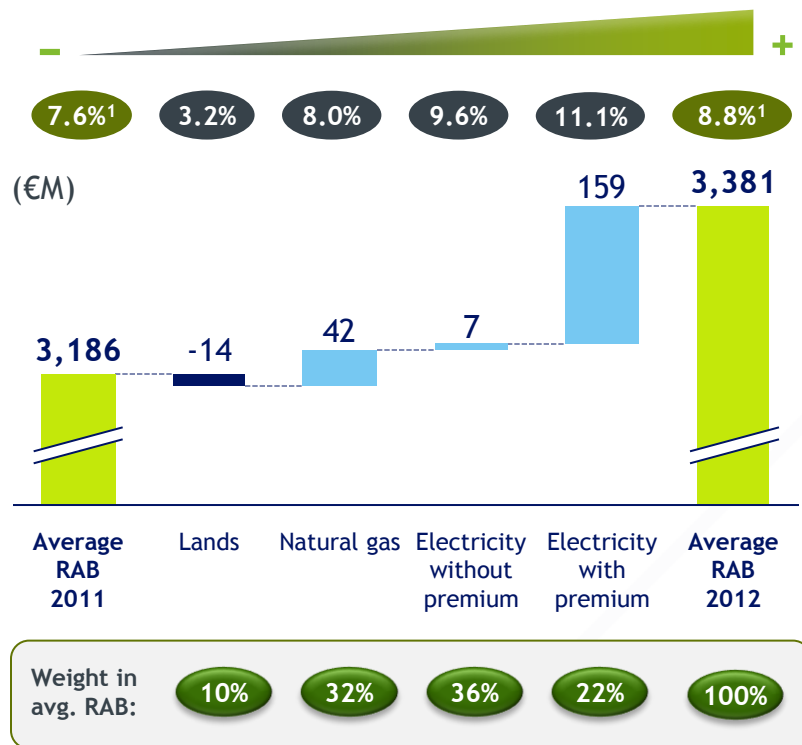
▶ Total CAPEX decreased to €201.1M (42.5% below 2011), down from previous peak levels. The decrease was similar in electricity (-42%, to €155.5M) and natural gas (-45%, to €45M).

▶ A new 400 kV overhead line between the Marateca area and Fanhões substation, in the Lisbon region, and the new 220/60 kV substation of Valpaços, in the north region, were the most relevant projects on the **electricity side**.

▶ The most important **gas infrastructure** that was commissioned in 2012 was the final stage of the Sines LNG Terminal expansion project, the final phase of the plant's third LNG storage tank, accounting for about 60% of the year's total incurred Capex. The remaining gas sector CAPEX resulted mainly from the pipeline under construction, Mangualde-Celorico-Guarda and the construction of a new cavern still ongoing.

A focus on growth in assets with higher RoR

RoR

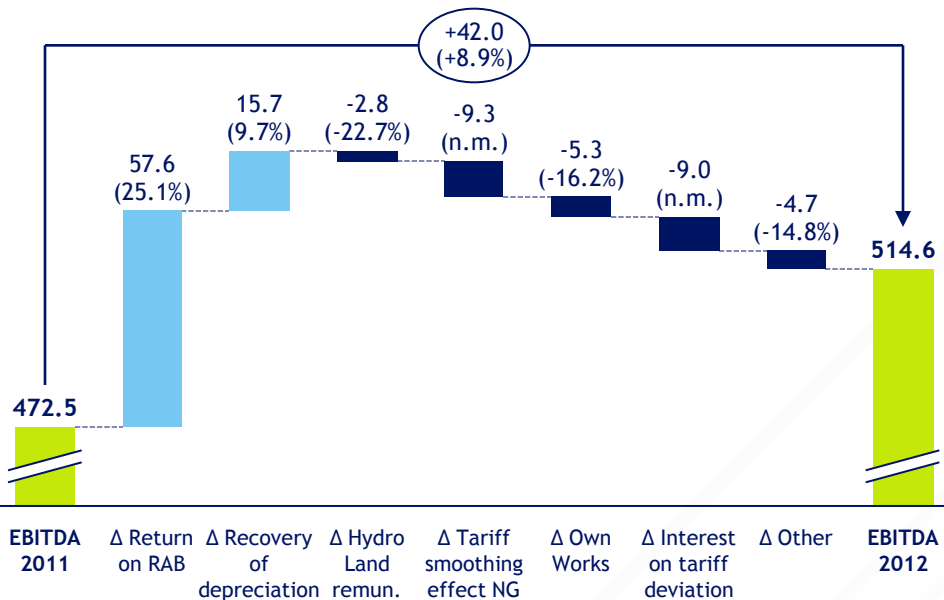


- ▶ The growth of average RAB was focused on the categories with the highest Rate of Return (RoR). Electricity RAB with premium, with a 11.1% RoR grew €159.2M versus 2011, while the category with the lowest rate of return, the lands with a 3.2% RoR, saw the value of its average RAB go down by €13.6M.
- ▶ In natural gas, the average RAB rose by €42M (RoR 8.0%), essentially due to the conclusion of the Sines LNG Terminal.
- ▶ At the end of 2012, **electricity accounted for 58%** of the average RAB, **natural gas for 32%** and lands for the remaining 10%.

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

EBITDA grew 8.9% following a 25.1% increase in return on RAB

(€M)

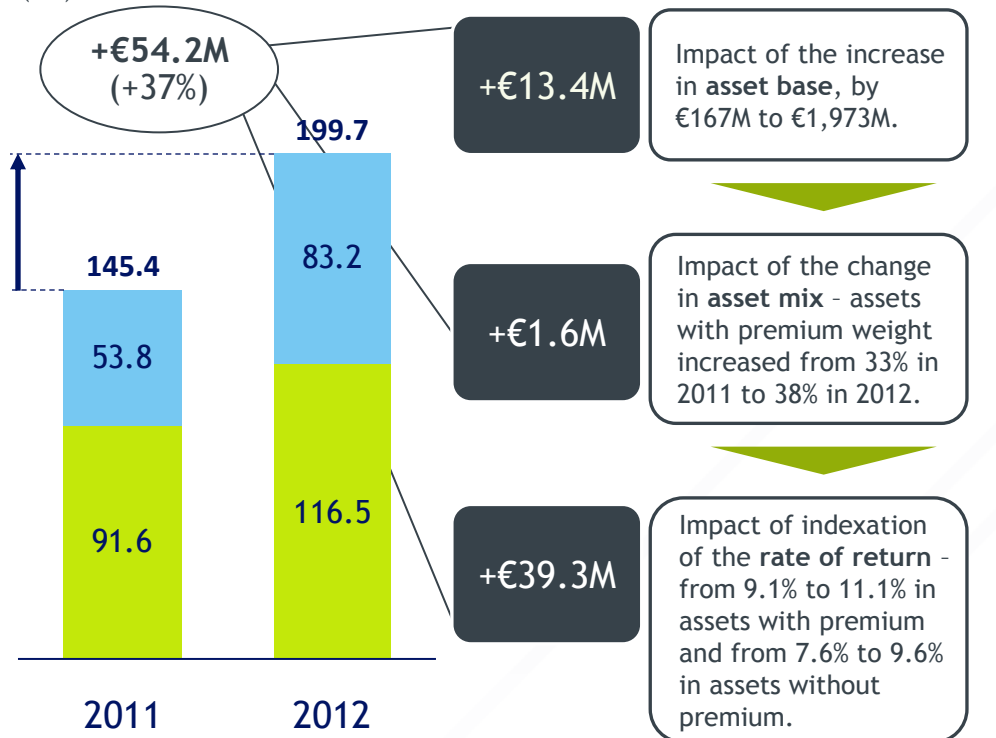


- ▶ EBITDA was positively impacted by the increase in revenues from assets, up by €62.9M to €493.1M.
- ▶ The main contributor was the **return on RAB** (+€57.6M), with a special focus on the electricity business (+€54.2M). This growth is a consequence of an increase in the **average RAB**, as well as in the corresponding average rate of return.
- ▶ The **recovery of depreciation** was higher than last year due to the higher asset base.
- ▶ The positive evolution of revenues from assets occurred despite revenues from the **gas tariff smoothing effect** decreasing by €9.3M.
- ▶ **Hydro land remuneration** also gave a negative contribution (-€2.8M) due to a lower hydro asset base and a reduction in the rate of return (3.2%).

Return on RAB with strong growth due to the evolution of RoR and an increase in asset base

RAB REMUNERATION IN ELECTRICITY (ex. lands)

(€M)

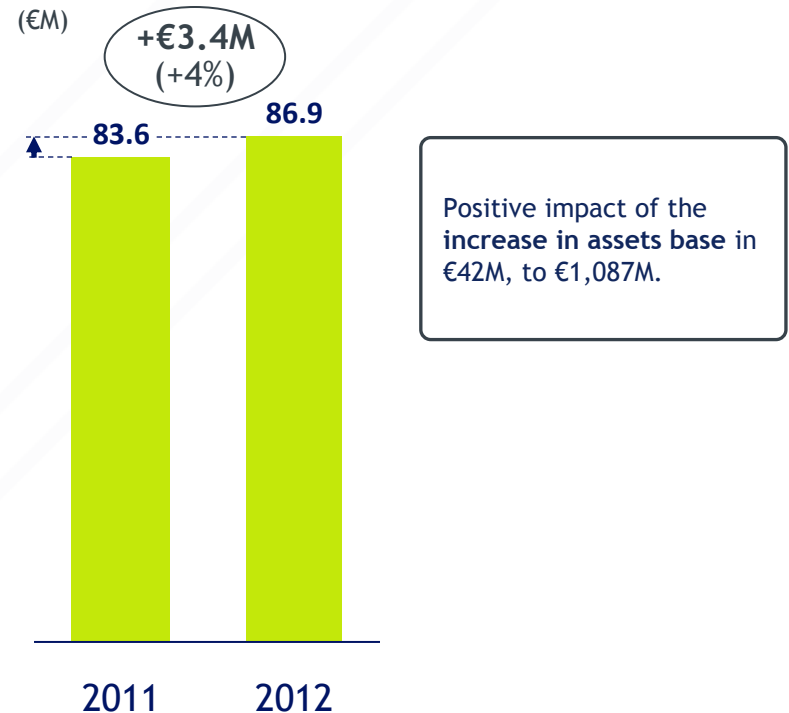


Electricity with premium
Electricity without premium

NATURAL GAS RETURN ON RAB

(ex. tariff smoothing effect)

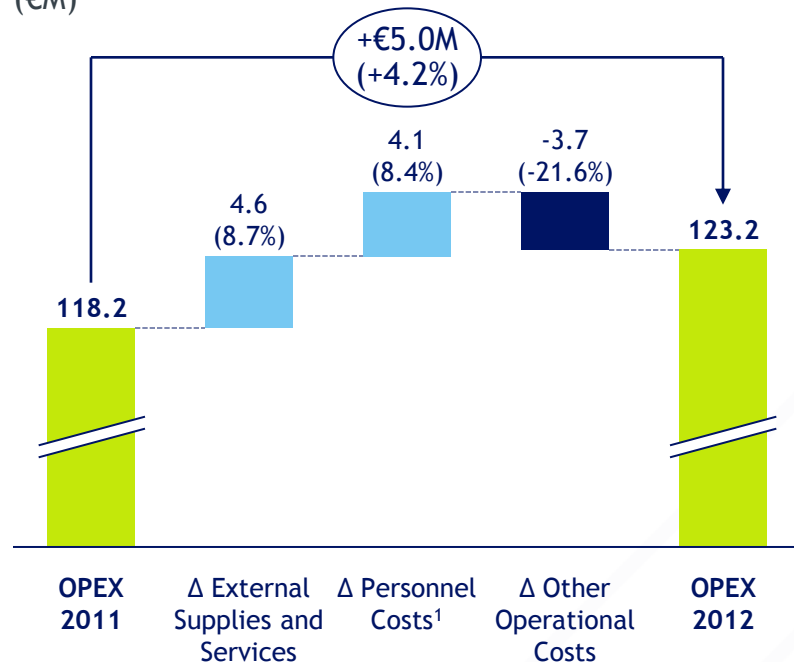
(€M)



OPEX increased 4.2%, benefiting from the reduction in *other operational costs*

OPERATIONAL COST

(€M)

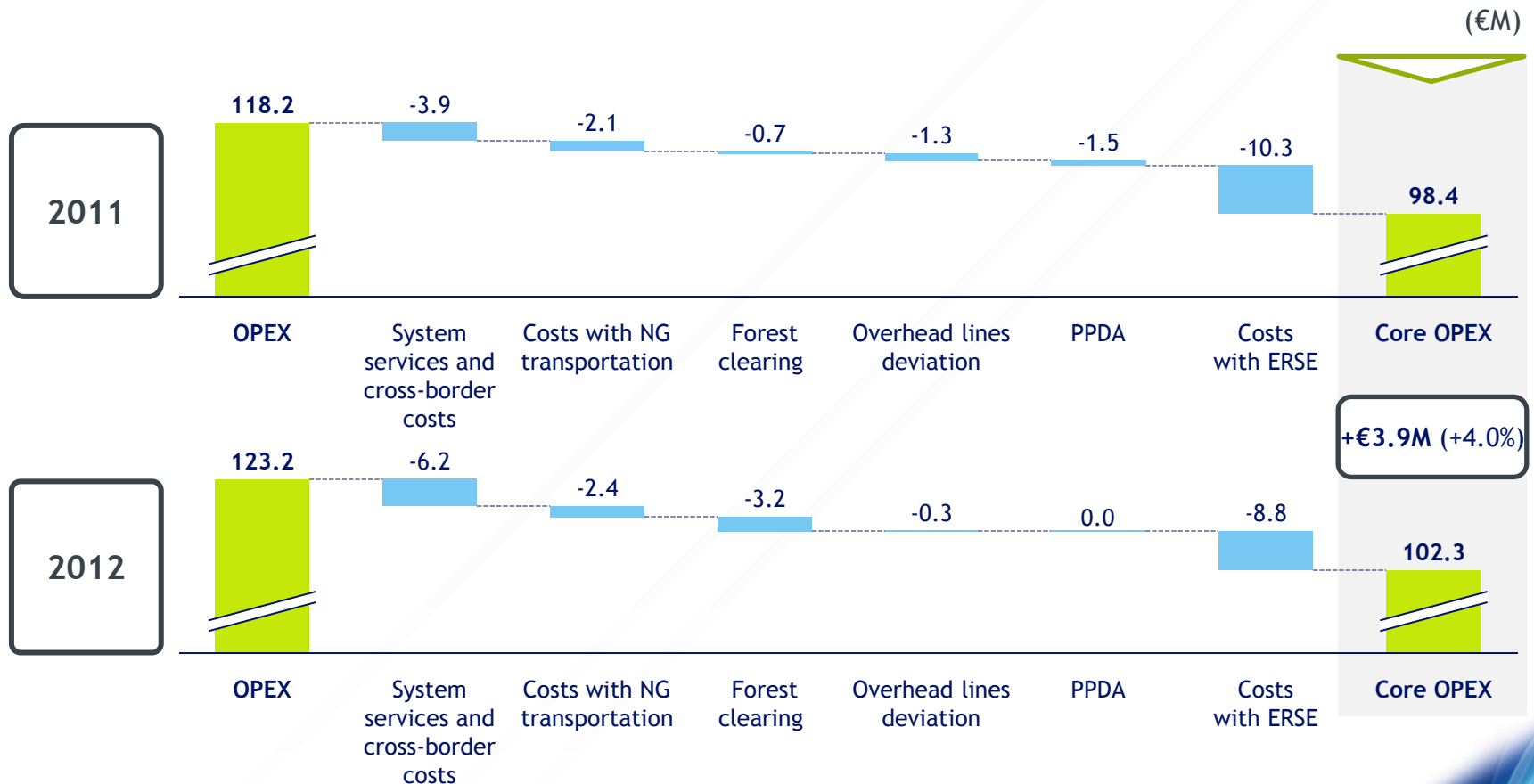


- ▶ External services and supplies increased by €4.6M (+8.7%), essentially due to a decrease in non-core items, of which we highlight the increase in the pass-through category: forest clearing (+€2.6M) and system services and cross-border tariffs (+2.3M€), that is linked to the fact that 2012 has been a particularly dry and not very windy year in Portugal, leading the country to import more electricity.
- ▶ Personnel costs increased by €4.1M (+8.4%), reflecting the end of the impact of Government Budget Law and the terminations by mutual agreement (TMA) provision.
- ▶ Other operational costs decreased by €3.7M, driven by savings in non-core items: costs with ERSE were reduced by €1.6M and PPDA costs by €1.1M.

1) Includes a €2.0M provision for terminations by mutual agreement.

Core OPEX up 4.0%

- ▶ Excluding pass-through costs (system services and cross-border costs, costs with natural gas transportation, forest clearing, overhead lines deviations, PPDA and costs with ERSE), Core OPEX increased by 4.0% (from €98.4M to €102.3M).



The positive operational performance surpassed the increased financing costs

NET INCOME

(€M)	2012	2011	Variation 12/11	
			Δ%	Δ Abs.
EBITDA	514.6	472.5	8.9%	42.0
Depreciation	197.4	181.8	8.6%	15.6
Net financial income	-136.0	-103.4	31.6%	-32.7
Profit before income tax	178.5	179.8	-0.7%	-1.3
Income tax	54.6	59.3	-7.8%	-4.6
Net income	123.9	120.6	2.7%	3.3
Recurrent net income	120.1	131.0	-8.3%	-10.9

- ▶ The increase in Depreciation of 8.6% is consistent with the RAB growth experienced in the same period.
- ▶ Net financial income stood at -€136M, 31.6% higher than in 2011, as a result of higher financial costs.

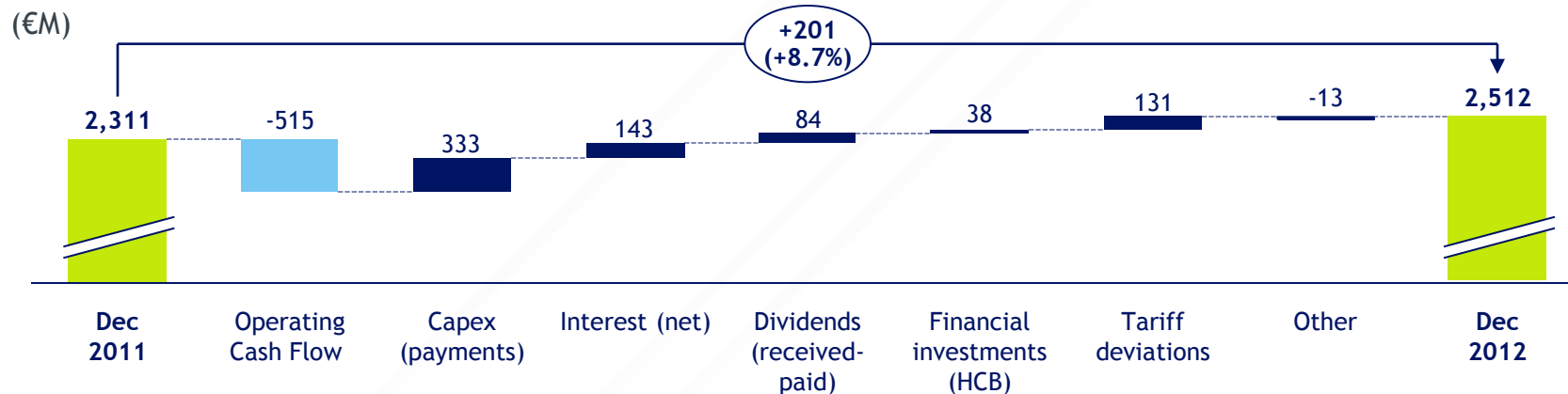
- ▶ The average cost of debt was 5.70%, 98 basis points more than in 2011. This increase results mainly from the step-up clauses of the €800M bond issue due in December 2013.
- ▶ Net income in 2012 rose 2.7% YoY, reaching €123.9M. This result benefited from the adjustment of €5.6M in income tax, but was negatively affected by: (i) the increase in depreciation (+€15.6M); (ii) the behavior of the financial income (-€32.7M yoy), reflecting the increase in net debt (+8.7%) and in the average cost of funding (+1p.p to 5.7%); (iii) the impairment of receivable debts (€2.6M; €1.8M after taxes).
- ▶ Income tax decreased by €4.6M, reflecting the decrease of both the EBT (-€1.3M) and the corporate tax rate (effective tax rate went from 32.9% to 30.6%).
- ▶ The tax rate used to determine the amount of tax in the consolidated financial statements was updated in accordance with Law 64-B/2011 of 31 December, which introduced a State surcharge corresponding to the application of an additional 3% on taxable profit from €1.5M to €10M, and 5% on taxable profit in excess of €10M.

The **funding operations** carried out in 2012 reinforced REN's capacity to face future funding challenges

- ▶ Net debt increased from €2,311M in December 2011 to €2,512M in December 2012 (+8.7%), due to Capex payments (€333), interest (€143M), tariff deviations (€131M), payment of dividends (€84M) and financial investments in HCB (€38M), despite a positive operating cash flow (515M€).

- ▶ The Average cost of debt increased by 98 bp, from 4.72% to 5.70% YoY, mainly due to the step-up clauses of the €800M bond issue due in December 2013.

NET DEBT

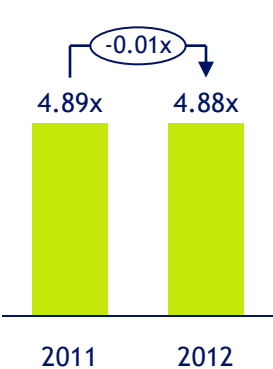


Operational Cash flow = EBIT + Depreciation + Provisions

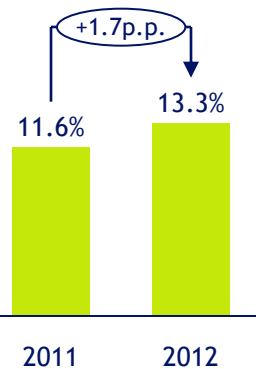
HCB = Hidroeléctrica Cahora Bassa

Credit metrics improve slightly

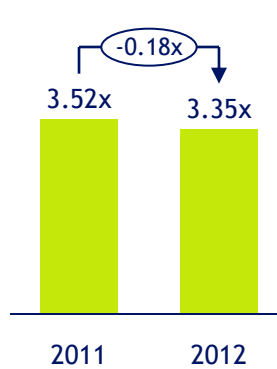
Net debt / EBITDA



FFO / Net debt



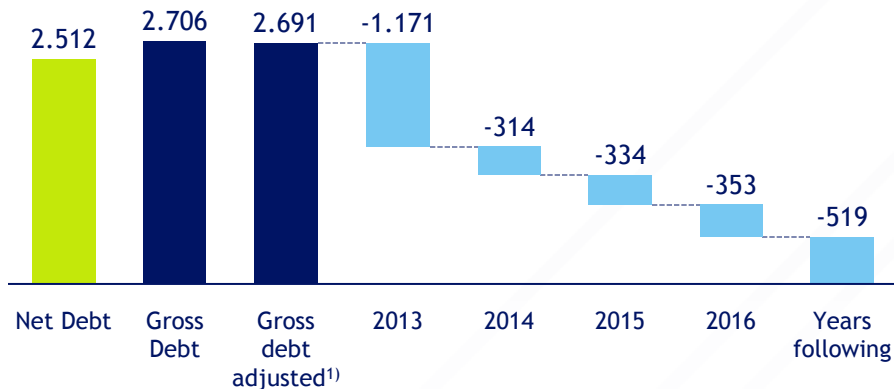
FFO interest coverage



The financial rating assigned to REN was strongly penalized by the successive downgrades of Portugal's sovereign rating. Despite this situation, REN is committed not to ease its credit metric goals. Since 2008 REN has been actively reshaping its debt in order to improve its average maturity. REN is also using a combination of floating and fixed rate issues and/or interest rate swaps to achieve a suitable interest rate mix. Finally, REN is increasing its international financial partners base and has managed to build a supportive group of relationship banks.

DEBT MATURITY SCHEDULE

(€M)



1) Adjusted by yen currency exchange.

REN's ratings are at the top level of all Portuguese corporate ratings. Last October, **Moody's** confirmed the Ba1 rating of REN, concluding a review for downgrade initiated last February 16th. In Moody's view, the provision of additional liquidity by the CDB and the likely ongoing support by State Grid, materially contribute to the mitigation of REN's refinancing risk over the medium term. Moreover, **Fitch** started covering REN with an **investment grade rating**.

The average debt maturity is currently 3.22 years (without the CDB loan).

Balance sheet

(€M)

	2012	2011
Fixed assets RAB related	3,871.4	3,870.3
Investments and goodwill ¹	272.9	128.0
Tariff deviations	170.9	111.6
Receivables ²	267.1	272.3
Cash	61.2	69.4
Other ³	23.8	22.0
Total assets	4,667.3	4,473.7
Shareholders equity	1,027.6	1,037.4
Debt (end of period)	2,705.9	2,407.6
Provisions	7.2	32.3
Tariff deviations	63.0	129.2
Payables ⁴	729.0	796.1
Other ⁵	134.6	71.1
Total equity and liabilities	4,667.3	4,473.7

- ▶ Total amount of *Fixed assets RAB related* slightly increased to €3,871M.
- ▶ *Investments and goodwill (1)* increased to €272.9M from the value obtained at the end of last year (€128.0M). This item includes Goodwill, available-for-sale financial assets, derivative financial instruments, investments in associates and other investments.
- ▶ The *Receivables (2)* related to Trade and other receivables, deferred tax assets and current income tax recoverable, reached €267.1M at the end of 2012, a decrease from the €272.3M in the end of 2011.
- ▶ *Other Assets (3)* stood at €23.8M, which comprises Inventories, fixed assets and assets in progress (not RAB related).
- ▶ *Payables (4)* include trade and other payables, deferred tax liabilities and income tax payable. These totalized €729M at the end of December 2012, versus €796.1M in 2011.
- ▶ *Other liabilities (5)* stood at €134.6M, which includes retirement and other benefits obligations and derivative financial instruments (€71.1M in 2011).

The balance of tariff deviation was €113M to be received from tariffs

TARIFF DEVIATIONS

(€M)

	2012	2011
Electricity	51.6	-70.7
Natural gas	61.5	53.1
Total	113.1	-17.5

Bonds were the main source of funding in 2012, representing 60% of total debt

BORROWINGS

(€M)

	Current	Non current	Total
Commercial paper	250.0	93.0	343.0
Bonds	850.0	771.7	1,621.7
Bank borrowings	66.1	670.1	736.2
Finance lease	0.6	0.7	1.4
	1,166.8	1,535.5	2,702.3
Accrued interest	18.8	-	18.8
Prepaid interest	(15.2)	-	(15.2)
Total	1,170.4	1,535.5	2,705.9

- ▶ At the end of 2012 REN had nine active commercial paper programs, with subscription guarantee, amounting to €1.17B of which €827M are available.
- ▶ Following the strategic partnership made with State Grid of China, the conditions for the financing of the irreversible amount of €800M were agreed to (corresponding to 80% of the global commitment amount of €1B).
- ▶ REN has also credit lines negotiated and not used in the amount of €81.5M, maturing up to one year, which are automatically renewable periodically (if they are not rescinded in the contractually specified period for that purpose).
- ▶ The bank loans are mainly represented by European Investment Bank (EIB) loans.
- ▶ REN's financial liabilities have the following main types of covenants: Cross default, Pari Passu, Negative Pledge, Gearing (ratio of total consolidated equity to the amount of the Group's total conceded assets).
- ▶ The effect of the foreign exchange rate exposure was not considered as this exposure is totally covered by the hedge derivate in place.

Share performance: REN ended 2012 with a **total return** of +0.6%

YTD ANNUALIZED CLOSING PRICES



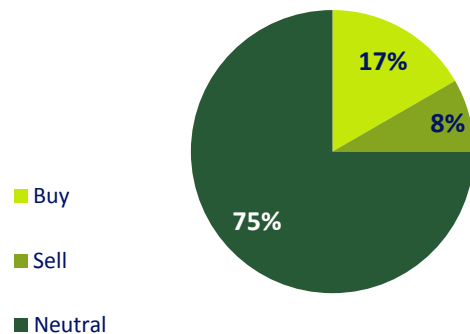
Main Press Releases

- ▶ **Feb-02:** REN approves strategic partnerships with State Grid International Development and Oman Oil Company
- ▶ **Feb-03:** Presentation Strategic partnerships with State Grid International Development and Oman Oil Company

15% was the potential increase on REN's share price

ANALYST RECOMMENDATIONS

- ▶ Average price target:
€2.36



Main Press Releases

- ▶ **Feb-15:** Qualified shareholding (Columbia Wanger)
- ▶ **Feb-16:** Moody's rating review
- ▶ **Feb-21:** REN enters into amendment agreements in relation to the concession agreements
- ▶ **Feb-22:** Qualified shareholdings (State Grid)
- ▶ **Feb-22:** Strategic partnerships with State Grid and Oman Oil
- ▶ **Feb-23:** Qualified shareholdings (Oman Oil)
- ▶ **Feb-15:** Qualified shareholding (Columbia Wanger)
- ▶ **Feb-28:** Standard & Poor's rating review
- ▶ **Mar-01:** Annual Results
- ▶ **Mar-08:** Issue of debt instruments
- ▶ **Mar-16:** Qualified holding (Morgan Stanley, EGF)

REN's total shareholder return YTD was +5.0%

REN (END OF PERIOD)

Price (€)

Close	2.06
High YTD	2.30
Low YTD	1.80
Variation YTD	-2.61%
Nr. of shares (M)	534
Own shares (M)	3.9
Market cap. (€M)	1,097.4
Volume (Th shares)	0.043
Volume WAP	2.04

Performance indicators

Div. yield	8.22%
PER	8.93%
Total shareholder return YTD	5.0%
Cumulative total return*	
REN	0.56%
PSI20	-47.73%
EuroStoxx Utilities	-46.14%

*Inception to date (July 9th 2007)

Main Press Releases

- ▶ **Mar-27:** Resolutions approved at the General Shareholder's Meeting
- ▶ **Apr-04:** Payment of dividends
- ▶ **Apr-09:** Purchase of a stake in Cahora Bassa
- ▶ **Mai-14:** First quarter 2012 results presentation
- ▶ **Mai-23:** Approval of decree-law that changes shareholders voting rights
- ▶ **Mai-25:** Qualified shareholding communication (State Grid and Oman Oil)
- ▶ **Mai-29:** Corporate Bodies' members of REN
- ▶ **Jun-11:** Qualified holding position (JPMorgan, EGF)
- ▶ **Jul-03:** Conclusion of the purchase of 7.5% of the HCB's share capital
- ▶ **Jul-31:** Replacement of member of the Board of Directors
- ▶ **Jul-31:** First half 2012 Results Presentation and Press Release
- ▶ **Aug-31:** Reports and Accounts for the 1st half of 2012
- ▶ **Sep-10 and 19:** REN Fixed Rate Notes 2012-2016
- ▶ **Sep-03 and 27:** Qualifying holding (JPMorgan)
- ▶ **Oct-05:** Issue of debt instruments (€50M)
- ▶ **Oct-11:** China Development Bank Corporation approves €800M loan
- ▶ **Oct-17:** Moody's maintains REN's

REN's total shareholder return YTD was +5.0%

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*Inception to date (July 9th 2007)

Main Press Releases

- ▶ **Nov-8:** First 9M12 results presentation
- ▶ **Nov-9:** New Strategic Plan 2012-2016
- ▶ **Nov-23:** New collective bargaining agreement proposal
- ▶ **Dec-7:** Qualified holding position (JP Morgan, EGF)
- ▶ **Dec-10:** Issue of debt instruments (€100M)
- ▶ **Jan-16:** Issue of debt instruments (€150M)
- ▶ **Jan-21:** Fitch assigns REN a BBB rating (investment grade level)
- ▶ **Jan-24:** Issue of debt instruments (€300M)

REN 

APPENDIX

EBITDA breakdown

(€M)	2012	2011	Variation 12/11	
			Δ %	Δ Abs.
1) TOTAL REVENUES	811.3	917.3	-11.6%	-106.0
Revenues from assets	493.1	430.2	14.6%	62.9
Return on RAB	286.6	229.0	25.1%	57.6
Electricity	199.7	145.4	37.3%	54.2
Natural gas	86.9	83.6	4.0%	3.4
Hydro land remuneration	9.7	12.5	-22.7%	-2.8
Lease revenues from hydro protection zone	0.8	0.8	-7.6%	-0.1
Remuneration of fully depreciated assets	7.9	7.0	13.1%	0.9
Tariff smoothing effect (natural gas)	-7.5	1.8		-9.3
Recovery of depreciation (net from subsidies)	177.3	161.6	9.7%	15.7
Subsidies amortization	18.4	17.5	5.2%	0.9
Revenues of OPEX	110.4	109.4	0.9%	1.0
Recovery of net OPEX	105.8	106.8	-1.0%	-1.1
Recovery of system services and inter-TSO compensation	4.4	2.1	109.3%	2.3
Recovery of overhead lines rerouting	0.2	0.5	-54.5%	-0.3
Other revenues	7.3	28.4	-74.3%	-21.1
Construction revenues (IFRIC 12)	200.5	349.3	-42.6%	-148.8
2) OPEX	123.2	118.2	4.2%	5.0
Personnel costs	52.3	48.3	8.4%	4.1
External supplies and services	57.5	52.9	8.7%	4.6
Other operational costs	13.3	17.0	-21.6%	-3.7
3) Construction costs (IFRIC 12)	172.9	316.3	-45.3%	-143.4
4) Depreciation	197.4	181.8	8.6%	15.6
5) Other	3.3	17.9	-81.6%	-14.6
6) EBIT (1-2-3-4-5)	314.6	283.2	11.1%	31.4
7) Depreciation	197.4	181.8	8.6%	15.6
8) Non recurrent items*	2.6	7.6	-65.1%	-4.9
9) EBITDA (6+7+8)	514.6	472.5	8.9%	42.0
10) Depreciation	197.4	181.8	8.6%	15.6
11) Financial income	-136.0	-103.4	31.6%	-32.7
12) Income tax	54.6	59.3	-7.8%	-4.6
13) NET INCOME (9-8-10+11-12)	123.9	120.6	2.7%	3.3
14) Non recurrent items**	-3.8	10.4		-14.2
15) RECURRENT NET INCOME (13+14)	120.1	131.0	-8.3%	-10.9

Non recurrent items:

* **2012:** Impairment of receivable debts (€2.6M);
2011: Gains in related companies (-€10.3M), Provision to cover litigation with Amorim (€15.3M) and impairment of receivable debts (€2.7M).

** **2012:** Provision to income taxes related to previous years (-€5.6M), Impairment of receivable debts (€2.6M) and Tax effect (-€0.8M);
2011: Provision to income taxes related to previous years (€3.6M), Gains in related companies (-€10.3M), Provision to cover litigation with Amorim (€15.3M), Impairment of receivable debts (€2.7M) and Tax effect (-€0.8M).

Other operational revenues and costs breakdown

(€M)	2012	9M12	1H12	1Q12	2011	9M11	1H11	Variation 12/11	
								Δ %	Δ Abs.
Other revenues	7.3	4.8	7.4	0.6	28.4	14.6	13.8	-74.3%	-21.1
Commercial gains	3.1	2.4	1.6	0.7	2.5	1.9	1.2	24.3%	0.6
Interest on tariff deviation	-6.5	(4.9)	(3.4)	(1.7)	2.5	1.8	1.2	n.m.	-9.0
Hedging contracts	0.4	0.6	(0.0)	-	0.4	0.8	0.8	-5.4%	0.0
Telecommunication sales and services rendered	5.5	4.1	2.6	1.3	4.9	3.5	2.2	11.4%	0.6
Grid availability incentive	1.0	-	-	-	0.6	-	-	76.8%	0.4
Other services provided	1.3	0.7	0.4	0.1	3.2	2.9	2.3	-59.5%	-1.9
Other revenues	2.6	2.0	6.2	0.2	14.3	3.7	6.1	-82.1%	-11.8
Other costs	13.3	10.5	7.3	3.6	17.0	12.5	8.1	-21.6%	-3.7
Costs with ERSE	8.8	6.6	4.4	2.2	10.3	7.7	5.2	-15.1%	-1.6
Other	4.5	3.9	2.9	1.5	6.7	4.7	3.0	-31.7%	-2.1

EBIT breakdown (electricity¹)

(€M)	2012	2011	Variation 12/11	
			Δ %	Δ Abs.
1) REVENUES	579.6	632.7	-8.4%	-53.1
Revenues from assets	354.0	292.2	21.2%	61.8
Return on RAB	199.7	145.4	37.3%	54.2
Hydro land remuneration	9.7	12.5	-22.7%	-2.8
Lease revenues from hydro protection zone	0.8	0.8	-7.6%	-0.1
Remuneration of fully depreciated assets	7.9	7.0	13.1%	0.9
Recovery of depreciation (net from subsidies)	123.9	115.0	7.8%	9.0
Subsidies amortization	12.0	11.5	4.9%	0.6
Revenues of OPEX	72.0	70.4	2.3%	1.6
Recovery of net OPEX	67.4	67.8	-0.6%	-0.4
Recovery of system services and inter-TSO compensation	4.4	2.1	109.3%	2.3
Overhead lines rerouting	0.2	0.5	-54.5%	-0.3
Other revenues	-1.9	2.2	n.m	-4.2
Commercial gains (trading)	3.1	2.5	24.3%	0.6
Interest on tariff deviation	-7.6	1.7	n.m	-9.3
Availability Incentive	1.0	0.6	76.8%	0.4
Other	1.6	-2.6	n.m	4.1
Construction revenues (IFRIC 12)	155.5	267.9	-42.0%	-112.4
2) OPEX	58.0	59.0	-1.8%	-1.0
Personnel costs	21.5	21.8	-1.2%	-0.3
External supplies and services	28.9	27.5	4.9%	1.3
Other operational costs	7.6	9.7	-21.9%	-2.1
3) Construction costs (IFRIC 12)	132.5	242.4	-45.3%	-109.9
4) Depreciation	137.5	128.6	7.0%	9.0
5) Other	0.7	-0.1	n.m	0.8
6) EBIT (1-2-3-4-5)	248.2	200.1	23.7%	48.1
7) Depreciation	137.5	128.6	7.0%	9.0
8) EBITDA (6+7)	388.4	331.3	17.2%	57.1

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

EBIT breakdown (natural gas)

(€M)	2012	2011	Variation 12/11	
			Δ %	Δ Abs.
1) TOTAL REVENUES	223.7	265.6	-15.8%	-41.9
Revenues from assets	139.2	138.1	0.8%	1.1
Return on RAB	86.9	83.6	4.0%	3.4
Tariff smoothing effect	-7.5	1.8		-9.3
Recovery of depreciation (net from subsidies)	53.3	46.7	14.3%	6.7
Subsidies amortization	6.3	6.0	5.7%	0.3
Revenues of OPEX	38.3	39.0	-1.8%	-0.7
Recovery of net OPEX	38.3	39.0	-1.8%	-0.7
Other revenues	1.2	7.1	-83.1%	-5.9
Interest on tariff deviation	1.1	0.7	46.4%	0.3
Other	0.1	6.3	-98.2%	-6.2
Construction revenues (IFRIC 12)	45.0	81.4	-44.7%	-36.4
2) OPEX	27.7	28.1	-1.5%	-0.4
Personnel costs	8.9	8.9	0.8%	0.1
External supplies and services	14.4	14.1	2.1%	0.3
Other operational costs	4.3	5.1	-15.4%	-0.8
3) Construction costs (IFRIC 12)	40.4	73.9	-45.4%	-33.5
4) Depreciation	59.7	52.8	12.9%	6.8
5) Other	0.0	0.0		-0.1
6) EBIT (1-2-3-4-5)	96.1	110.7	-13.2%	-14.6
7) Depreciation	59.7	52.8	12.9%	6.8
8) EBITDA (6+7)	155.7	163.6	-4.8%	-7.8

EBIT breakdown (other¹)

(€M)	2012	2011	Variation 12/11	
			Δ %	Δ Abs.
1) TOTAL REVENUES	8.0	19.1	-58.0%	-11.1
Other revenues	8.0	19.1	-58.0%	-11.1
Hedging contracts	0.4	0.4	-5.4%	0.0
Telecommunication sales and services rendered	5.5	4.9	11.4%	0.6
Share profits and associates	0.0	10.3		-10.3
Services provided to Market Operator	0.0	0.1		-0.1
Other services provided	1.3	3.1	-57.9%	-1.8
Other	0.9	0.3		0.6
2) OPEX	37.5	31.1	20.8%	6.5
Personnel costs	21.9	17.6	24.1%	4.2
External supplies and services	14.2	11.3	26.3%	3.0
Other operational costs	1.4	2.2	-34.8%	-0.8
3) Depreciation	0.2	0.4	-46.9%	-0.2
4) Other	0.0	15.3		-15.3
5) EBIT (1-2-3-4)	-29.7	-27.6	7.5%	-2.1
6) Depreciation	0.2	0.4	-46.9%	-0.2
7) EBITDA (5+6)	-29.5	-22.3	32.1%	-7.2

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

CAPEX and RAB

	(€M)								
	2012	9M12	1H12	1Q12	2011	9M11	1H11	Variation 12/11	
								Δ %	Δ Abs.
CAPEX*	201.1	124.6	74.9	25.0	349.4	229.0	139.7	-42.5%	-148.4
Electricity	155.5	94.3	52.0	18.0	267.9	168.4	97.5	-41.9%	-112.4
Natural gas	45.0	30.2	22.8	6.9	81.4	60.4	42.1	-44.7%	-36.4
Other	0.5	0.2	0.1	0.0	0.1	0.2	0.1		0.4
Transfers to RAB**	320.6	186.4	122.3	7.8	426.5	102.6	72.0	-24.8%	-105.9
Electricity	201.0	80.7	19.7	7.5	361.1	97.5	67.0	-44.3%	-160.1
Natural gas	119.6	105.7	102.6	0.4	65.4	5.1	5.0	83.0%	54.3
Average RAB	3,380.7	3,332.3	3 320.2	3 285.5	3 185.8	3 058.6	3 065.7	6.1%	195.0
Electricity	1,972.7	1,922.5	1 903.4	1 911.5	1 806.1	1 701.4	1 701.0	9.2%	166.6
Without premium	1,219.6	1,220.4	1 183.8	1 194.0	1 212.2	1 202.4	1 214.2	0.6%	7.4
With premium	753.0	702.1	719.6	717.4	593.8	499.0	486.8	26.8%	159.2
Land	321.2	322.9	324.6	326.3	334.8	336.6	338.3	-4.1%	-13.6
Natural gas	1,086.9	1,086.9	1 092.2	1 047.8	1 044.9	1 020.7	1 026.4	4.0%	42.0
RAB e.o.p.	3,458.0	3,361.1	3 337.3	3 267.9	3 303.0	3 046.7	3 059.7	4.7%	155.0
Electricity	2,023.6	1,923.3	1 885.4	1 901.6	1 921.2	1 709.8	1 708.0	5.3%	102.5
Land	314.4	317.8	321.2	324.6	328.0	331.4	334.8	-4.2%	-13.6
Natural gas	1,119.9	1,120.0	1 130.7	1 041.7	1 053.8	1 005.5	1 016.9	6.3%	66.2
RAB's variation e.o.p.	155.0	57.6	34.4	-35.3	234.4	-39.5	-8.8		
Electricity	102.5	1.6	-35.7	-19.8	230.2	19.1	17.1		
Land	-13.6	-10.2	-6.8	-3.4	-13.7	-10.3	-6.8		
Natural gas	66.2	66.2	76.9	-12.1	17.9	-48.3	-19.0		
RAB's remuneration	297.1	218.6	147.2	73.2	242.3	173.3	115.6	22.6%	54.7
Electricity	199.7	145.6	98.3	49.6	145.4	102.1	67.9	37.3%	54.2
Without premium	116.5	87.4	57.8	29.3	91.6	68.2	45.9	27.1%	24.8
With premium	83.2	58.2	40.5	20.3	53.8	33.9	22.1	54.7%	29.4
Land	10.4	7.8	5.2	2.6	13.3	10.0	6.6	-21.7%	-2.9
Natural gas	86.9	65.2	43.7	21.0	83.6	61.2	41.1	4.0%	3.4
ROR's RAB	8.8%	8.7%	8.9%	8.9%	7.6%	7.6%	7.5%		1.2p.p.
Electricity	10.1%	10.1%	10.3%	10.4%	8.1%	8.0%	8.0%		2.1p.p.
Without premium	9.6%	9.6%	9.8%	9.8%	7.6%	7.6%	7.6%		2.0p.p.
With premium	11.1%	11.1%	11.3%	11.3%	9.1%	9.1%	9.1%		2.0p.p.
Land	3.2%	3.2%	3.2%	3.2%	4.0%	4.0%	3.9%		-0.7p.p.
Natural gas	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%		0.0p.p.

* Total costs

** Transfers to RAB include direct acquisitions RAB related

DEBT

	2012	9M12	1H12	1Q12	2011	9M11	1H11
Net debt (€M)	2 512.4	2 521.3	2 452.2	2 353.0	2 311.3	2 321.6	2 298.4
Average cost	5.7%	5.7%	5.6%	5.6%	4.7%	4.5%	4.4%
Average maturity (years)	3.2	3.4	3.4	3.7	3.9	4.2	4.2

DEBT BREAKDOWN

Funding sources							
Bond issues	60%	56%	47%	48%	45%	46%	44%
EIB	26%	27%	30%	31%	31%	32%	33%
Commercial paper	13%	16%	23%	21%	23%	22%	24%
Loans	1%						

TYPE							
Fixed	71%	75%	67%	68%	66%	68%	65%
Float	29%	25%	33%	32%	34%	32%	35%

CREDIT METRICS							
Net Debt / EBITDA	4.9x	4.9x	4.7x	4.5x	4.9x	5.0x	4.9x
FFO / Net debt	13.3%	13.5%	13.9%	14.0%	11.6%	11.3%	11.7%
FFO interest coverage	3.3%	3.5x	3.5x	3.4x	3.5x	3.6x	3.8x

RATING	Long term	Short term	Outlook	Date
Fitch	BBB	F3	Negative	01/21/2013
Moody's	Ba1	-	Negative	10/17/2012
Standard & Poor's	BB+	B	Negative	02/28/2012



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements: Financial Position (tEuros)

ASSETS	As of 31 December	
	2012	2011
Non-current assets		
Property, plant and equipment	827	488
Goodwill	3,774	3,774
Intangible assets	3,891,464	3,888,161
Investments in associates	9,382	8,717
Available-for-sale financial assets	131,002	82,051
Derivative financial instruments	6,853	26,696
Other financial assets	112,583	5,667
Trade and other receivables	70,451	80,079
Deferred tax assets	61,215	63,057
	4,287,552	4,158,691
Current assets		
Inventories	2,920	3,628
Trade and other receivables	310,738	226,791
Current income tax recoverable	14,318	14,015
Derivative financial instruments	416	1,144
Other financial assets	8,864	-
Cash and cash equivalents	61,246	69,407
	398,503	314,984
Total assets	4,686,054	4,473,675

EQUITY	As of 31 December	
	2012	2011
Shareholders' equity		
Share capital	534,000	534,000
Own shares	(10,728)	(10,728)
Other reserves	231,753	215,401
Retained earnings	148,671	178,189
Net profit for the year	123,892	120,576
Total equity	1,027,589	1,037,439
LIABILITIES		
Non-current liabilities		
Borrowings	1,535,495	2,354,032
Liability for retirement benefits and others	105,808	55,110
Derivative financial instruments	27,958	14,239
Provisions	4,801	4,520
Trade and other payables	360,895	381,495
Deferred tax liabilities	82,797	66,875
	2,117,755	2,876,271
Current liabilities		
Borrowings	1,170,400	53,587
Provisions	2,419	27,794
Trade and other payables	367,081	476,328
Income tax payable	-	520
Derivative financial instruments	811	1,735
	1,540,711	559,965
Total liabilities	3,658,465	3,436,236
Total equity and liabilities	4,686,054	4,473,675

Consolidated Statements: Profit and Loss

(tEuros)

	Period ended	
	December 2012	December 2011
Sales	405	798
Services rendered	588,568	530,023
Revenue from construction of concession assets	200,507	349,269
Gains from associates	665	10,326
Other operating income	21,143	26,909
Operating income	811,287	917,325
Cost of goods sold	(797)	(1,417)
Cost with construction of concession assets	(172,892)	(316,305)
External supplies and services	(57,532)	(52,923)
Employee compensation and benefit expense	(50,340)	(48,284)
Depreciation and amortizations	(197,368)	(181,765)
Provisions	(2,636)	(15,234)
Impairment of trade receivables	(2,646)	(2,650)
Other expenses	(12,512)	(15,558)
Operating costs	(496,722)	(634,136)
Operating results	314,565	283,189
Financial costs	(145,740)	(111,942)
Financial income	2,257	3,995
Investment income - dividends	7,461	4,596
Financial results	(136,023)	(103,351)
Profit before income taxes	178,542	179,838
Income tax expense	(54,650)	(59,250)
Profit for the year	123,892	120,588
Attributable to:		
Equity holders of the Company	123,892	120,576
Non-controlling interest	-	12
Consolidated profit for the year	123,892	120,588
Earnings per share (expressed in euro per share)	0.23	0.23

Consolidated Statements: Cash Flow

(tEuros)

	Period ended	
	December 2012	December 2011
Cash flow from operating activities:		
Cash receipts from customers	2,289,659	2,243,369
Cash paid to suppliers	(1,822,096)	(1,733,584)
Cash paid to employees	(61,510)	(61,267)
Income tax (paid) / received	(13,687)	(137,288)
Other payments/receipts relating to operating activities	(112,404)	(14,613)
Net flows from operating activities	279,961	296,617
Cash flow from investing activities:		
Receipts related to:		
Investments	-	11,577
Grants related to assets	617	33,609
Interests and other similar income	1,896	3,754
Dividends	5,635	4,761
Payments related to:		
Financial Investments	(117,163)	-
Supplementary contributions (OMIP)	-	(7,438)
Available-for-sale	(38,800)	(1,045)
Property, plant and equipment	(44)	(153)
Intangible assets	(215,133)	(347,456)
Net cash used in investing activities	(362,991)	(302,390)
Cash flow from financing activities:		
Receipts related to:		
Borrowings	9,949,500	9,764,000
Interests and other similar income	80	293
Payments related to:		
Borrowings	(9,632,363)	(9,588,200)
Interests and other similar expense	(151,709)	(110,991)
Dividends	(89,590)	(89,060)
Net cash (used in)/from financing activities	75,917	(23,958)
Net (decrease)/increase in cash and cash equivalents	(7,112)	(29,731)
Cash and cash equivalents at de beginning of the year	68,358	101,871
Exclusion of the OMIP group from consolidation perimeter	-	(3,782)
Cash and cash equivalents at the end of the period	61,246	68,358
Detail of cash and cash equivalents		
Bank overdrafts	-	(1,049)
Bank deposits	61,246	69,407
	61,246	68,358

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**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

REN

