RESULTS PRESENTATION 1Q2013

May 15th, 2013

1Q13 Highlights

- EBITDA stood at €127.4M, a 2.6% (-€3.4M) YoY decrease. Despite the positive evolution of the average RAB (+4.6%, +€151.1M), RAB remuneration decreased by €4.7M (-6.7%) due to the decrease in the rate of return of electricity RAB (-176 basis point);
- Net financial income decreased by 6.2% to €-34.2M essentially due to the change in the timing of the recognition of the dividends paid by REE and Enagás; the average cost of debt remained stable when compared to 2012;
- **Net Income amounted to €29.1M**, a €5.4M decrease versus 1Q12, as a consequence of the decrease in EBITDA and in financial income (from -€32.2M in 1Q12 to -€34.2M in 1Q13);
- **CAPEX** and **transfers to RAB** amounted to €20.3M and €2.4M respectively. The reduction with respect to the previous year reflects the ongoing deceleration of demand for new electricity and gas infrastructures;
- **REN became the Portuguese company with the best overall rating.** In January Fitch started covering REN with an investment grade rating, and in March Standard and Poor's revised REN's outlook from negative to stable.

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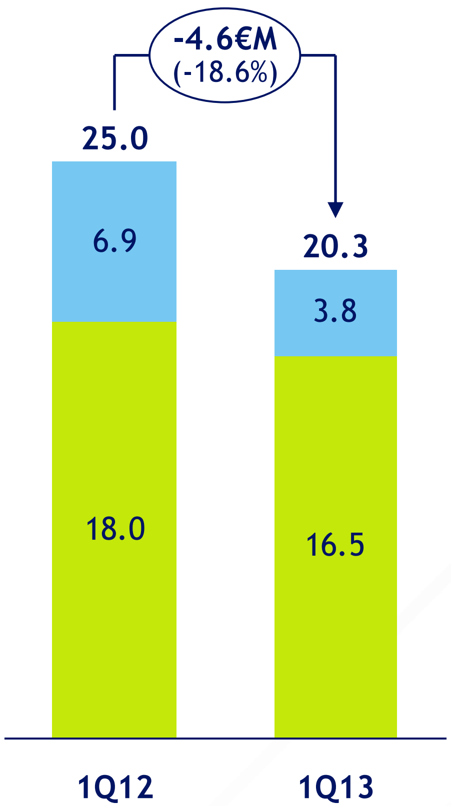
Main financial indicators 1Q13

€M	1Q13	1Q12	Δ%	Δ Abs.
EBITDA	127.4	130.7	-2.6%	-3.4
Net Financial Income	-34.2	-32.2	6.2%	-2.0
Net Income	29.1	34.5	-15.6%	-5.4
Average RAB	3,436.6	3,285.5	4.6%	151.1
CAPEX	20.3	25.0	-18.6%	-4.6
Net Debt	2,473.0	2,353.0	5.1%	119.9

Transfers to RAB decreased by €5.4M

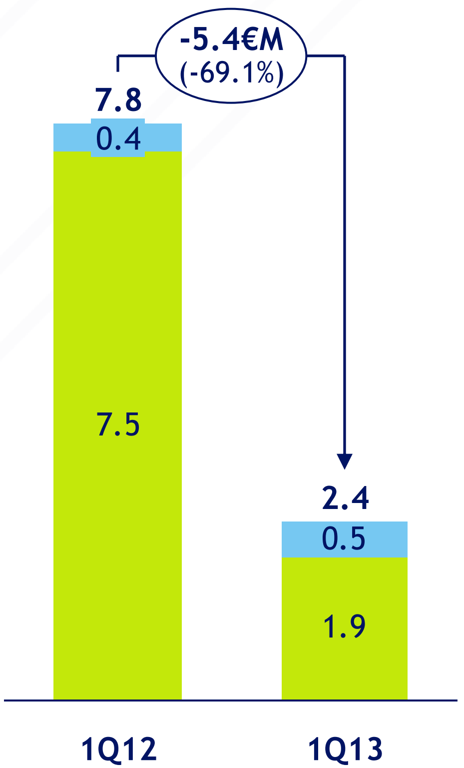
Capex down from previous peak levels

CAPEX



Natural gas
Electricity

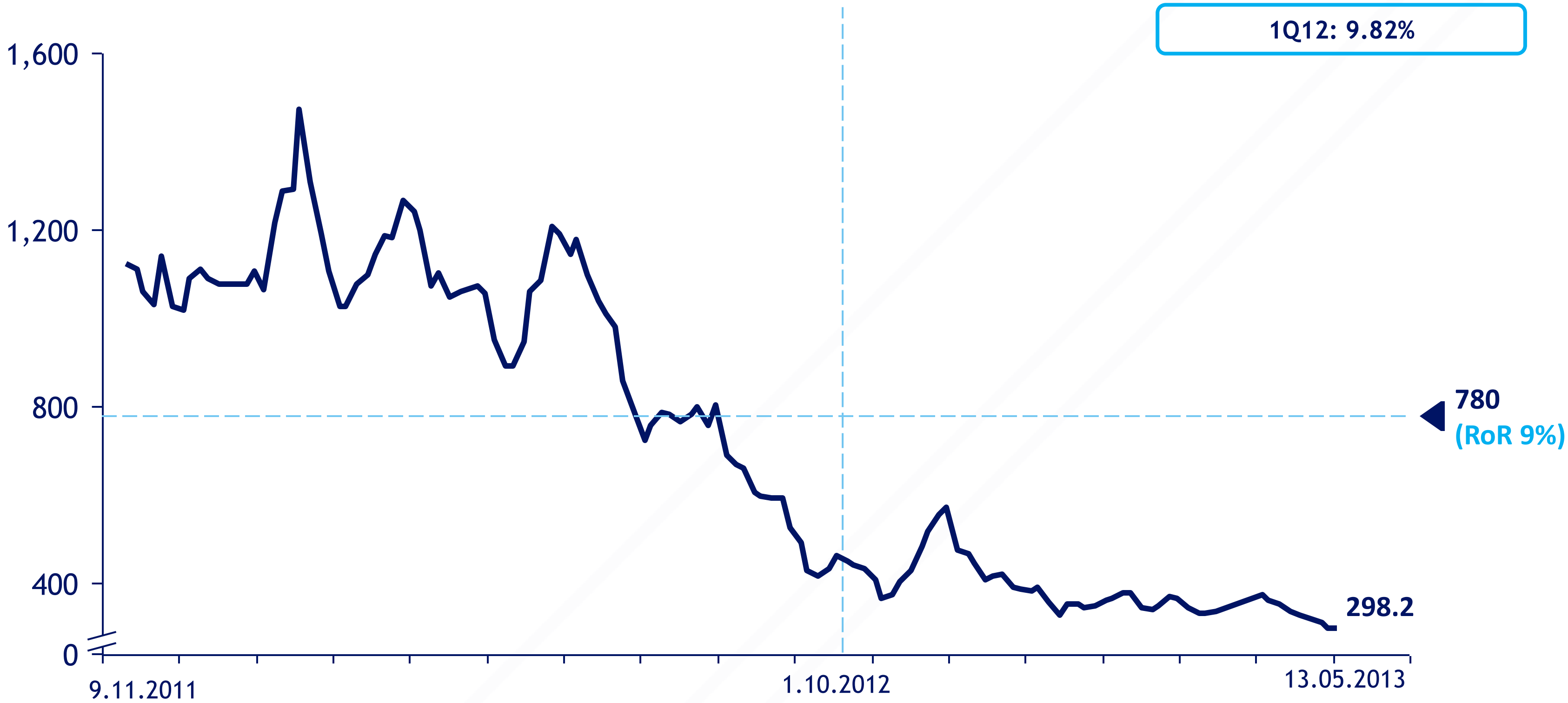
TRANSFERS TO RAB



Portugal's perceived sovereign debt risk decreased

5Y Portuguese CDS Evolution

Base RoR
1Q13: 8.06%
1Q12: 9.82%



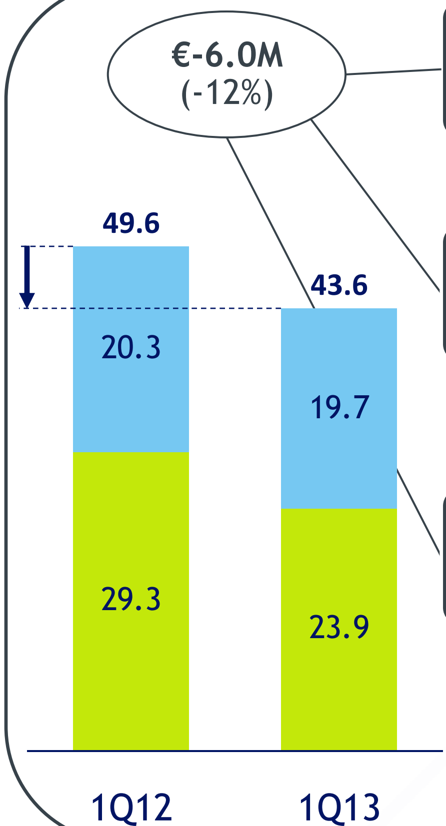
- CDS values have dropped as a result of an improvement in Portugal's macro economic imbalances and in the management of the Eurozone crisis - negative impacted on base RoR values.

Return on RAB declined

due to the evolution of RoR and despite the increase in assets

RAB REMUNERATION ELECTRICITY (ex. lands)

(€M)



+€2.6M

Impact of the increase in **asset base** by €99M to €2,010M.

+€0.3M

Impact of the change in **asset mix** - assets with premium weight increased from 38% in 2012, to 41% in 2013.

-€8.8M

Impact of indexation of the base **rate of return** - from 11.3% to 9.6% in assets with premium, and from 9.8% to 8.1% in assets without premium.

Electricity with premium

Electricity without premium

RAB REMUNERATION NATURAL GAS (ex. tariff smoothing effect)

(€M)

Impact of the **increase in assets base** in €66M, to €1,114M, with transfers to RAB of Sines LNG Terminal expansion project.

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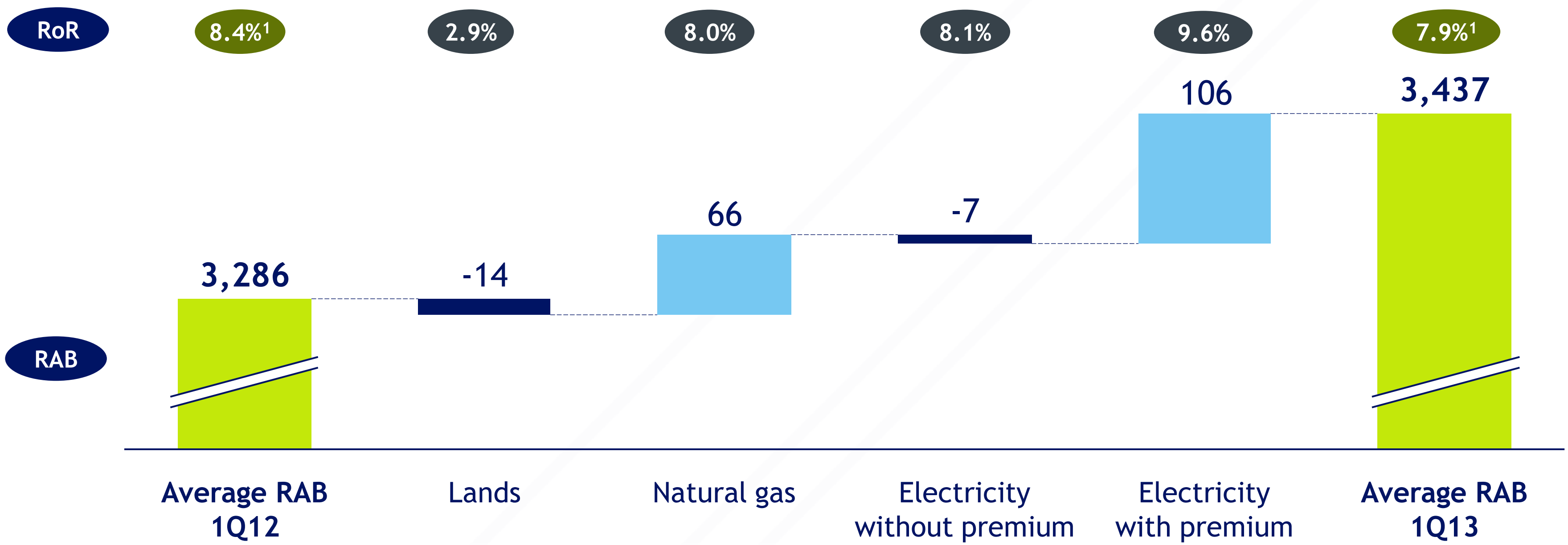
Average RAB grew 4.6%

with focus on growth in assets with higher RoR



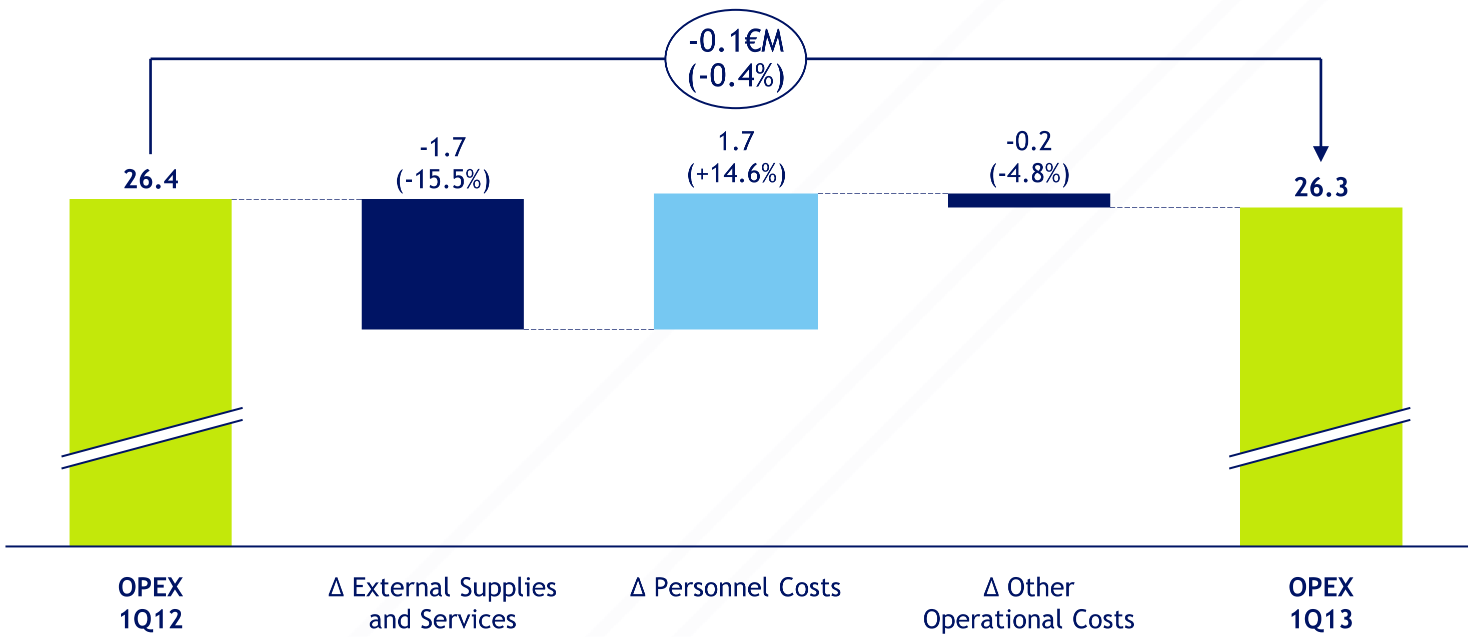
1) RoR is equal to the specific remuneration, divided by average RAB.

OPEX in line with 1Q12 (-€0.1M)

Despite the increase in Personnel costs QoQ

OPERATIONAL COSTS

(€M)



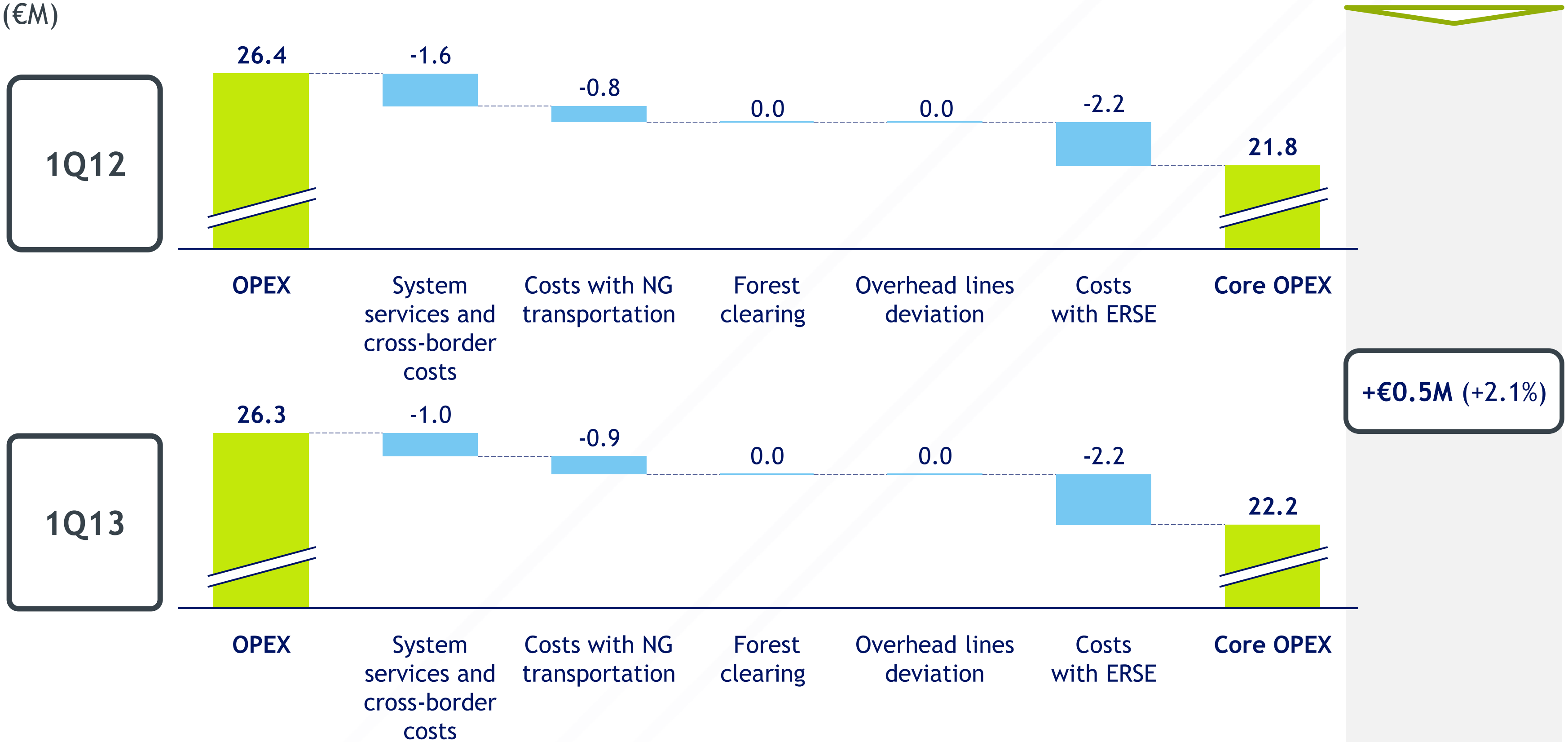
Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €14.7M in 1Q13 and €18.0M in 1Q12.

Core OPEX increased by 2.1%

Due to actuarial assumptions and the reintroduction of the CLA

CORE OPEX

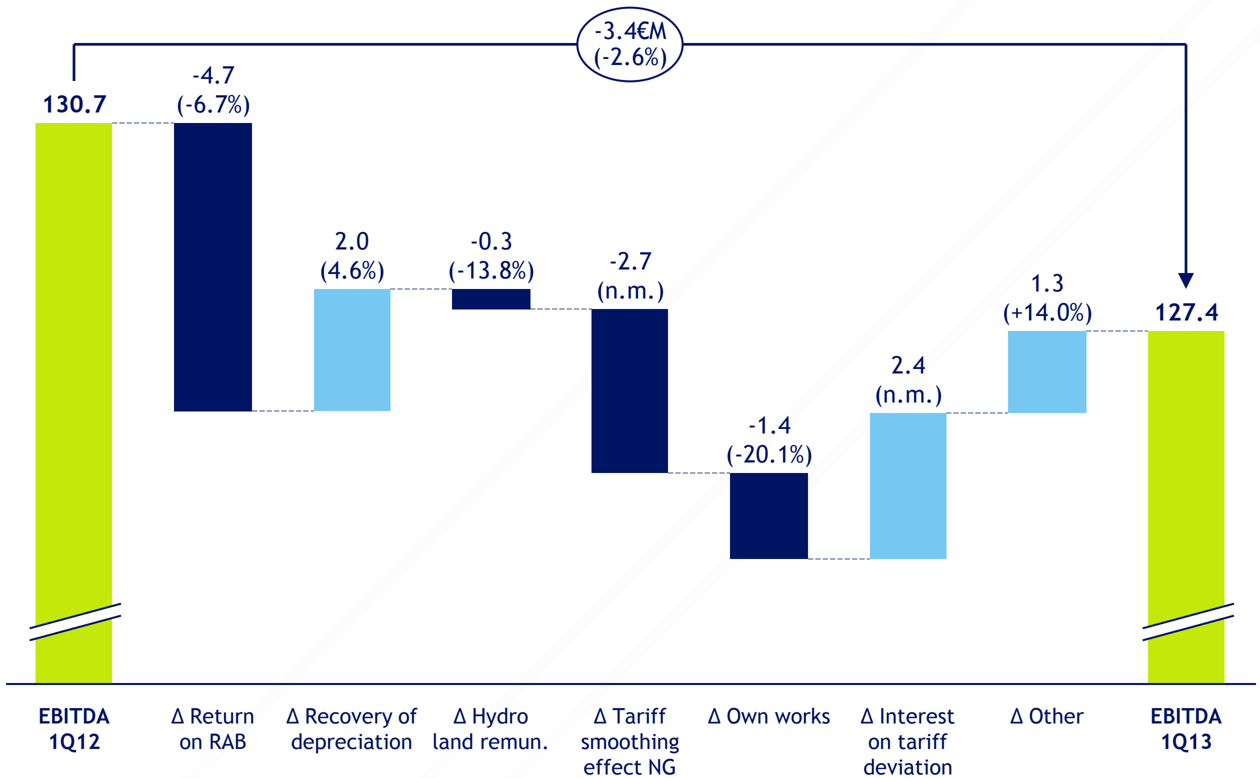
(€M)



Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €18.0M in 1Q12 and €14.7M in 1Q13.
CLA = Collective Labor Agreement

EBITDA decreased by 2.6%

(€M)



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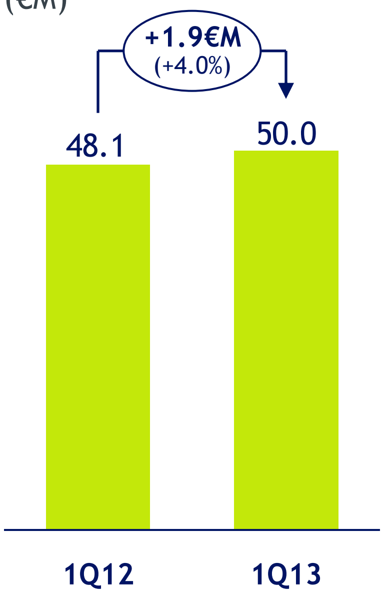
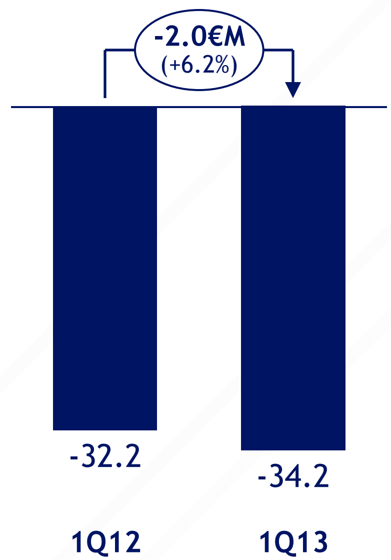
Below EBITDA, net financial income was affected by the timing of the recognition of the dividends from REE e Enagás

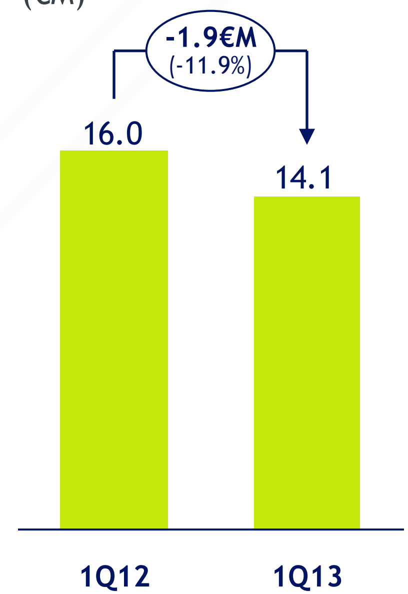
DEPRECIATION
(€M)



NET FINANCIAL INCOME
(€M)



TAXES
(€M)



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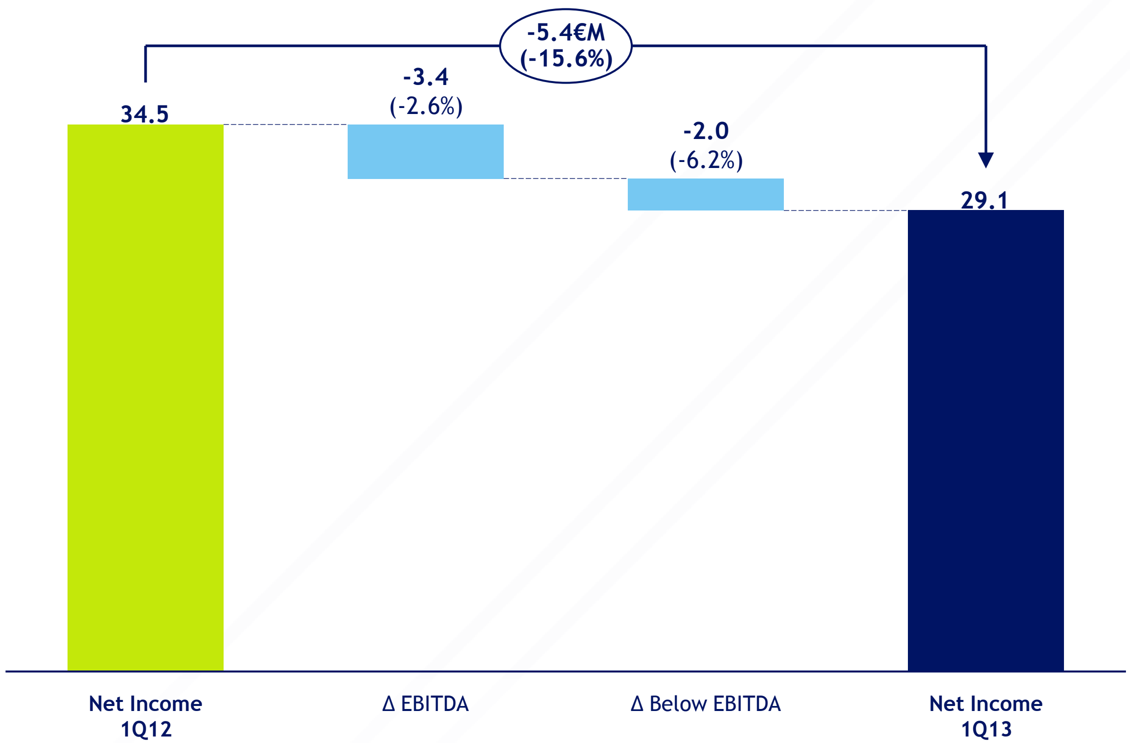
Net Income dropped by -€5.4M

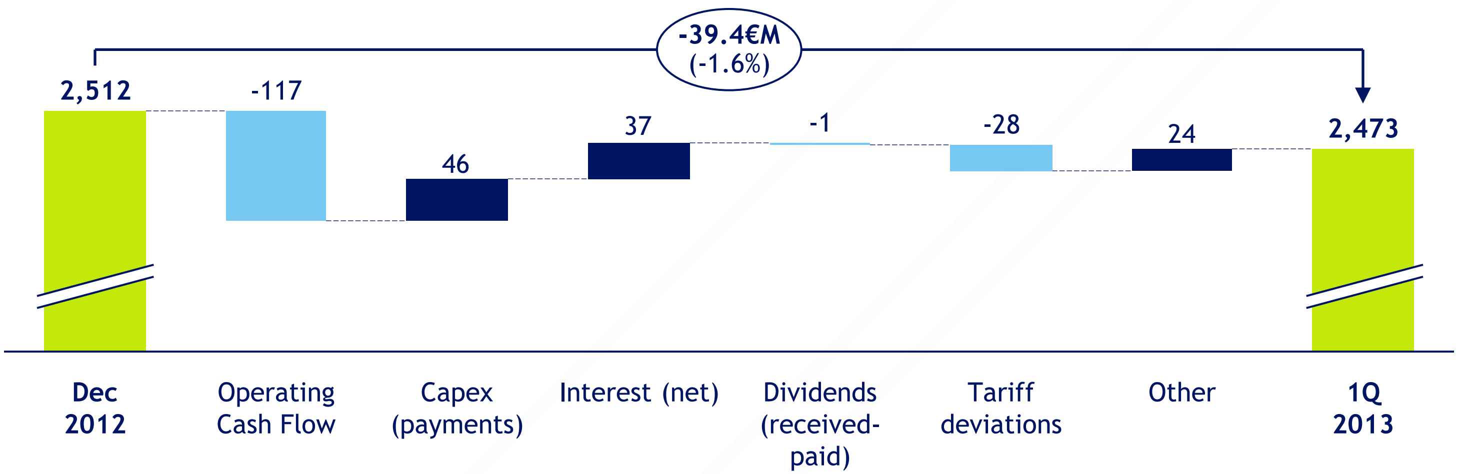
(€M)



Net debt dropped €39M

NET DEBT

(€M)



- The **average cost of debt** was 5.74% (5.70% in 2012);
- **Credit metrics: Net debt/EBITDA** slightly improved (decreased to 4.85x from 4.88x), while **FFO/Net debt** stood at 10.3% (13.3% in 2012) and **FFO interest coverage** decreased to 2.88x versus 3.35x in 2012.

Operational cash flow = EBIT + Depreciation + Provisions - Non cash items

HCB = Hidroeléctrica Cahora Bassa

IN CONCLUSION

- REN's operational results were much in line with expectations, displaying a decrease due to the sharp reduction in the Portuguese 5 year CDS;
- The year on year comparison of REN's net income was negatively distorted by, among other factors, the anticipation to December 2012 of the REE and ENAGÁS' dividends and the freeze during 1Q2012 of wage increases related to REN's collective labor agreement. Furthermore, the reduction in Portuguese sovereign risk will mostly be felt towards the end of 2013;
- The natural gas regulatory review is underway and REN's expectation is that the main change will be the replacement of the fixed rate of return with a variable rate. The final outcome will be known in mid June;
- The dividend related to fiscal year 2012 will be paid on May 27th and represents a dividend yield of 7.3%.

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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

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