



REN 1st Quarter Results

May 14th 2012

1st Quarter 2012 Highlights



- Net Income stood at €34.5M, a 0.2% growth over 1Q2011.
- EBITDA rose to €130.7M, an increase of 13.2% reflecting both the expansion of the regulatory asset base and the increase of the (weighted average) rate of return.
- Net financial income amounted to €-32.2M (vs €-20.8M in 1Q2011) and asset depreciation rose by 6%.
- The growth in financial costs reflects the increase in the average amount of debt and the increase in the cost of funding. The average cost of debt rose from 4.2% in 1Q2011 to 5.6% in 1Q2012.

2011 Highlights (cont.)



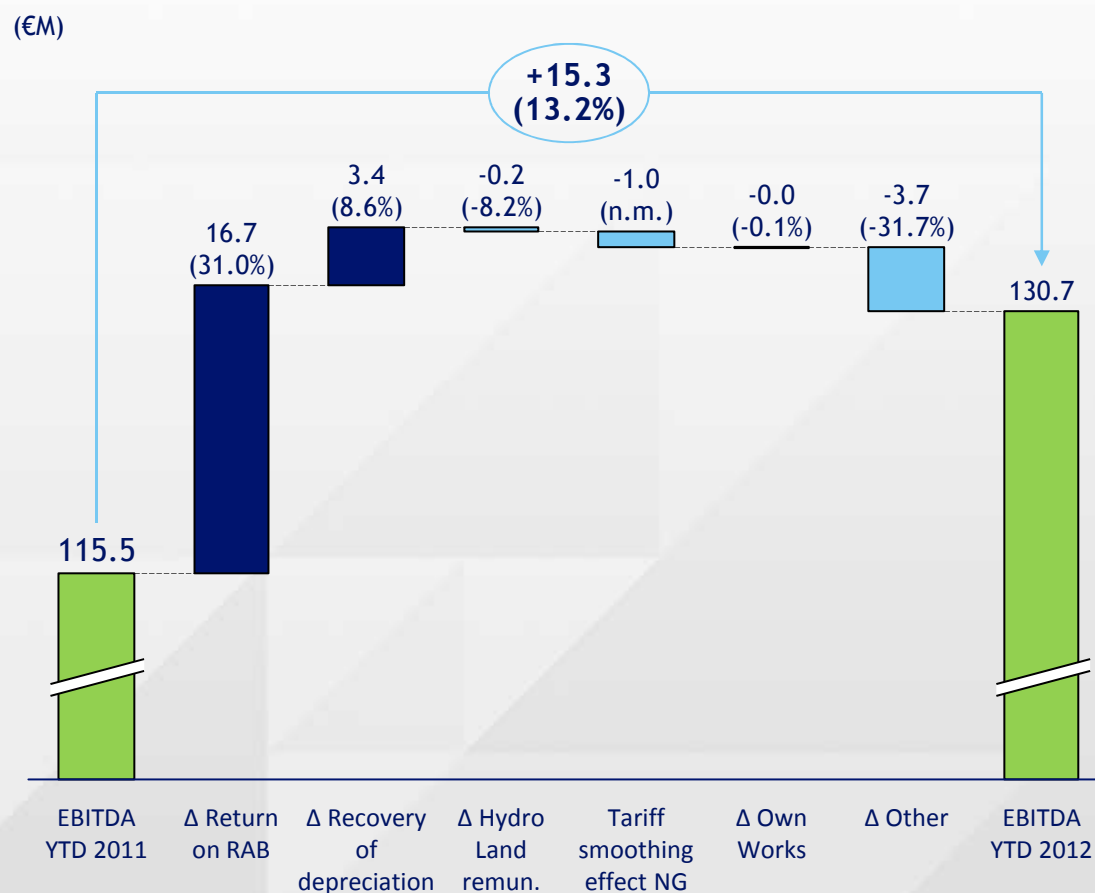
- The level of CAPEX showed a significant drop in the first quarter. However the level of assets put into operation was €6.2M higher than in the first quarter of 2011 reaching €7.8M.
- After the end of the quarter REN signed an agreement to buy 7.5% of the share capital of Hidroeléctrica de Cahora Bassa in Mozambique for €38.4M. This purchase will allow REN to proceed with its plan for Austral Africa, namely the participation in the Mozambican electricity backbone infrastructure.
- Meanwhile REN has started to cooperate with State Grid International as a service provider in Brazil.
- The closing of the sale of a 40% stake in REN will take place after the final approval of the decree-law that raises the voting rights limits currently imposed to individual shareholders.

Main financial indicators 1st Q 2012

| (€M) | 1Q2011 | 1Q2012 | Δ% |
|----------------------|---------|---------|--------|
| EBITDA | 115.5 | 130.7 | 13.2% |
| Net financial income | -20.8 | -32.2 | 54.9% |
| Net income | 34.4 | 34.5 | 0.2% |
| Average RAB | 3,035.5 | 3,285.5 | 8.2% |
| CAPEX | 60.1 | 25.0 | -58.5% |
| Net debt | 2,162.9 | 2,353.0 | 8.8% |



Change in EBITDA 1Q11 - 1Q12



EBITDA grew by 13.2% (to €130.7M), mainly due to:

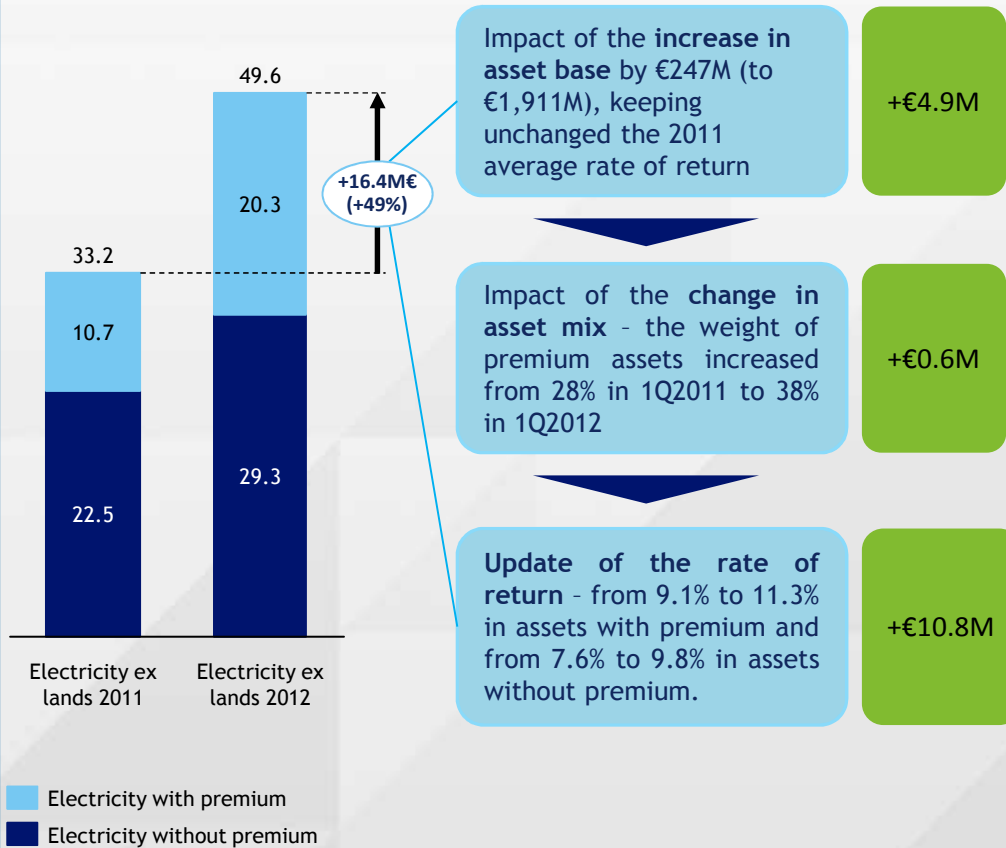
- The increase in the average RAB of 8.2% and a favorable change in the (blended) rate of return;
- The decrease of €1.0M in the revenues from the gas tariff smoothing effect (mostly related to the LNG terminal tariff);

The main contribution to “other” comes from the paid interest on tariff deviation (Δ€-2.3M).

Breakdown of return on RAB

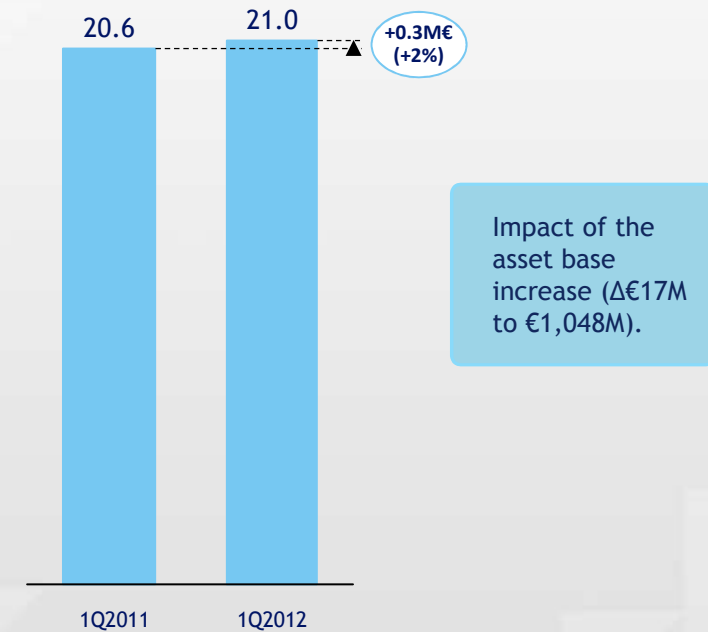
RAB remuneration in electricity¹ (ex. lands)

(€M)



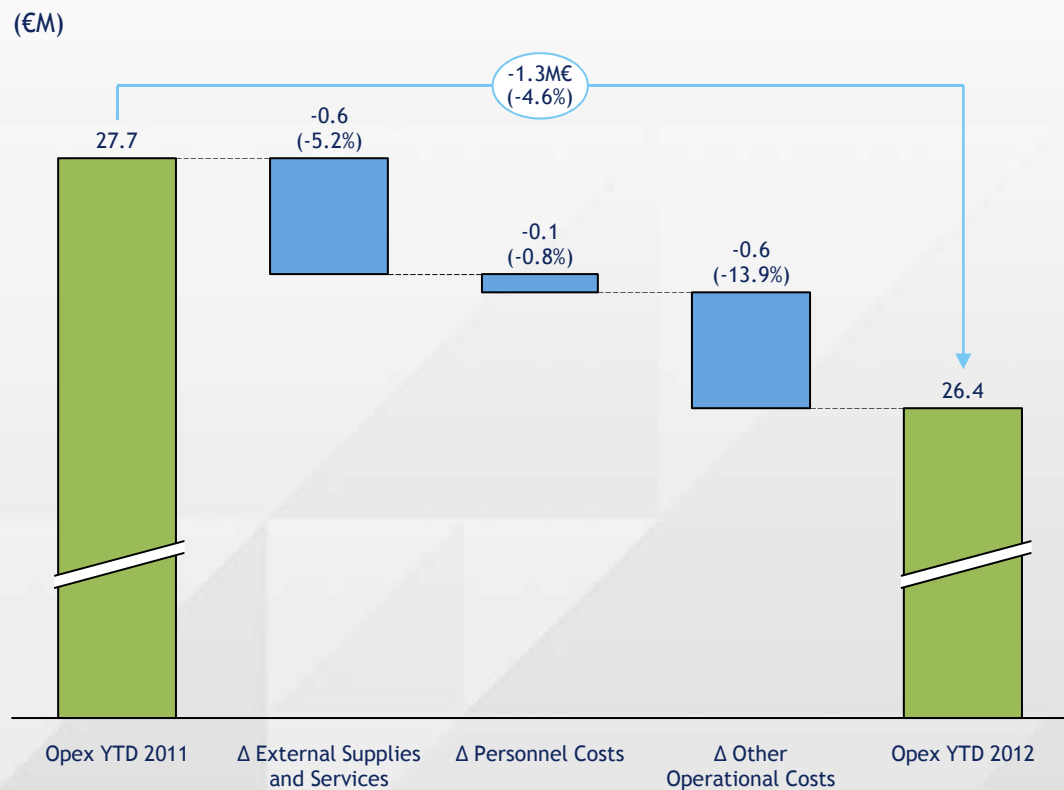
Natural Gas return on RAB

(€M)



1 - RAB 1Q2012 at reference costs and RAB 1Q2011 at historic costs

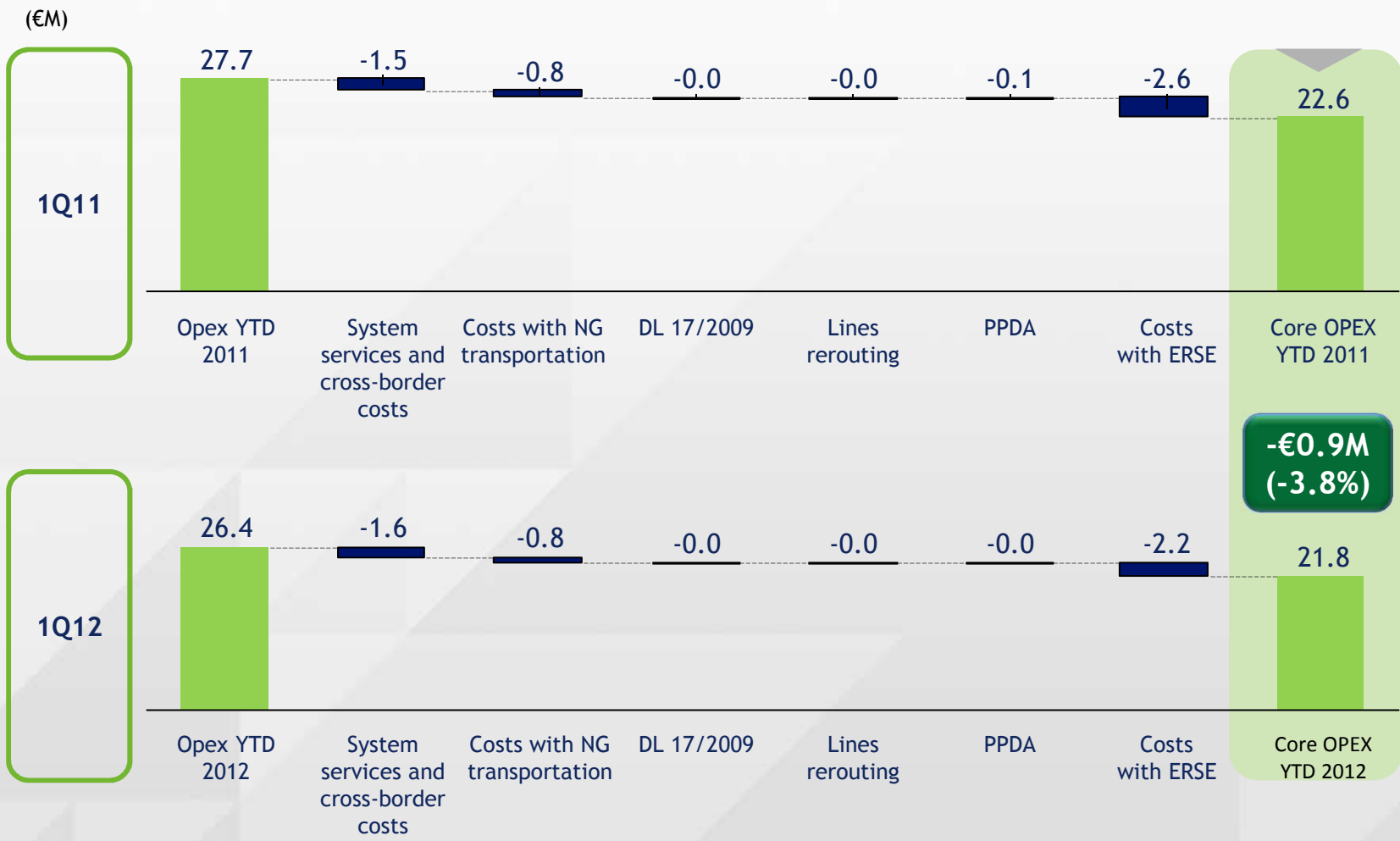
Operational costs



- Operational costs dropped by 4.6%. External supplies and services decreased by 5.2% and personnel costs by 0.8%.
- This decrease reflects the ongoing process of efficiency improvement but is amplified by the continuing freezing of salaries.

Note: values do not include costs incurred with the construction of concession assets (€53.1M in 1Q2011 and €18.0M in 1Q2012).

Core Opex

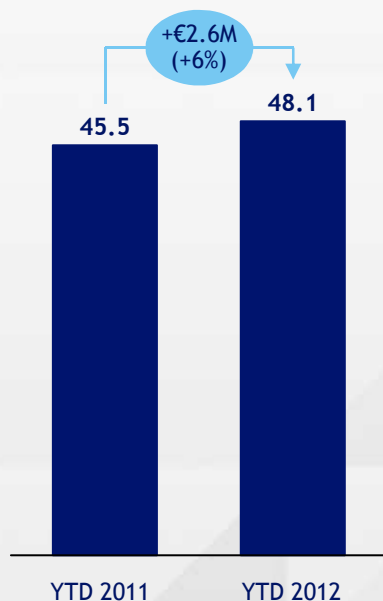


Note: figures do not include costs incurred with the construction of concession assets (€53.1M in 1Q2011 and €18.0M in 1Q2012).

Below EBITDA

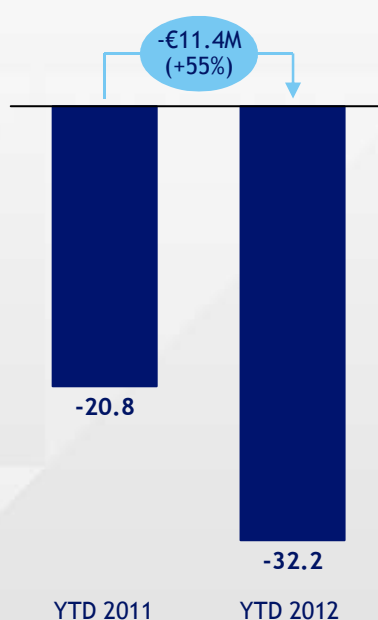


Depreciation
(€M)



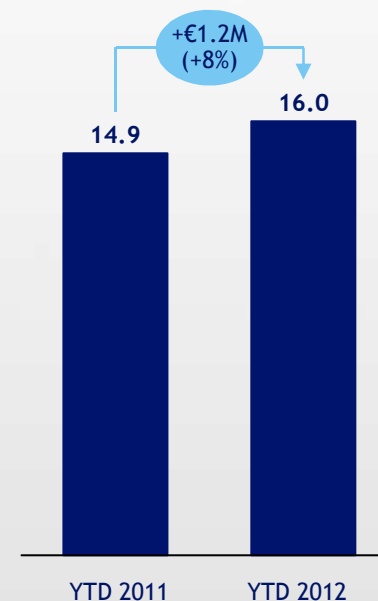
- The increase in depreciation is consistent with the growth in RAB.

Net financial income
(€M)



- Financial results stood at €-32.2M versus €-20.8M in 1Q2011.
- The average cost of debt reached 5.61% (4.23% in 1Q2011).

Taxes
(€M)



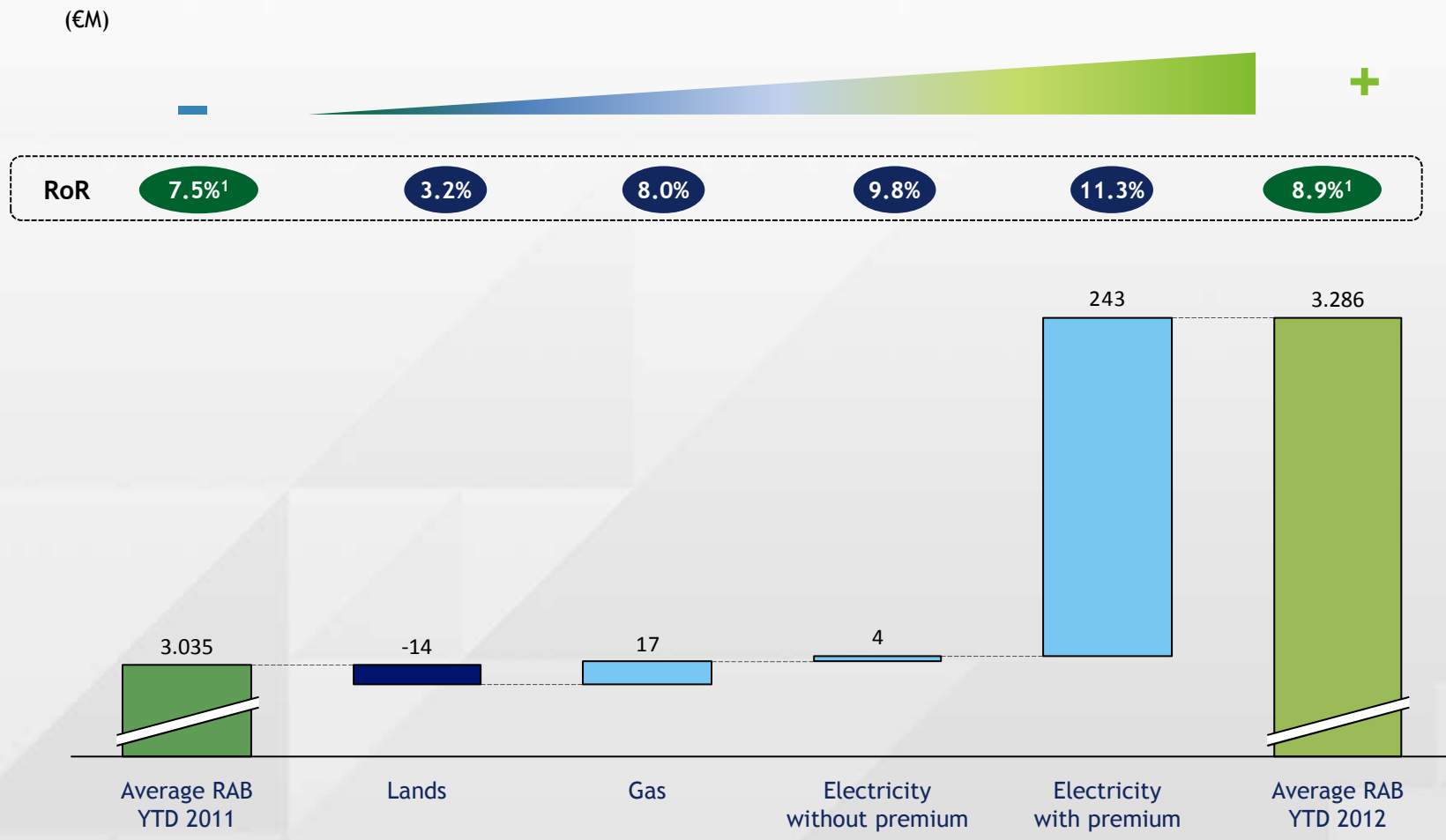
- Taxes increased by €1.2M, reflecting the growth in profits before taxes and in the corporate tax rate

Average RAB and CAPEX

| (€M) | 1Q2011 | 1Q2012 | Δ% |
|-----------------------------|----------------|----------------|---------------|
| Total average RAB | 3,035.5 | 3,285.5 | 8.2% |
| Electricity | 1,664.6 | 1,911.5 | 14.8% |
| Land | 340.0 | 326.3 | -4.0% |
| Natural Gas | 1,030.9 | 1,047.8 | 1.6% |
| RAB end of period | 3,016.5 | 3,267.9 | 8.3% |
| Electricity | 1,652.4 | 1,901.6 | 15.1% |
| Land | 338.3 | 324.6 | -4.0% |
| Natural Gas | 1,025.8 | 1,041.7 | 1.6% |
| CAPEX | 60.1 | 25.0 | -58.5% |
| Electricity | 34.9 | 18.0 | -48.2% |
| Natural Gas | 25.2 | 6.9 | -72.5% |
| Other | 0.0 | 0.0 | -87.5% |
| RAB variation e.o.p. | -38.0 | -35.3 | -7.2% |
| Electricity | -24.5 | -19.8 | -19.2% |
| Land | -3.4 | -3.4 | -0.4% |
| Natural Gas | -10.1 | -12.1 | 19.6% |

- CAPEX amounted to €25.0M, a decrease of 58.5% versus 1Q2011.
- There were no significant projects finished in the first quarter of 2012.
- Average RAB increased 8.2%, reaching €3,285.5M.

RAB breakdown

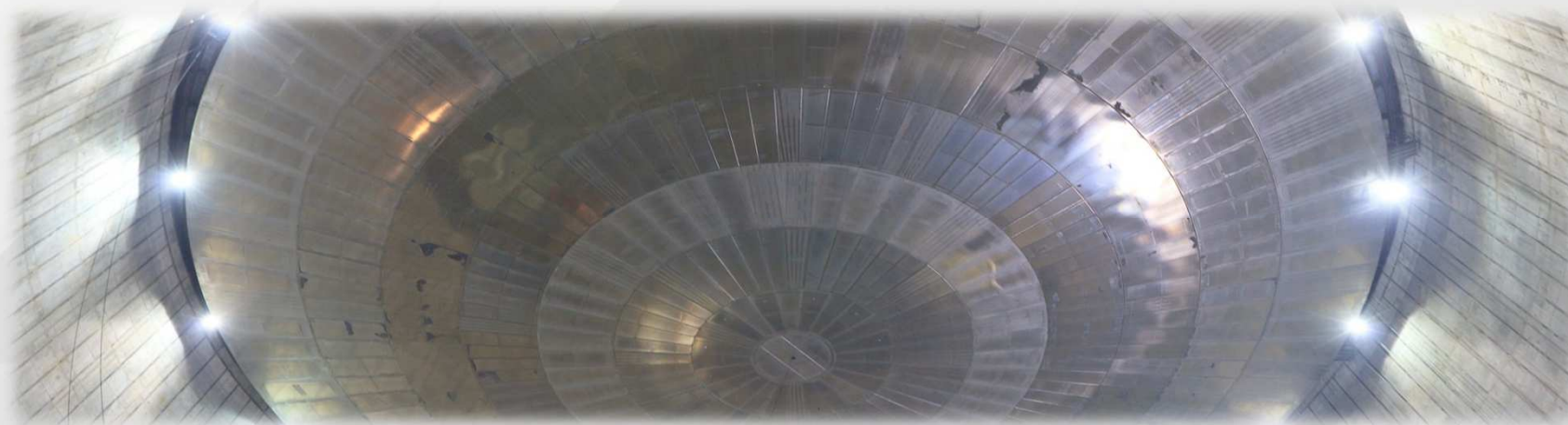


1) RoR obtained as both the RAB and hydro and protection zone land remuneration, divided by the total average RAB.

Breakdown of return on assets



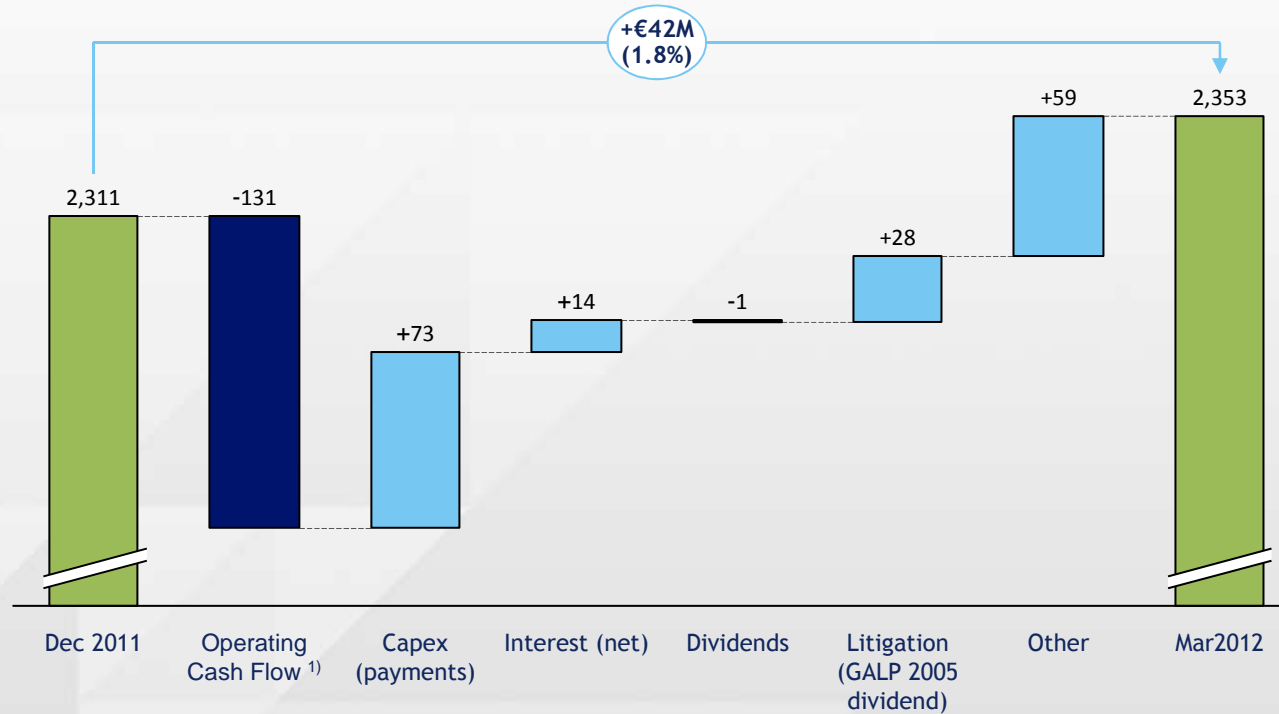
| (€M) | Average RAB | Average rate of return | Return |
|------------------------|----------------|------------------------|-------------|
| Electricity | 1,911.5 | 10.4% | 49.6 |
| Assets with premium | 717.4 | 11.3% | 20.3 |
| Assets without premium | 1,194.0 | 9.8% | 29.3 |
| Land | 326.3 | 3.2% | 2.6 |
| Natural Gas | 1,047.8 | 8.0% | 21.0 |
| TOTAL | 3,285.5 | 8.9% | 73.2 |



Net debt



(€M)



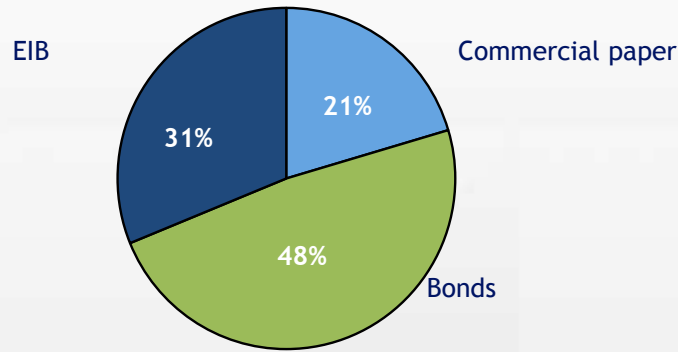
- Net debt at the end of March 2012 reached €2,353M, resulting in a growth of 1.8% compared with the end of 2011.
- The average cost of REN's debt was 5.6%.

¹⁾ Operational Cash flow = EBIT + Depreciation+ Provisions

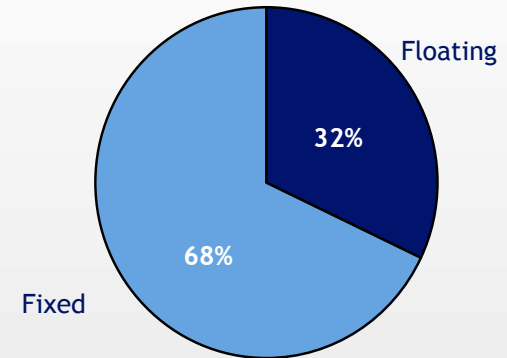
Debt profile



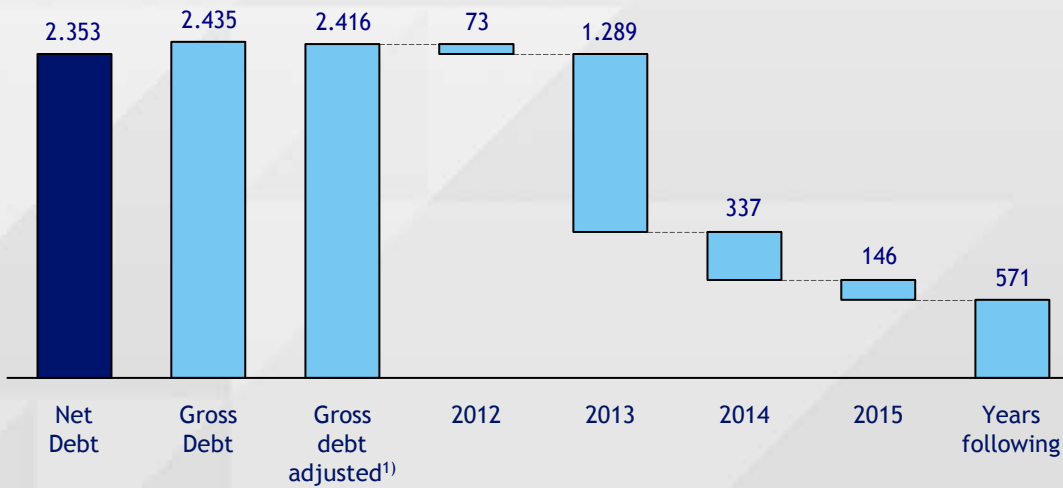
Debt by source of funds



Debt by interest rate type



Debt maturity schedule



Average maturity:
3.66 years

¹⁾ Adjusted by yen currency exchange.

Credit metrics



| | 1Q2011 | 1Q2012 |
|-----------------------|--------|--------|
| Net Debt / EBITDA | 4.7 x | 4.5 x |
| FFO / Net Debt | 11.4% | 14.0% |
| FFO interest coverage | 3.7 x | 3.4 x |



Appendix

Profit and Loss breakdown 1Q2012



| (€M) | 1Q2011 | 1Q2012 | Δ% |
|--|--------------|--------------|---------------|
| 1) TOTAL REVENUES | 196.3 | 175.2 | -10.8% |
| Revenues from assets | 103.8 | 122.5 | 18.0% |
| Return on RAB | 53,9 | 70,6 | 31.0% |
| Electricity | 33,2 | 49,6 | 49.3% |
| Natural Gas | 20.6 | 21.0 | 1.6% |
| Hydro land remuneration | 2.6 | 2.4 | -8.2% |
| Lease revenues from hydro protection zone | 0.2 | 0.2 | -9.6% |
| Remuneration of fully depreciated assets | 1.8 | 2.0 | 13.2% |
| Tariff smoothing effect (natural gas) | 0.7 | -0.3 | |
| Recovery of depreciation (net from subsidies) | 39.7 | 43.1 | 8.6% |
| Subsidies amortization | 4.9 | 4.5 | -9.3% |
| Revenues of OPEX | 26.8 | 27.1 | 1.0% |
| Recovery of net OPEX | 26.3 | 25.5 | -3.0% |
| Recovery of system services and inter-TSO compensation | 0.6 | 1.6 | 183.4% |
| Other revenues | 5.6 | 0.6 | -88.9% |
| Construction revenues (IFRIC 12) | 60.1 | 25.0 | -58.4% |
| 2) OPEX | 27.7 | 26.4 | -4.6% |
| Personnel costs | 12.1 | 12.0 | -0.8% |
| External supplies and services | 11.4 | 10.8 | -5.2% |
| Other operational costs | 4.2 | 3.6 | -13.9% |
| 3) Construction costs (IFRIC 12) | 53.1 | 18.0 | -66.1% |
| 4) Depreciation | 45.5 | 48.1 | 5.8% |
| 5) EBIT (1-2-3-4) | 70.0 | 82.7 | 18.0% |
| 6) Depreciation | 45.5 | 48.1 | 5.8% |
| 7) EBITDA (5+6) | 115.5 | 130.7 | 13.2% |
| 8) Depreciation | 45.5 | 48.1 | 5.8% |
| 9) Financial income | -20.8 | -32.2 | 54,9% |
| 10) Income tax | 14.9 | 16.0 | 7.9% |
| 11) NET INCOME (7-8+9-10) | 34.4 | 34.5 | 0.2% |

Other operational revenues and costs



| (€M) | 1Q2011 | 1Q2012 | Δ% |
|---|------------|------------|---------------|
| Other revenues | 5.6 | 0.6 | -88.9% |
| Commercial gains | 0.6 | 0.7 | 6.8% |
| Interest on tariff deviation | 0.6 | -1.7 | |
| Hedging contracts | 0.8 | 0.0 | |
| Telecommunication sales and services rendered | 1.1 | 1.3 | 20.5% |
| Other services provided | 0.8 | 0.1 | -85.2% |
| Other revenues | 1.7 | 0.2 | -86.1% |
| Other operational costs | 4.2 | 3.6 | -13.9% |
| Costs with ERSE | 2.6 | 2.2 | -15.1% |
| Other | 1.7 | 1.5 | -12.1% |

EBIT breakdown (electricity¹)



| (€M) | 1Q2011 | 1Q2012 | Δ% |
|--|--------------|--------------|---------------|
| REVENUES | 122.7 | 122.2 | -0.4% |
| Revenues from assets | 68.6 | 87.8 | 28.1% |
| Return on RAB | 33.2 | 49.6 | 49.3% |
| Hydro land remuneration | 2.6 | 2.4 | -8.2% |
| Lease revenues from hydro protection zone | 0.2 | 0.2 | -9.6% |
| Remuneration of fully depreciated assets | 1.8 | 2.0 | 13.2% |
| Recovery of depreciation (net from subsidies) | 28.1 | 30.6 | 9.0% |
| Subsidies amortization | 2.6 | 3.0 | 13.8% |
| Revenues of OPEX | 17.6 | 17.5 | -0.4% |
| Recovery of net OPEX | 17.0 | 15.9 | -6.6% |
| Recovery of system services and inter-TSO compensation | 0.6 | 1.6 | 183.4% |
| Other revenues | 1.7 | -1.2 | |
| Commercial gains (trading) | 0.6 | 0.7 | 6.8% |
| Interest on tariff deviation | 0.4 | -1.9 | |
| Other | 0.6 | 0.1 | -88.1% |
| Construction revenues (IFRIC 12) | 34.9 | 18.0 | -48.2% |
| OPEX | 14.9 | 12.8 | -14.3% |
| Personnel costs | 6.1 | 5.3 | -12.4% |
| External supplies and services | 6.5 | 5.4 | -17.2% |
| Other operational costs | 2.3 | 2.1 | -11.3% |
| Construction costs (IFRIC 12) | 29.2 | 12.9 | -55.8% |
| Depreciation | 31.4 | 34.0 | 8.4% |
| EBIT | 47.1 | 62.5 | 32.5% |
| Depreciation | 31.4 | 34.0 | 8.4% |
| EBITDA | 78.6 | 96.5 | 22.9% |

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

EBIT breakdown (natural gas)



| (€M) | 1Q2011 | 1Q2012 | Δ% |
|---|-------------|-------------|---------------|
| TOTAL REVENUES | 70.8 | 51.5 | -27.3% |
| Revenues from assets | 35.2 | 34.7 | -1.6% |
| Return on RAB | 20.6 | 21.0 | 1.6% |
| Tariff smoothing effect | 0.7 | -0.3 | |
| Recovery of depreciation (net from subsidies) | 11.6 | 12.5 | 7.6% |
| Subsidies amortization | 2.3 | 1.5 | -35.4% |
| Revenues of OPEX | 9.2 | 9.6 | 3.6% |
| Recovery of OPEX | 9.2 | 9.6 | 3.6% |
| Other revenues | 1.1 | 0.3 | -72.2% |
| Interest on tariff deviation | 0.1 | 0.2 | 53.0% |
| Other | 1,0 | 0,1 | -91.1% |
| Construction revenues (IFRIC 12) | 25.2 | 6.9 | -72.5% |
| OPEX | 7.2 | 7.2 | 0.3% |
| Personnel costs | 2.3 | 2.3 | -0.4% |
| External supplies and services | 3.5 | 3.7 | 5.2% |
| Other operational costs | 1.4 | 1.2 | -11.1% |
| Construction costs (IFRIC 12) | 23.9 | 5.1 | -78.7% |
| Depreciation | 13.9 | 14.0 | 0.5% |
| EBIT | 25.8 | 25.2 | -2.4% |
| Depreciation | 13.9 | 14.0 | 0.5% |
| EBITDA | 39.7 | 39.2 | -1.4% |

EBIT breakdown (other¹)



| (€M) | 1Q2011 | 1Q2012 | Δ% |
|---|-------------|-------------|---------------|
| TOTAL REVENUES | 2.8 | 1.5 | -47.1% |
| Other revenues | 2.8 | 1.5 | -47.1% |
| Hedging contracts | 0,8 | 0.0 | |
| Telecommunication sales and services rendered | 1.1 | 1.3 | 20.5% |
| Other services provided | 0.8 | 0.1 | -85.2% |
| Other | 0.1 | 0.1 | -26.7% |
| OPEX | 5.6 | 6.5 | 14.8% |
| Personnel costs | 1.4 | 1.8 | 24.0% |
| External supplies and services | 3.7 | 4.4 | 17.8% |
| Other operational costs | 0.5 | 0.3 | -34.5% |
| Depreciation | 0.1 | 0.0 | -54.6% |
| EBIT | -2.9 | -5.0 | 72.2% |
| Depreciation | 0.1 | 0.0 | -54.6% |
| EBITDA | -2.8 | -5.0 | 76.8% |

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

Tariff deviations

- Net Tariff deviations were worth €8.3M in the balance sheet at the end of March 2012 as follows:
 - Electricity: -€48.0M
 - Natural Gas: €56.3M



Profit and loss statement

| (€M) | 1Q2011 | 1Q2012 | Δ% |
|---------------------------------|---------------|--------------|---------------|
| Operational revenues | 196.3 | 175.2 | -10.7% |
| Sales and services rendered | 128.9 | 145.0 | 12.4% |
| Construction revenues (IFRIC12) | 60.1 | 25.0 | -58.4% |
| Other operational revenues | 7.3 | 5.3 | -27.6% |
| Operational costs | -126.3 | -92.6 | -26.7% |
| External supplies and services | -11.4 | -10.8 | -5.2% |
| Personnel | -12.1 | -12.0 | -0.8% |
| Construction costs (IFRIC 12) | -53.1 | -18.0 | -66.1% |
| Depreciation | -45.5 | -48.1 | 5.8% |
| Other | -4.2 | -3.7 | -13.0% |
| EBIT | 70.0 | 82.7 | 18.0% |
| Net financial income | -20.8 | -32.2 | 54.9% |
| Financial costs | -23.5 | -34.6 | 47.3% |
| Financial revenues | 1.2 | 0.6 | -48.5% |
| Investment income (dividends) | 1.5 | 1.8 | 18.4% |
| EBT | 49.3 | 50.5 | 2.5% |
| Income tax | -14.9 | -16.0 | 7.9% |
| NET INCOME | 34.4 | 34.5 | 0.2% |



Balance Sheet



| (€M) | 2011 | 1Q2012 |
|---------------------------------------|----------------|----------------|
| Fixed assets RAB related | 3,870.3 | 3,844.7 |
| Investments and goodwill ¹ | 128.0 | 118.7 |
| Tariff deviations | 111.6 | 120.0 |
| Receivables ² | 272.3 | 243.1 |
| Cash | 69.4 | 63.4 |
| Other ³ | 22.0 | 24.1 |
| Total assets | 4,473.7 | 4,414.0 |
| Shareholders equity | 1,037.4 | 980.4 |
| Debt (end of period) | 2,407.6 | 2,434.8 |
| Provisions | 32.3 | 4.6 |
| Tariff deviations | 129.2 | 111.7 |
| Payables ⁴ | 796.1 | 808.0 |
| Other ⁵ | 71.1 | 74.5 |
| Total equity and liabilities | 4,473.7 | 4,414.0 |

1. Goodwill, available-for-sale financial assets, derivative financial instruments, investments in associates and other investments

2. Trade and other receivables, deferred tax assets, current income tax recoverable

3. Inventories, 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

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THANK YOU

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