

RESULTS PRESENTATION 1H14

July 31st, 2014



1H14 Highlights

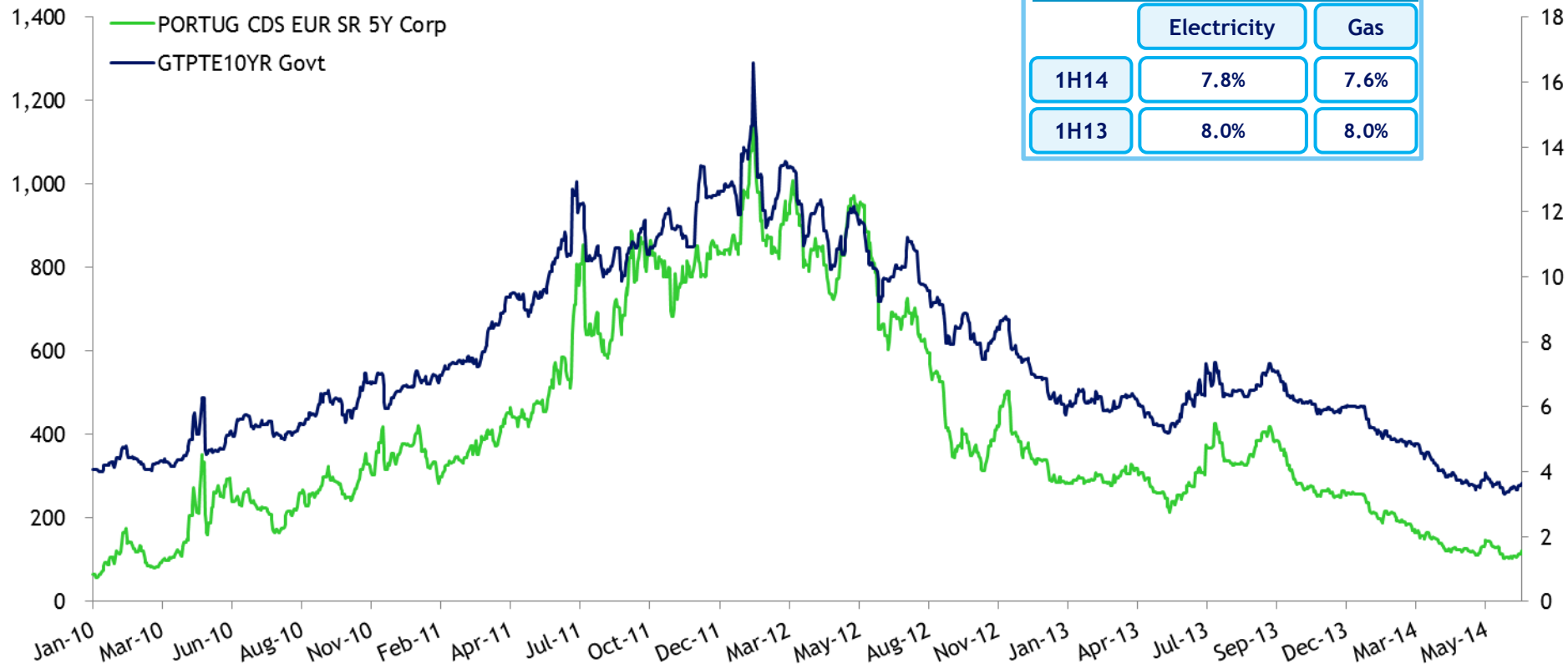
- ▶ EBITDA amounted to €252.2M, 3.0% below 1H13 (-€7.8M). This was mainly due to: (1) the reversal of an one-off impairment of receivable debts in 2013 (-€5.3M); (2) the decrease of €3.9M in hydro land remuneration; (3) the expansion of the RAB and its respective remuneration (+€1.5M); (4) the reduction achieved in operational costs;
- ▶ Recurrent net income increased by 16.8% (+€10.4M), mainly due to the improvement in net financial results which stood at -€51.7M, €14.0M better than 1H13, on account of the decline in both net debt (decreased by €46.9M to €2,452.5M) and average cost of debt (to 4.75% from 5.65%);
- ▶ Net income stood at €58.3M (-€5.8M, -9.0%), penalized by the accrual of the energy sector extraordinary levy established in 2014's State budget law;
- ▶ Total CAPEX stood at €36.0M, a YoY decrease of €22.9M (-38.8%), mainly due to normal seasonality and the late start of some new electricity investments in the first quarter of 2014;
- ▶ In June, REN's privatization process was successfully concluded. The placement of the State's remaining 11% stake, improved the free float of the stock (30.0% vs 19.6%) together with its liquidity;
- ▶ Yesterday, Moody's upgraded REN to a Baa3 investment grade rating with a stable outlook. REN remains the Top Rated Company in Portugal, and it comes on the back of a successful refinancing process.

1H14 Main financial indicators

€M	2Q14	1H14	1H13	Δ%	Δ Abs.
EBITDA	125.7	252.2	259.9	-3.0%	-7.8
Net Financial Income	-22.4	-51.7	-65.7	21.3%	14.0
Recurrent Net Income	39.0	72.3	61.9	16.8%	10.4
Net Income	32.0	58.3	64.1	-9.0%	-5.8
Average RAB	3,480.6	3,480.6	3,418.1	1.8%	62.5
CAPEX	26.5	36.0	58.9	-38.8%	-22.9
Net Debt	2,452.5	2,452.5	2,499.4	-1.9%	-46.9

Portugal's perceived sovereign debt risk has decreased

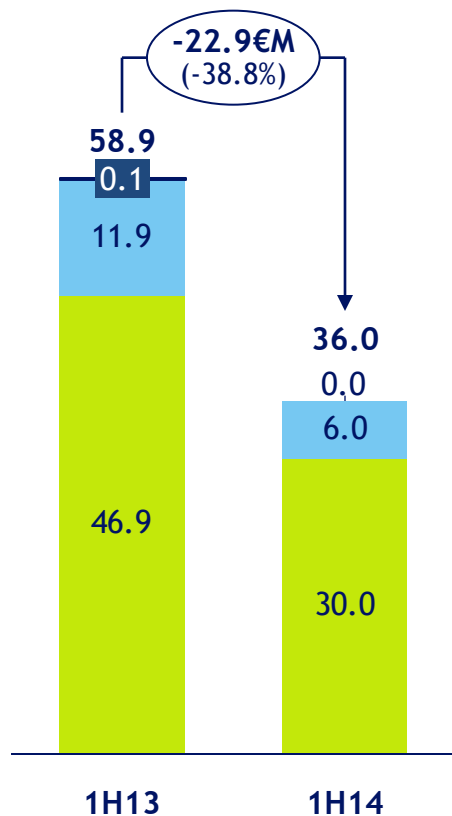
PT 10Y Treasury Bond Yields⁽¹⁾ and PT 5Y CDS



Source: Bloomberg

Transfers to RAB increased by €1.4M

CAPEX



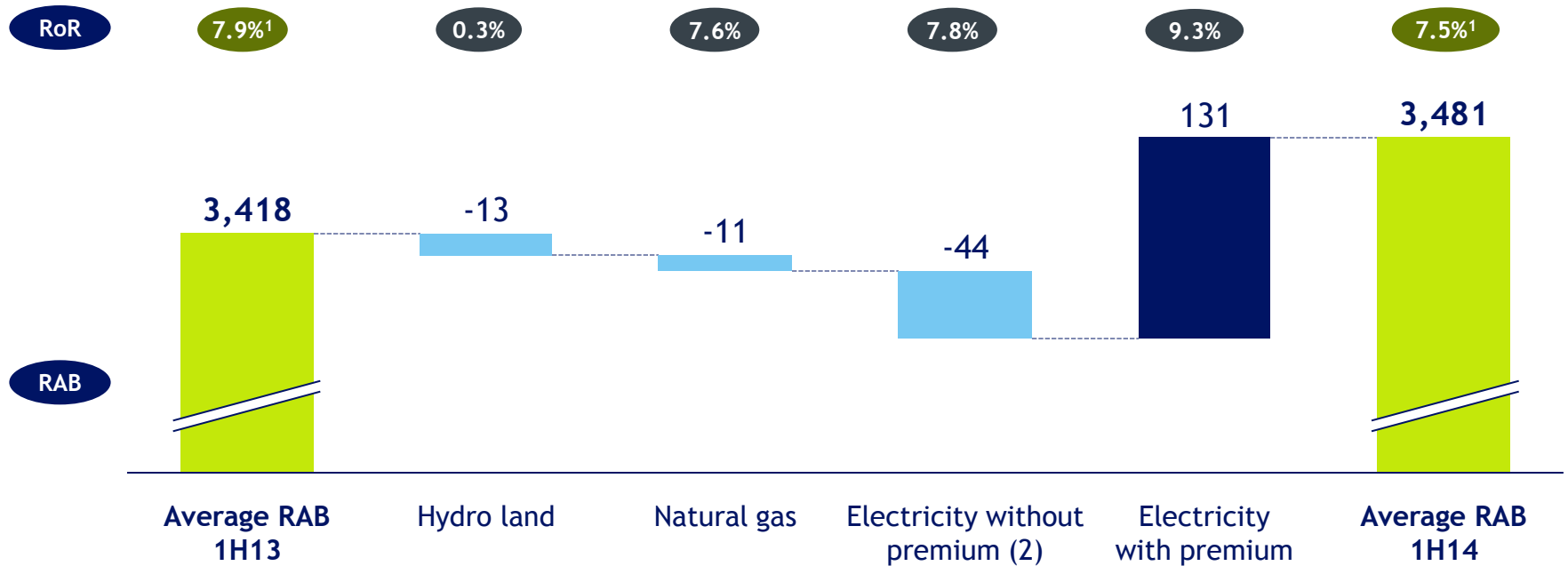
TRANSFERS TO RAB



- Other
- Natural gas
- Electricity

Average RAB grew by €62.5M

Electricity Assets with premium (RoR 9.3%) increased by €131M

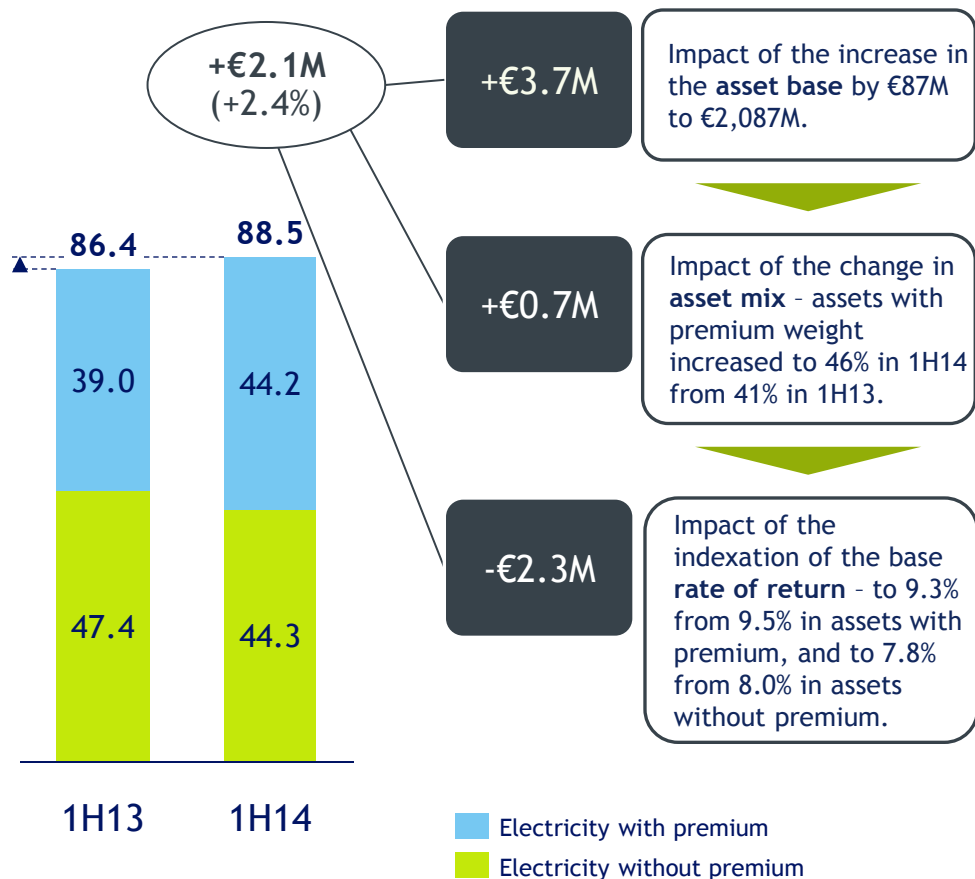


1) RoR is equal to the specific remuneration, divided by the average RAB;
2) Includes RAB related to Enondas.

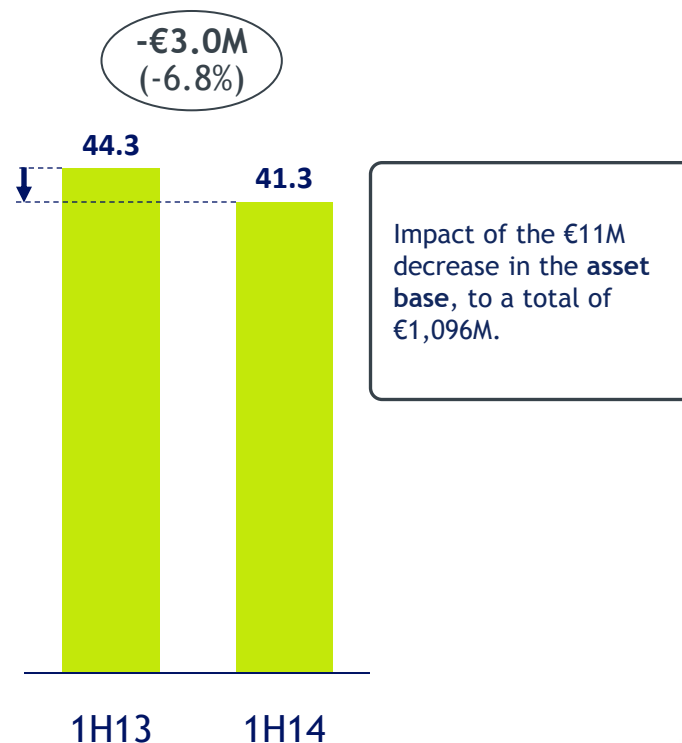
Electricity return on RAB increased by €2.1M

Mainly due to the positive evolution in the average RAB

RAB REMUNERATION ELECTRICITY (ex. hydro lands) (€M)



RAB REMUNERATION NATURAL GAS (ex. tariff smoothing effect) (€M)

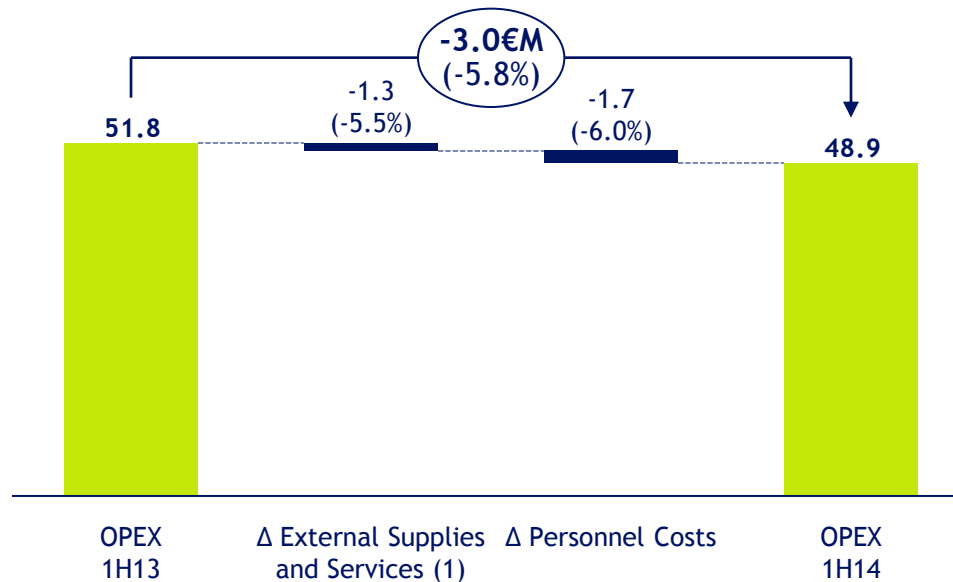


OPEX was down by €3.0M

Reflecting REN's efficiency efforts

OPERATIONAL COSTS

(€M)



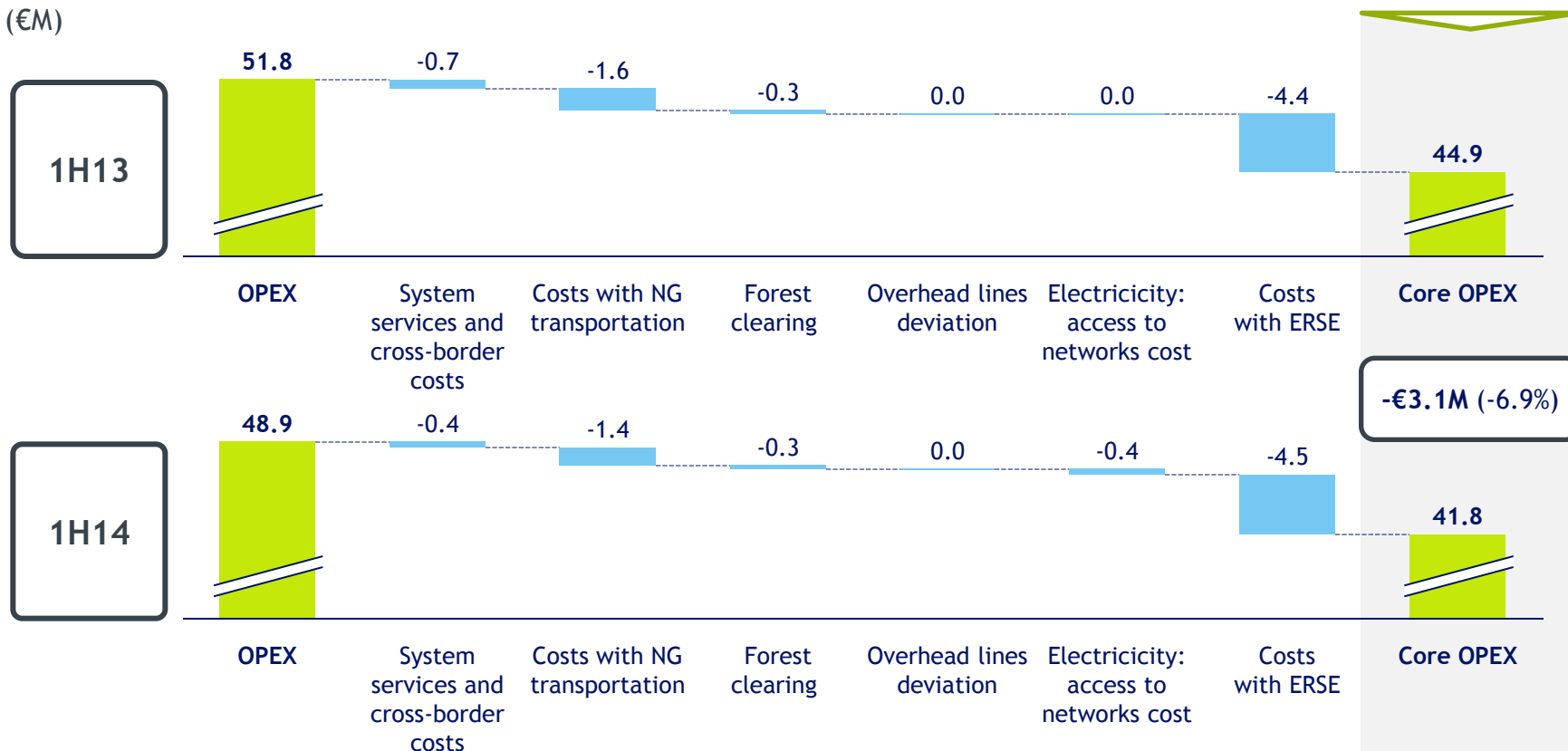
(1) Includes Δ+€0.7M of Other Operating Costs.

Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €46.7M in 1H13 and €26.0M in 1H14.

Core OPEX showed a 6.9% decline versus 1H13

CORE OPEX

(€M)

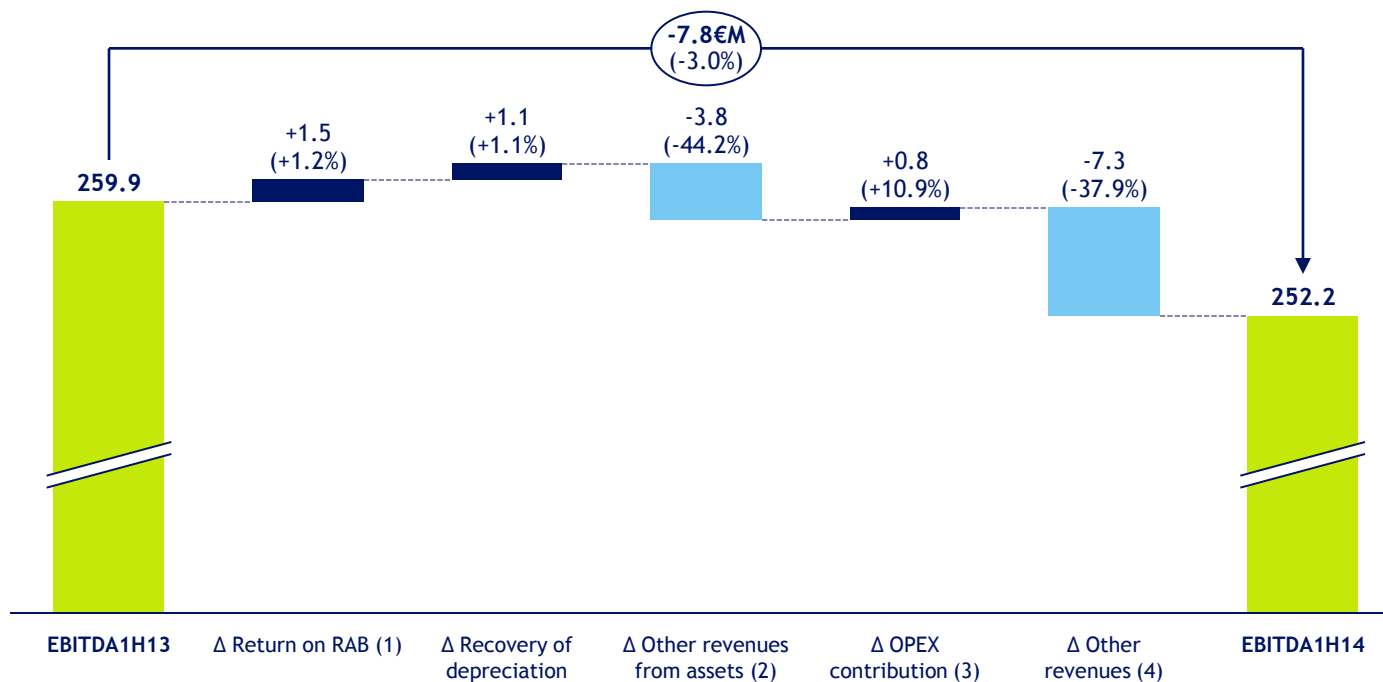


Note: values do not include costs incurred with the construction of concession assets (IFRIC 12): €46.7M in 1H13 and €26.0M in 1H14.

EBITDA down by 3.0%

Essentially due to the decrease in hydro land remuneration

(€M)



(1) Includes Δ+€2.5M of NG tariff smoothing effect;

(2) Δ-€3.9M related to Hydro land remuneration and Δ+€0.1M related to Remuneration of fully depreciated assets;

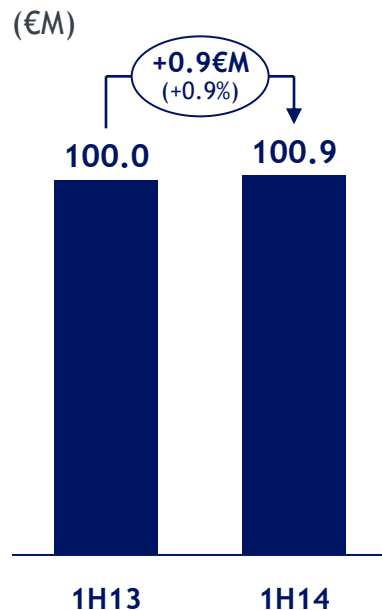
(3) Includes Δ+€0.1M of Opex own works;

(4) Includes +€5.3M related to a reversal of an impairment of receivable debts, in 2013.

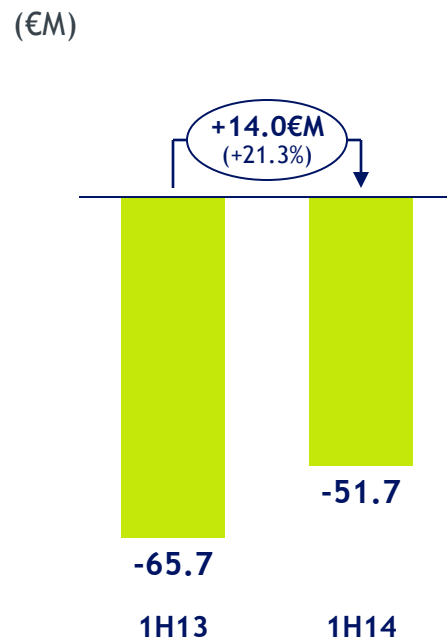
Below EBITDA

Net Financial Income improved €14.0M

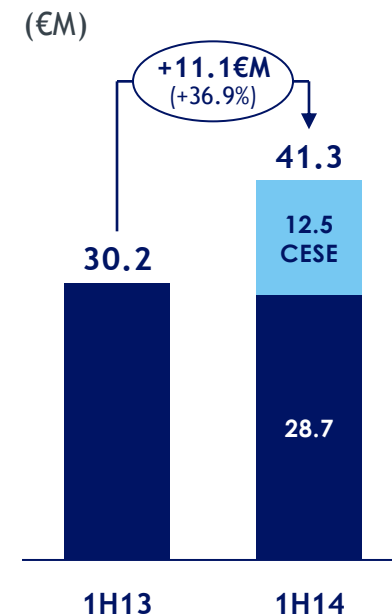
DEPRECIATION



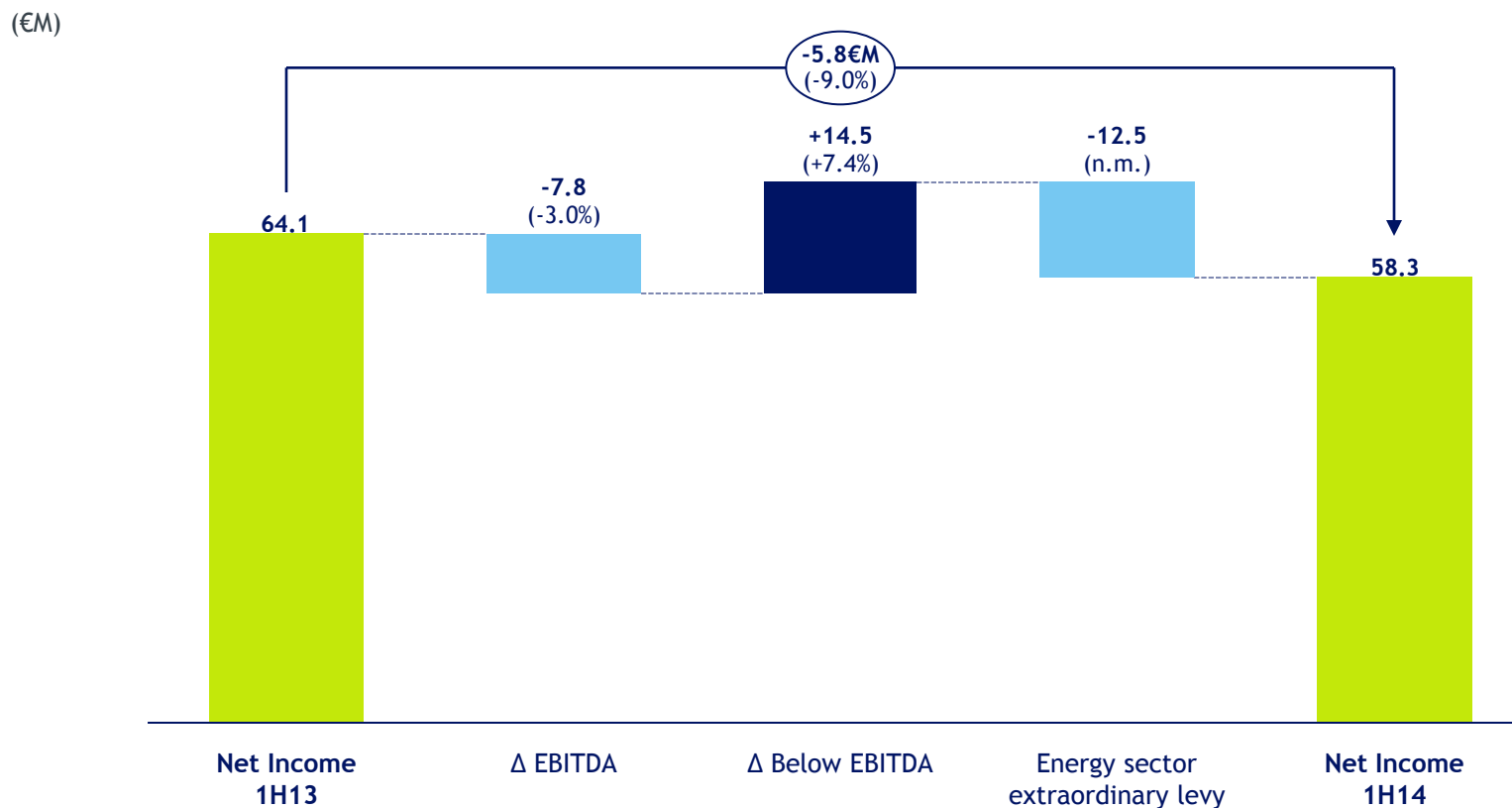
NET FINANCIAL INCOME



TAXES

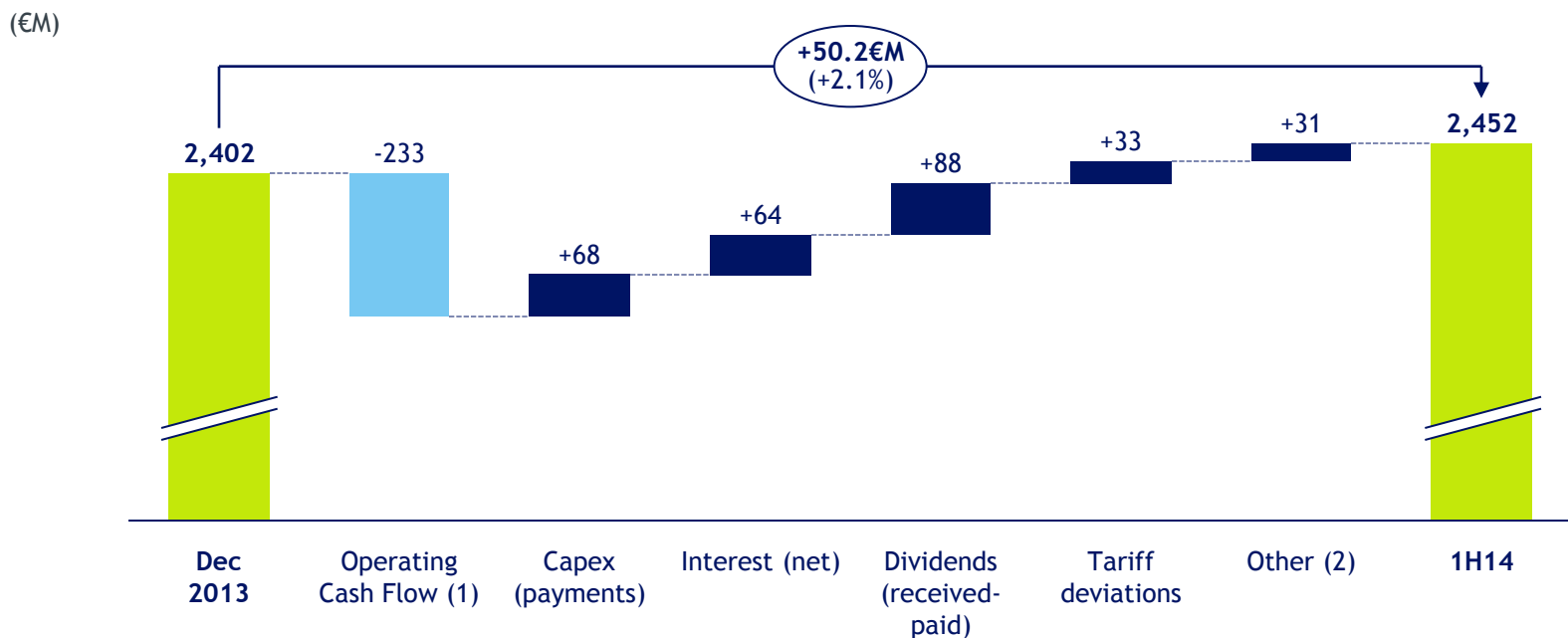


Net Income was down by €5.8M due to extraordinary levy



Average cost of debt improved materially to 4.75%

NET DEBT



- ▶ The average cost of debt decreased to 4.75% (5.54% in 2013);
- ▶ Net debt/EBITDA was up to 4.86x (4.61x in 2013).

(1) EBIT + Depreciation + Provisions - Non cash items;
 (2) Mostly due to the tax payment (€46M).

Final remarks

- ▶ In 1H14, REN's operational results were penalized by regulatory changes in hydro land remuneration, which were partially offset by the reduction in operational costs and the increase displayed in the average RAB;
- ▶ The average cost of debt continued its downward trend, and represented a material positive impact on net income;
- ▶ During the first half of 2014, REN's privatization process was concluded with the sale of the last 11% stake that was still owned by the Portuguese State. The operation was conducted through a Public Offering in the domestic market and a direct sale to qualified national and international institutional investors;
- ▶ In July, REN and Galp Energia agreed to the partial transfer of the latter's storage concession business, including the transmission of its two existing cavities and the rights for the construction of two additional ones for an estimated €71.7M and subjected to the agreement from the Portuguese State, the Competition Authority and ERSE. Through this operation, REN will own the totality of the underground storage infrastructures in operation in Portugal, giving continuity to its objectives and strategic nature as a transmission infrastructures' operator for gas and electricity.

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

Disclaimer

This presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation do not constitute, or form part of, a public offer, private placement or solicitation of any kind by REN, or by any of REN's shareholders, to sell or purchase any securities issued by REN and its purpose is merely of informative nature and this presentation and all materials, documents and information used therein or distributed to investors in the context of this presentation may not be used in the future in connection with any offer in relation to securities issued by REN without REN's prior consent.

REN

