RESULTS PRESENTATION

1Q 2017

May 11th, 2017

HIGHLIGHTS

- In the first quarter of 2017, **EBITDA** amounted to €123.7M, an increase of 2.1% over the same period of last year. It benefited from an increase in the electricity's RoR (the base rate went to 6.5% in 1Q17 from 6.0% in 1Q16);
- **Net Profit** rose by €7.4M to €13.5M, boosted by higher operational results but mostly by the company's **financial performance** (+33.9% versus 1Q16), which was helped by a continued decline in the **average cost of debt** (-1.1p.p. versus 1Q16). Excluding extraordinary effects, **Recurrent Net Profit** increased by €7.3M to €39.3M. **Net Debt** grew by 2.8%, mainly because of the payment of the Electrogas' stake. As in recent years, the results were penalized by the accrual of the energy sector extraordinary levy, that accounted for €25.8M in 2017 (vs €25.9M in 2016);
- Both **CAPEX** and **Transfers to RAB** have increased, respectively to €13.2M and €1.1M. **Average RAB** stood at €3,495.3M;
- In 07th April 2017, REN signed a **Share Purchase Agreement** with the EDP Group to acquire **EDP Gás** (EDPG) for €532.4M. The acquisition will be supported by available credit facilities and a €250M capital increase. EDPG's acquisition will be subject to standard legal and regulatory approvals, which are expected to be accomplished within the next 2-3 months. Following this announcement, the credit rating agencies Moody's and Fitch have reaffirmed REN's **rating** at **investment grade level**.

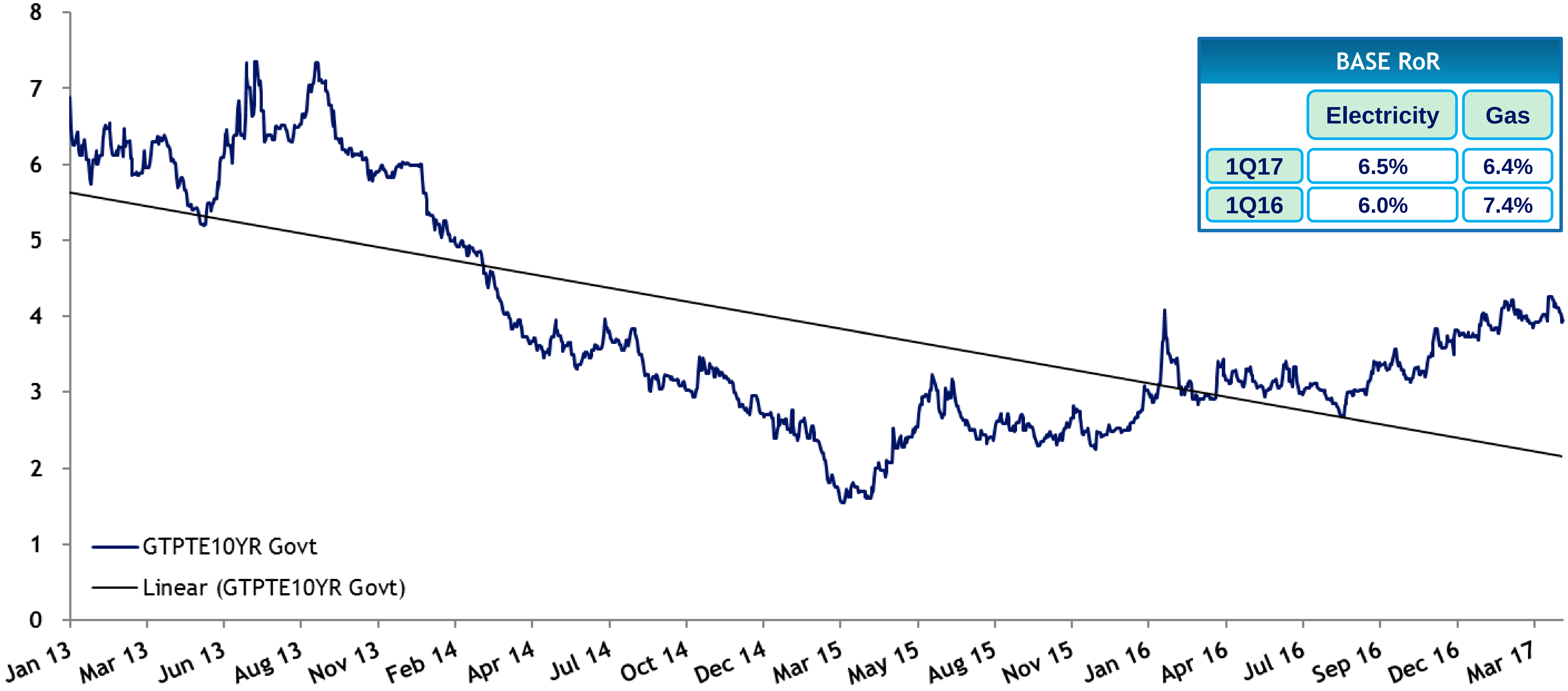
RESULTS AT A GLANCE

€M	1Q17	1Q16	Δ%	Δ Abs.
EBITDA	**123.7**	**121.1**	**2.1%**	**2.6**
Financial Result	**-15.5**	**-23.4**	**33.9%**	**7.9**
Net Profit	**13.5**	**6.1**	**121.5%**	**7.4**
Recurrent Net Profit	**39.3**	**32.0**	**22.6%**	**7.3**
Average RAB	**3,495.3**	**3,542.1**	**-1.3%**	**-46.8**
CAPEX	**13.2**	**11.3**	**16.5%**	**1.9**
Net Debt	**2,543.5**	**2,473.2**	**2.8%**	**70.3**

EVOLUTION OF PORTUGUESE 10Y BOND YIELDS

With a slight increase versus 1Q16

PT 10Y Treasury Bond Yields



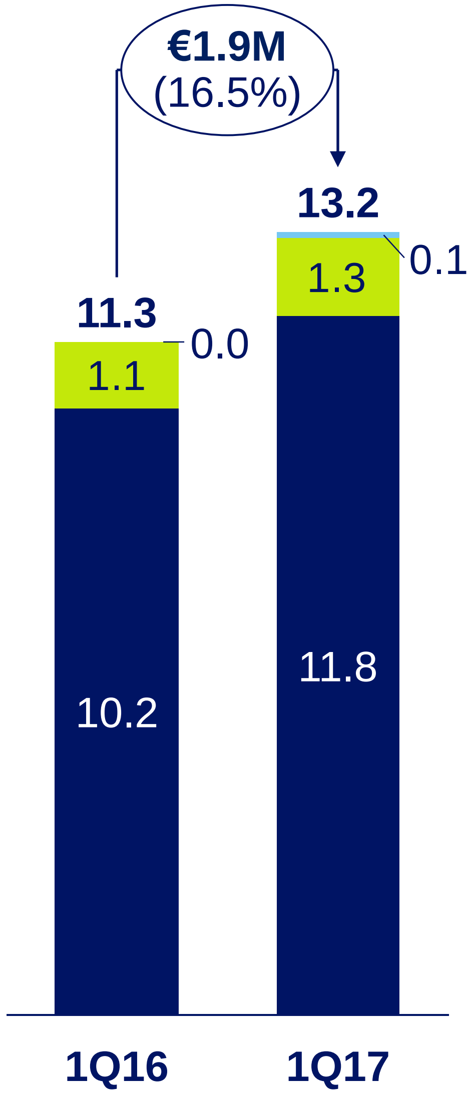
BASE RoR		
	Electricity	Gas
1Q17	6.5%	6.4%
1Q16	6.0%	7.4%

Source: Bloomberg, REN

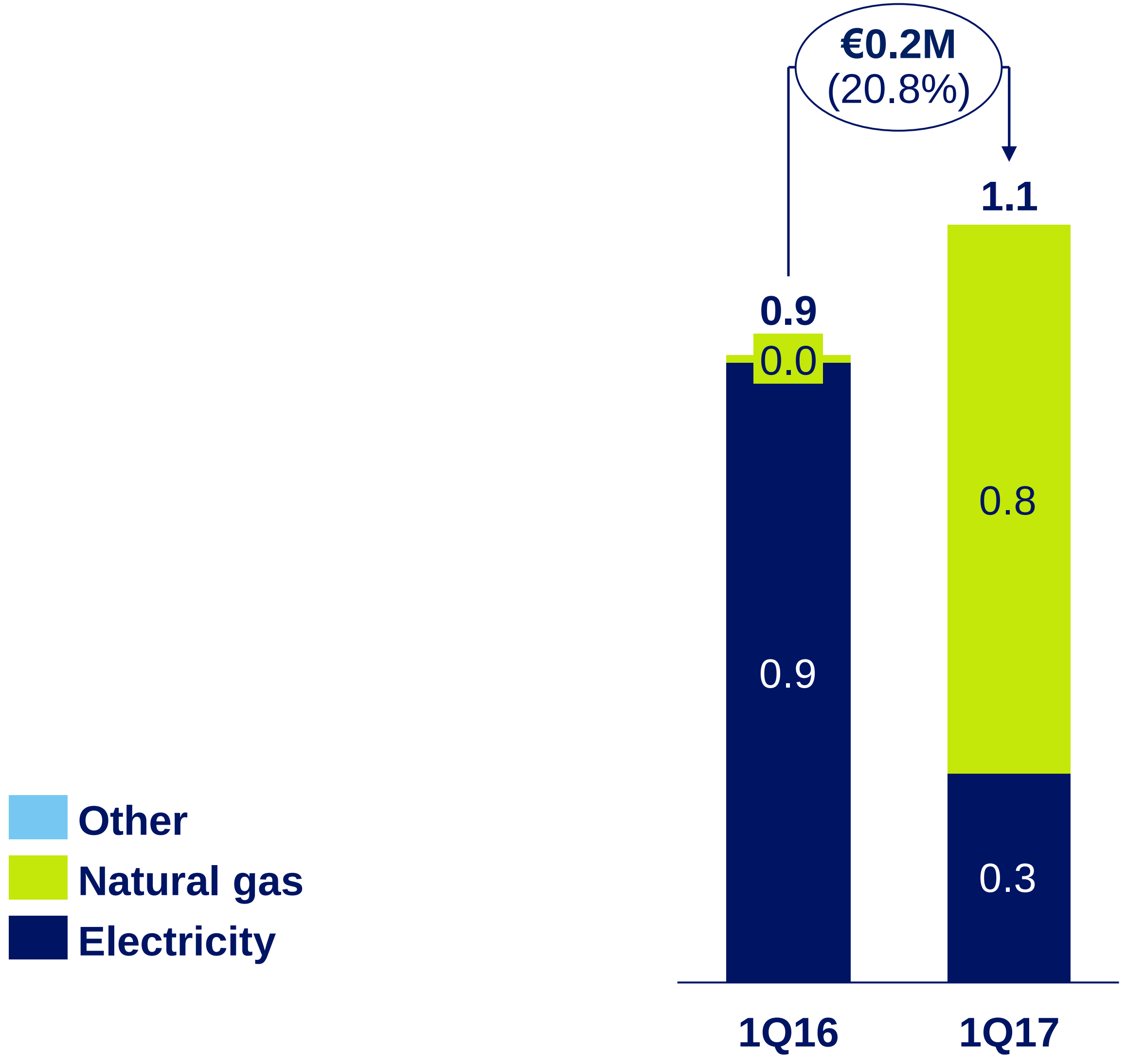
CAPEX GREW BY €1.9M

Transfers to RAB increased by €0.2M

CAPEX



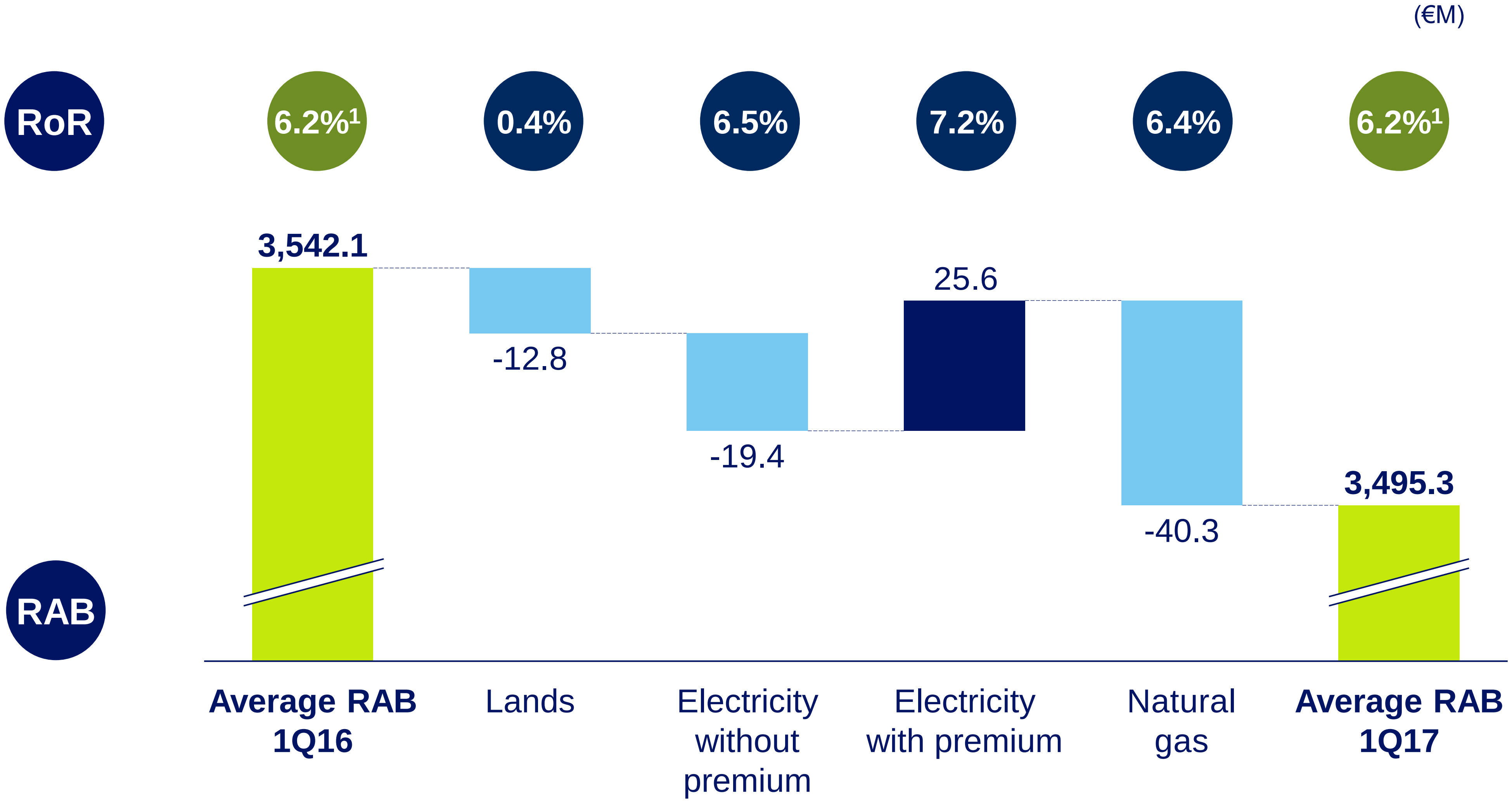
TRANSFERS TO RAB



AVERAGE RAB DECLINED BY 1.3%

Despite higher Electricity assets with premium (2.4%)

RESULTS PRESENTATION



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

ELECTRICITY RETURN ON RAB ROSE BY €2.5M

But didn't compensate the cut in gas RoR (€-3.4M)

RAB REMUNERATION ELECTRICITY

(ex. lands)
(€M)

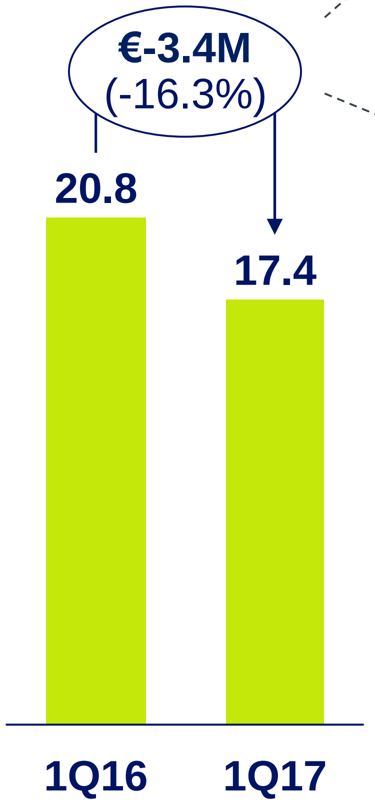
€0.1M — Impact of the increase in the **asset base** by €6.2M to €2,145.6M.

€2.4M — Impact of the indexation of the **rate of return** – to 7.22% from 6.78% in assets with premium, and to 6.47% from 6.03% in assets without premium.

Electricity with premium
Electricity without premium

RAB REMUNERATION NATURAL GAS

(ex. tariff smoothing effect)
(€M)

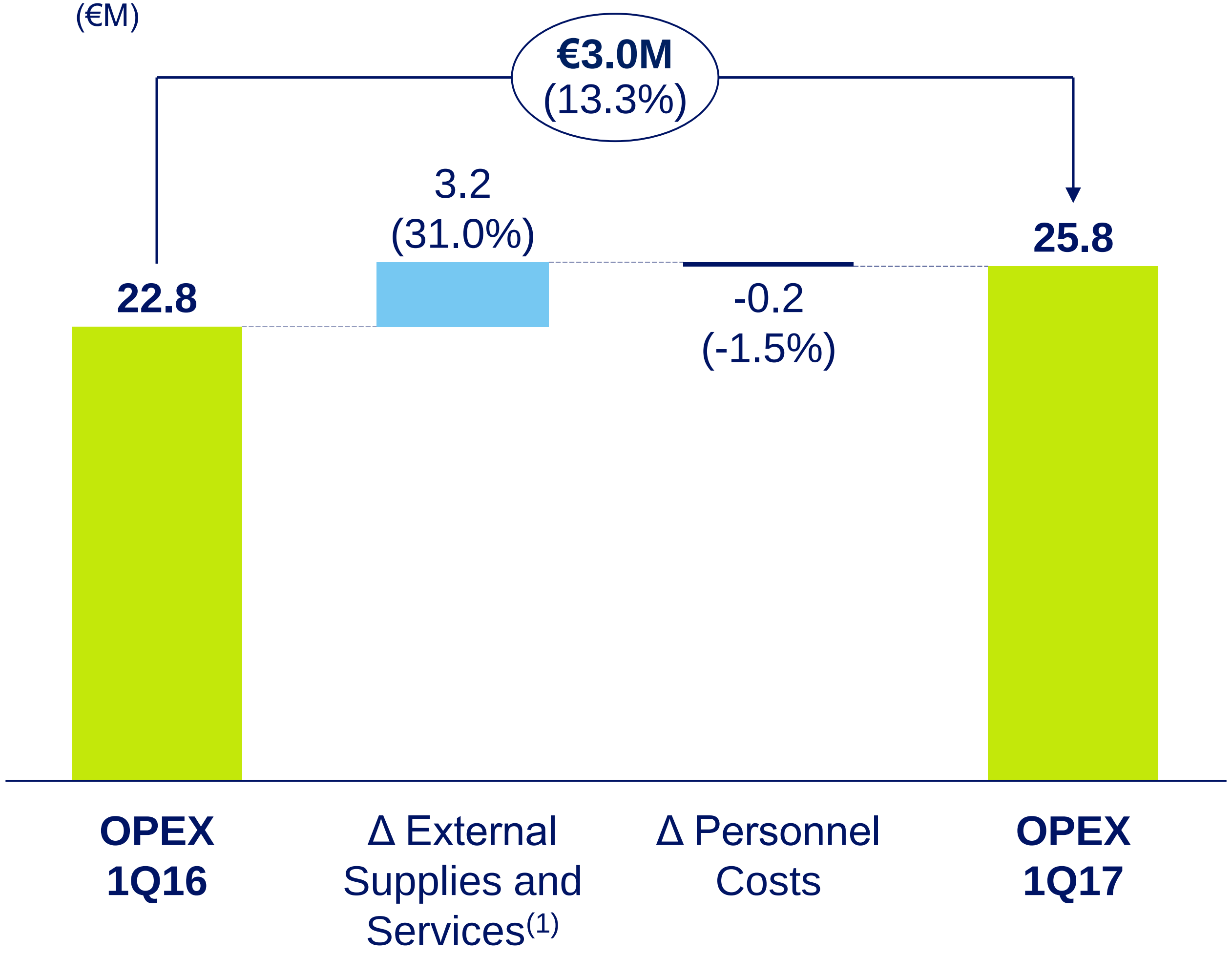


-€2.7M — Impact of the decrease in the **rate of return**, to 6.38% from 7.35%.

-€0.6M — Impact of the €40.3M decrease in the **asset base**, to a total of €1,089.3M.

OPEX INCREASED BY €3.0M
Bolstered by additional costs with Electrogas' acquisition (€1.2M)

OPERACIONAL COSTS
(€M)



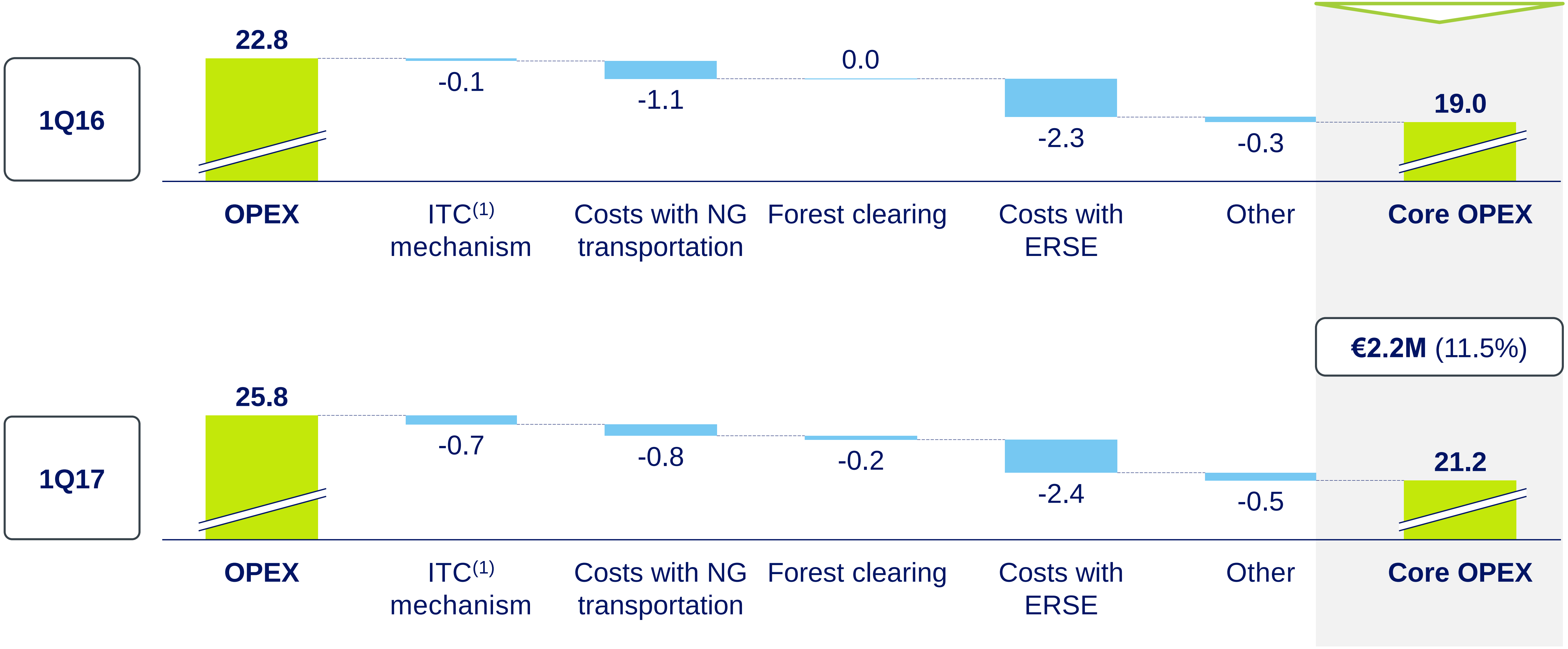
- **External Supplies and Services** evolution mainly impacted by Electrogas acquisition (Δ€1.2M) and electricity costs related to the increase in Terminal activity (Δ€0.7M).

(1) Included Δ€0.3M of Other Operating Costs.

CONTROLLABLE COSTS WERE UP BY €2.2M

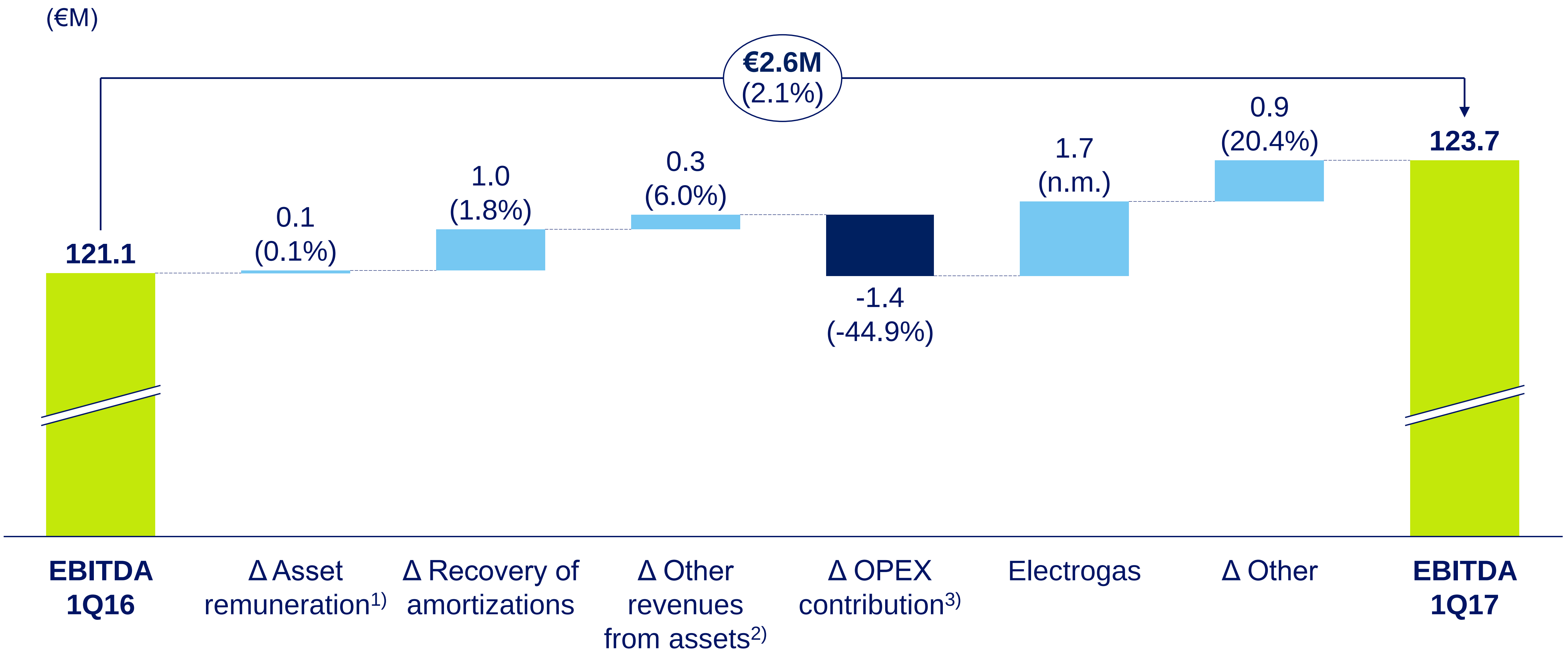
CORE OPEX

(€M)



(1) ITC - Inter Transmission System Operator Compensation for Transits.

EBITDA WAS UP BY €2.6M
Electrogas contributed with €1.7M

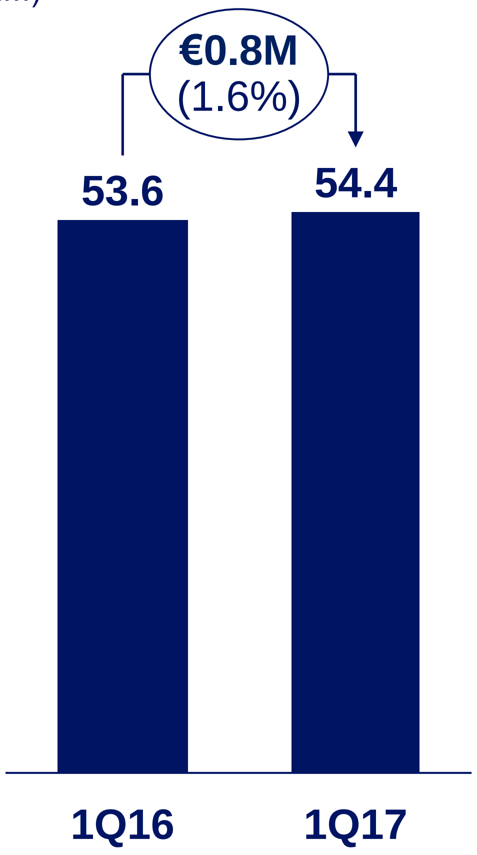


(1) Included Δ€0.9M of NG tariff smoothing effect;
(2) Included Δ€0.3M of Remuneration of fully amortized assets;
(3) Included €1.2M related to costs with Electrogas' acquisition and Δ-€0.3M of OPEX own works.

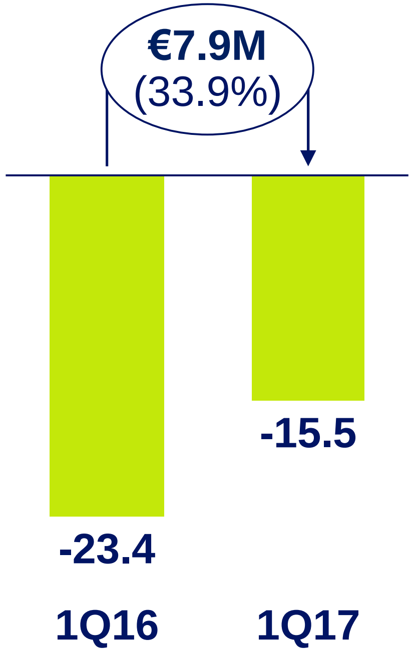
BELOW EBITDA

Financial Results up by 33.9%, following the fall in avg. cost of debt

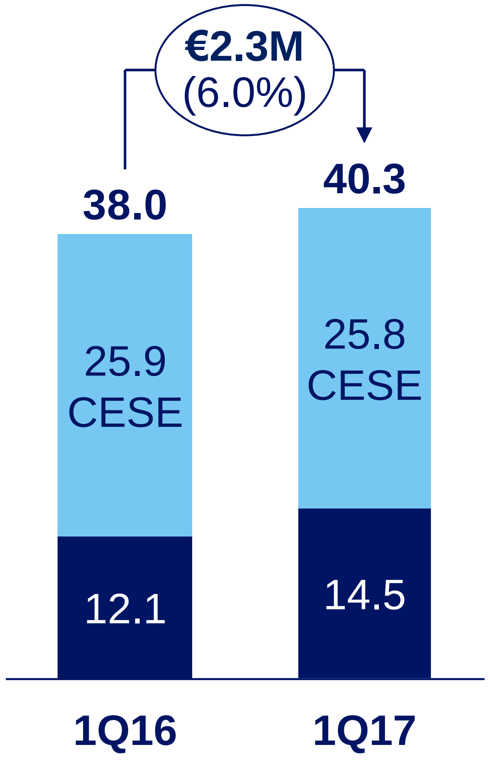
DEPRECIATIONS AND AMORTIZATIONS
(€M)



FINANCIAL RESULTS
(€M)



TAXES
(€M)



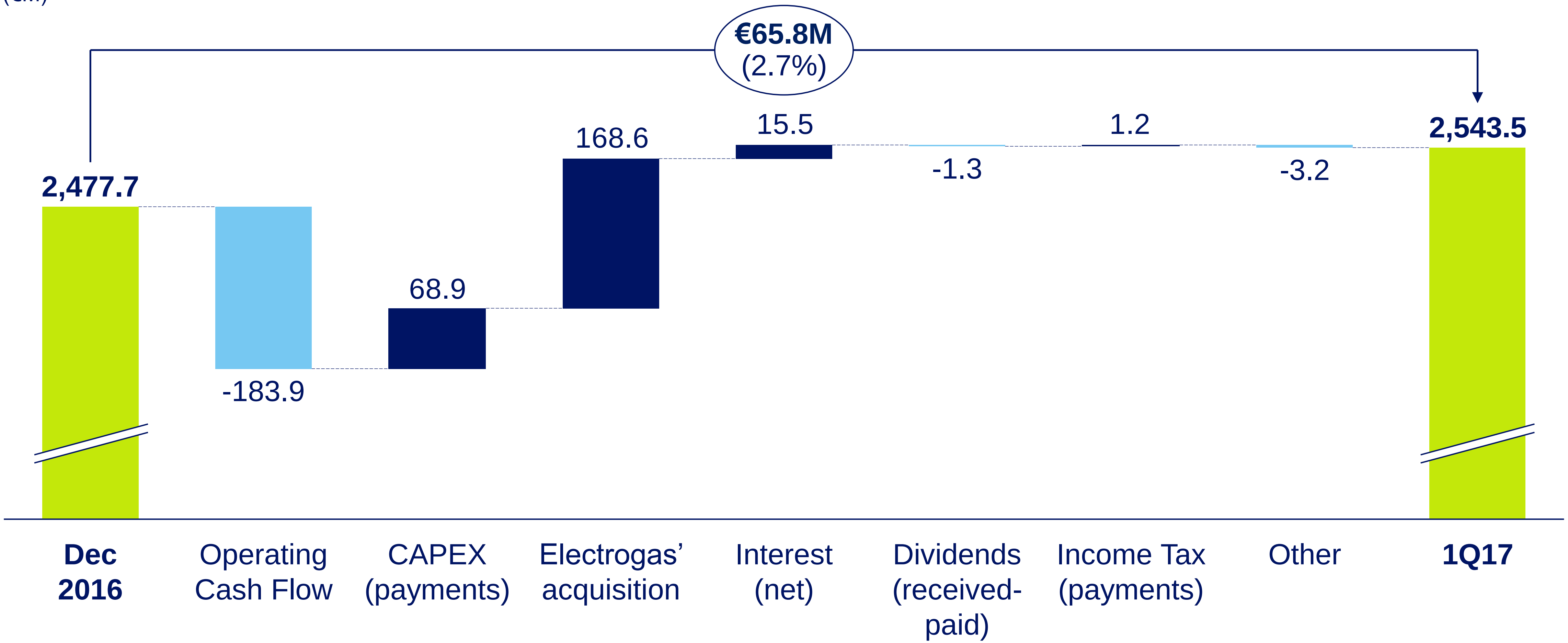
NET DEBT WAS UP BY 2.7% TO €2,543.5M

Despite being positively affected by tariff deviations (€-58.3M)

RESULTS PRESENTATION

NET DEBT

(€M)

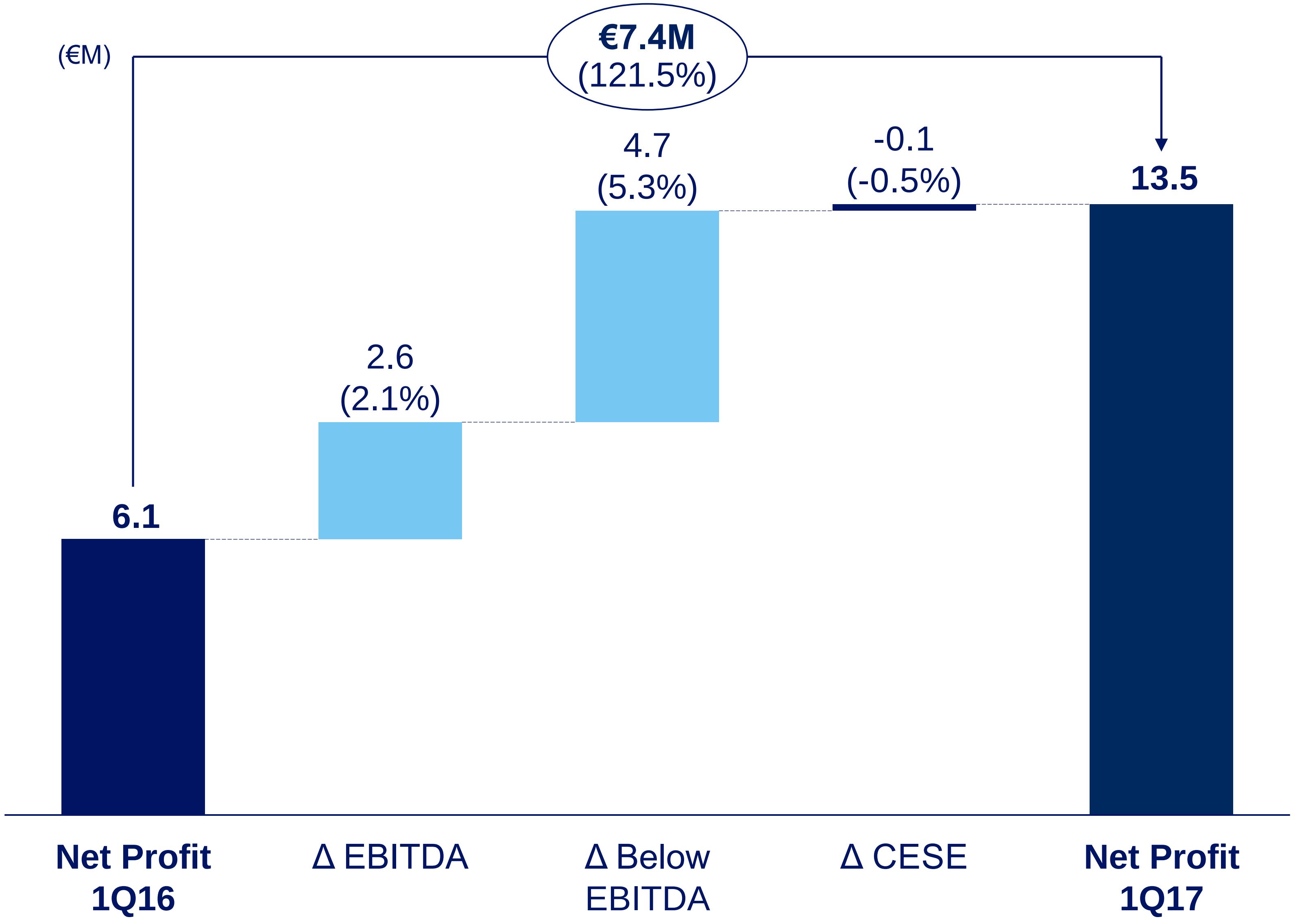


- **Average cost of debt** was consistently down over the year (2.6% in 1Q17 vs 3.2% in 2016);
- **FFO/Net Debt** ratio stood at 10.6%.

NET PROFIT GREW BY €7.4M

With a positive contribution from Financial Results

RESULTS PRESENTATION



FINAL REMARKS

- The major event of the first quarter of 2017 was the announcement of the acquisition of 100% of EDP Gás, the second biggest gas distribution company in Portugal. With a 4,640 km network, EDPG is integrated in a fully regulated sector, enjoys a stable regulatory framework and develops its activity under a concession contract that ends in December 2047. The Company has growth potential and will increase REN's RAB by €451.6M, while maintaining REN's strong financial and credit profiles, as well as its current dividend policy of 17.1 cents per share. Aligned with its strategic framework, the acquisition reinforced REN's local business focus as a top priority, representing a unique opportunity for natural gas infrastructure integration and for long-term synergies;

- In the first quarter of the year, REN maintained robust operational and financial performances that led to a solid Net Profit. The Extraordinary Levy to the Energy Sector continued to penalize REN's results;

- Following the proposed acquisition of EDP Gás, both Moody's and Fitch reaffirmed REN's investment grade rating, respectively at Baa3 and BBB, with stable outlook;

- This morning REN's AGM approved the payment of a dividend of 17.1 cents per share related to its 2016 results (the current dividend yield is 6%).

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