



REN - Redes Energéticas Nacionais, SGPS, S.A.

Report and accounts for the 1st Quarter of 2012

(Minimum items required by IAS 34 in accordance with Art.10, Regulation 5/2008 of the CMVM (Portuguese Stock Exchange Commission))

Consolidated financial statements

31 March 2012

REN - Redes Energéticas Nacionales, SGPS, S.A.

Index

1. DIRECTOR' REPORT	5
2. CONSOLIDATED FINANCIAL STATEMENTS	9
3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2012	14
1 General information	14
2 Basis of preparation	19
3 Main accounting policies	19
4 Segment reporting	20
6 Deferred tax assets and liabilities	26
7 Assets available for sale	28
8 Trade and other receivables	30
9 Derivative financial instruments	30
10 Cash and cash equivalents	34
11 Capital	34
13 Borrowings	36
14 Liability for retirement benefits and others	37
15 Provisions	38
16 Trade and other payables	39
17 Income tax	39
18 Supplies and services	41
19 Personnel costs	42
20 Earnings per share	42
21 Dividends per share	42
22 Guarantees given	43
23 Transactions with related parties	44



24 Other matters	47
25 Subsequent events	49
26 Explanation added for translation	49

1. Directors Report

1.1 RESULTS 1ST QUARTER 2012

MAIN INDICATORS

The first quarter of 2012 was marked by a good operational performance of REN, which recorded an EBITDA increase of 13.2% when compared to the same period of 2011 (+15.3M€). Such improvement is mainly the result of two factors: i) the increase in the average Regulatory Asset Base (RAB) as well as in its respective Rate of Return; ii) an Opex reduction, reflecting some improvement in operating efficiency.

Additionally the financial income decreased 11.4M€ y.o.y. (54.9%), reflecting the effects of the sovereign debt crisis to which REN was not immune. Despite the higher cost of funding, REN's good operating performance enabled a slight increase in net income to 34.5M€ (+0.1M€; +0.2%).

The level of Capex showed a significant drop in the first quarter (-35.2M€, -58.5% versus the first quarter of 2011), a decrease that was more pronounced in Natural Gas, as a result of the company's strategic decisions to slow down investments in this area. However, transfers to RAB increased substantially when compared to the same period of 2011 (+6.2M€, +374.2%).

Net debt increased by 190.1M€ (+8.8%) y.o.y., reaching 2,353M€, and its average cost rose to 5.61%, a 1.38 percentage points increase when compared to 1Q2011.

Main Indicators	1Q2011	1Q2012	Var.%
[M€]			
EBITDA	115.5	130.7	13.2%
Net financial income	-20.8	-32.2	54.9%
Net income	34.4	34.5	0.2%
Total CAPEX	60.1	25.0	-58.5%
Transfers to RAB (at historical costs)	1.7	7.8	374.2%
Average RAB (at reference costs)	3.035.5	3.285.5	8.2%
Net debt	2.162.9	2.353.0	8.8%

OPERATIONAL RESULT - EBITDA

EBITDA rose by 15.3 M€ (+13.2%) when compared to 1Q2011, to 130.7M€. Among others, the following items stand out:

- Increase of 8.2% in the average RAB, as well as an increase in the corresponding average rate of return (as a result of the annual update of the rate of return on electricity, and of a

change in the asset mix, favoring the weight of assets with premium), leading to an increase of 16.7M€ (+31.0%) in the remuneration of RAB;

- Increase in income from recovery of depreciation of 3.4M€ (+8.6%), in line with the increase in RAB;
- Decrease in OPEX by 1.3M€ (-4.6%) to 26.4M€, with the components of personnel costs and external supplies and services decreasing 0.1M€ (-0.8%) and 0.6M€ (-5.2%), respectively. The decrease in OPEX reflects an improvement in operational performance and well as the freezing of salaries.

EBITDA [M€]	1Q2011	1Q2012	Var.%
1) Total Revenues	196.3	175.2	-10.8%
Revenues of 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	-141.3%
Recovery of depreciation (net from subsidies)	39.7	43.1	8.6%
Subsides depreciation	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 cross border costs	0.6	1.6	183.4%
Other Revenues	5.6	0.6	-88.9%
Commercial gains (trading)	0.6	0.7	6.8%
Interest on tariff deviations	0.6	-1.7	-391.9%
Hedging	0.8	0.0	-104.8%
Telecommunication sales and services rendered	1.1	1.3	20.5%
Other services provided	0.8	0.1	-85.2%
Others	1.7	0.2	-86.1%
Construction revenues	60.1	25.0	-58.4%
2) OPEX	27.7	26.4	-4.6%
Personnel costs	12.1	12.0	-0.8%
External services and supplies	11.4	10.8	-5.2%
Other operating costs	4.2	3.6	-13.9%
3) Construction costs	53.1	18.0	-66.1%
4) Nonrecurring items	0.0	0.0	
EBITDA (1-2-3+4)	115.5	130.7	13.2%

NET INCOME

Net income until March of 2012 was affected by the negative behavior of the financial income, which, due to the increase in net debt (+8.8%) and in the cost of funding (average cost increased from 4.23% to 5.61%) decreased by 11.4M€ (+54.9%). Despite this fact, the good operational performance allowed an increase in net income to 34.5M€ (+0.1M€; +0.2%).

Net Result [M€]	1Q2011	1Q2012	Var.%
EBITDA	115.5	130.7	13.2%
Depreciations	45.5	48.1	5.8%
Financial income	-20.8	-32.2	54.9%
Income tax	14.9	16.0	7.9%
Net Income	34.4	34.5	0.2%
Nonrecurring items	0.0	0.0	
Recurrent Net Income	34.4	34.5	0.2%

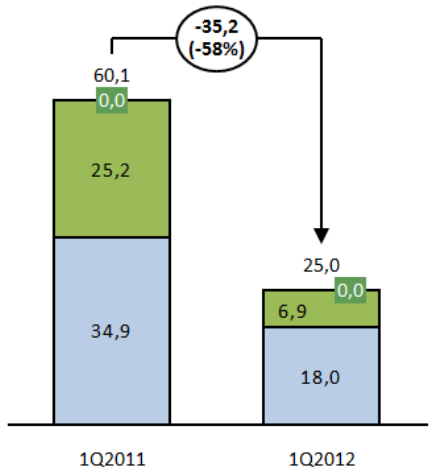
1.2 CAPEX AND AVERAGE RAB

CAPEX AND AVERAGE RAB

Total CAPEX decreased by 35.2M€ (-58.5%) when compared with the same period in 2011. This decrease was higher in natural gas (-18.3M€; -72.5%) than in electricity (-16.8M€; -48.2%), as a result of the Company's strategic decision to reschedule some of its investments in this segment.

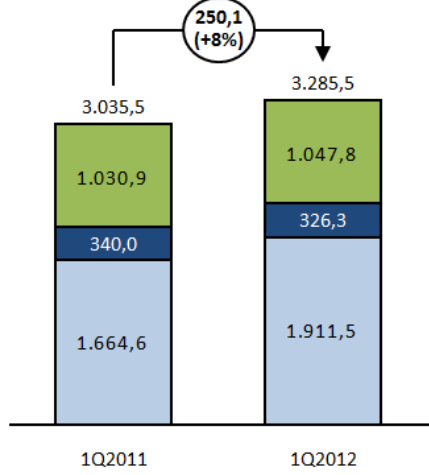
Despite the reduction in investment, transfers to RAB increased by (+374.2%) when compared with 1Q2011. Average RAB increased 250.1M€ (+8.2%), reaching 3.285.5M€. It should be noted that the growth of the average RAB was focused on the categories with the highest rate of return, and from its increase, 243.3M€ were in electricity with premium (RoR 11.3%), while the categories with lower rate of return (hydro land, RoR 3.2%, and electricity without premium, RoR 9.8%) saw the value of their average RAB decrease 13.7M€ and increase 3.5M€, respectively. In natural gas, the average RAB increase was 16.9M€ (+1.6%).

INVESTMENT (M€)



- Others
- Natural Gas
- Electricity

AVERAGE RAB (M€)



- Natural Gas
- Hydro land
- Electricity

2. Consolidated financial statements

Consolidated statements of financial position

(Amounts expressed in thousands of Euros - tEuros)

	Notes	As of	
		31.03.2012	31.12.2011
ASSETS			
Non-current assets			
Tangible fixed assets	5	444	488
Goodwill	5	3,774	3,774
Other intangible fixed assets	5	3,865,073	3,888,161
Deferred tax assets	6	58,947	63,057
Available-for-sale financial assets	7	87,293	82,051
Derivative financial instruments	9	12,817	26,696
Other investments		5,366	5,667
Investments in associates		8,717	8,717
Trade and other receivables	8	85,280	80,079
		4,127,712	4,158,691
Current assets			
Inventories		3,288	3,628
Trade and other receivables	8	204,803	226,791
Current income tax recoverable	17	14,015	14,015
Derivative financial instruments	9	751	1,144
Cash and cash equivalents	10	63,422	69,406
		286,279	314,983
Total assets	4	4,413,991	4,473,675
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	11	534,000	534,000
Own shares	11	(10,728)	(10,728)
Other reserves		235,809	215,401
Retained earnings		186,868	178,189
Net profit for the year		34,451	120,576
Total equity		980,401	1,037,439
LIABILITIES			
Non-current liabilities			
Borrowings	13	2,112,790	2,354,032
Deferred tax liabilities	6	68,844	66,875
Liability for retirement benefits and others	14	54,517	55,110
Derivative financial instruments	9	18,245	14,239
Provisions	15	4,520	4,520
Trade and other payables	16	388,987	381,495
		2,647,902	2,876,271
Current liabilities			
Borrowings	13	322,050	53,587
Provisions	15	64	27,794
Trade and other payables	16	453,531	476,328
Income tax payable	17	8,331	520
Derivative financial instruments	9	1,711	1,735
		785,688	559,965
Total liabilities	4	3,433,590	3,436,236
Total equity and liabilities		4,413,991	4,473,675

The accompanying notes form an integral part of the statement of the financial position as of 31 March 2012.

Consolidated statements of profit and loss for the three month periods ended 31 March 2012 and 2011

(Amounts expressed in thousands of Euros - tEuros)

	Note	Period ended at 31 March	
		2012	2011
Sales	4	86	88
Services rendered	4	144,894	128,851 a)
Revenue from construction of concession assets	4	24,981	60,105
Other operation income		5,264	7,269 a)
Operating income		175,224	196,313
Cost of goods sold		(136)	(19)
Cost with construction of concession assets		(18,009)	(53,127)
External supplies and services	18	(10,803)	(11,392)
Employee compensation and benefit expense	19	(11,981)	(12,076)
Depreciation and impairment charges	4, 5	(48,094)	(45,454)
Provisions	15	-	-
Other expenses		(3,545)	(4,212)
Operating costs		(92,569)	(126,279)
Operating profit	4	82,655	70,034
Financial costs	4	(34,612)	(23,502)
Financial income	4	612	1,188
Investment income - dividends	4	1,825	1,541
Net Financial costs		(32,174)	(20,772)
Profit before income tax		50,481	49,261
Income tax expense	17	(16,030)	(14,862)
Net profit for the year		34,451	34,400
Attributable to:			
Equity holders of the Company		34,451	34,378
Non-controlling interests		-	21
		34,451	34,400
Earnings per share attributable to the equity holders of the company during the year (expressed in euro per share)			
- basic	20	0.06	0.06
- diluted		0.06	0.06

a) The amount of 570 thousand Euros related to congestion revenues was reclassified from other operation income to services rendered, for purposes of comparability with the amounts published earlier.

The accompanying notes form an integral part of the statement of the financial position as of 31 March 2012.

Consolidated statements of comprehensive income for the three month periods ended 31 March 2012 and 2011

(Amounts expressed in thousands of Euros - tEuros)

	Note	Period ended at 31 March	
		2012	2011
Net profit for the period		34,451	34,400
Other income and cost recorded in equity:			
Increase/(decrease) in hedging reserves - derivative financial instruments	9	(8,731)	4,265
Gains/(loss) on available for sale assets	7	5,241	9,033
Other variations		-	27
Tax effect on items recorded directly in equity	6	1,591	(1,236)
Comprehensive income for the period		32,552	46,488
Attributable to:			
Equity holders of the company		32,552	46,467
Non-controlling interest		-	21
		32,552	46,488

The accompanying notes form an integral part of the statement of the financial position as of 31 March 2012.

Consolidated statements of changes in equity for the three month periods ended 31 March 2012 and 2011

(Amounts expressed in thousands of Euros - tEuros)

		2011									
Note	Share capital	Own shares	Legal Reserve	Fair Value reserve	Hedging reserves	Other reserves	Retained earnings	Net profit for the year	Non-controlling interest	Total	
	At 1 January 2011	534,000	(10,728)	74,445	(9,861)	(1,141)	148,138	170,453	110,265	6,329	1,021,901
	Net profit of the period and other comprehensive income	-	-	-	9,033	3,028	-	27	34,378	21	46,488
	Change in the consolidation perimeter in the Portuguese gas pipeline companies	-	-	-	-	-	-	-	-	(5,814)	(5,814)
	Other	-	-	-	-	-	-	-	-	(11)	(11)
	Transfer to other reserves	-	-	-	-	-	-	110,265	(110,265)	-	-
	At 31 March 2011	534,000	(10,728)	74,445	(828)	1,887	148,138	280,746	34,378	526	1,062,565
		2012									
Note	Share capital	Own shares	Legal Reserve	Fair Value reserve (Note 7)	Hedging reserves (Note 9)	Other reserves	Retained earnings	Net profit for the year	Non-controlling interest	Total	
	At 1 January 2012	534,000	(10,728)	79,809	(14,244)	(10,503)	160,339	178,189	120,576	-	1,037,439
	Net profit of the period and other comprehensive income	-	-	-	5,241	(7,140)	-	-	34,451	-	32,552
	Distribution of dividends	-	-	-	-	-	-	(89,590)	-	-	(89,590)
	Transfer to other reserves	-	-	5,628	-	-	16,679	98,270	(120,576)	-	-
	At 31 March 2012	534,000	(10,728)	85,437	(9,003)	(17,643)	177,018	186,869	34,451	-	980,401

The accompanying notes form an integral part of the statement of the financial position as of 31 March 2012.

Consolidated statements of cash flow for the three month periods ended 31 March 2012 and 2011

(Amounts expressed in thousands of Euros - tEuros)

	Notes	Period ended at 31 March	
		2012	2011
Cash flow from operating activities			
Cash receipts from customers		676,341 a)	674,733 a)
Cash paid to suppliers		(551,788) a)	(547,400) a)
Cash paid to employees		(13,014)	(13,203)
Income tax received/ paid		(321)	(312)
Other payments/receipts relating to operating activities		(47,446)	(1,957)
Net flows from operating activities		63,771	111,861
Cash flow from investing activities			
Receipts related to:			
Interests and similar income		573	838
Dividends		916	796
Payments related to:			
Investments		-	(29,000)
Tangible fixed assets		(4)	(80)
Intangible assets		(73,278)	(124,051)
Net cash used in investing activities		(71,792)	(151,497)
Cash flow from financing activities			
Receipts related to:			
Borrowings		2,907,500	2,407,000
Interests and similar income		17	175
Payments related to:			
Borrowings		(2,890,336)	(2,351,368)
Interests and similar expenses		(14,182)	(6,934)
Net cash (used in)/from financing activities		2,999	48,874
Net (decrease)/increase in cash and cash equivalents		(5,022)	9,238
Cash and cash equivalents at de beginning of the year	10	68,358	101,871
Cash and cash equivalents at the end of the year	10	63,336	111,109
Detail of cash and cash equivalents			
Cash	10	24	36
Bank overdrafts	10	(85)	(18,857)
Bank deposits	10	63,397	129,929
		63,336	111,109

a) These amounts include payments and receipts relating to activities in which the Group acts as agent, income and costs being reversed in the consolidated statement of profit and loss.

The accompanying notes form an integral part of the statement of the financial position as of 31 March 2012.

3. Notes to the consolidated financial statements as of 31 March 2012

(Translation of notes originally issued in Portuguese - Note 26)

(Amounts expressed in thousands of Euros - tEuros)

1 General information

REN - Redes Energéticas Nacionais, SGPS, S.A. (referred to in this document as “REN” or “the Company” together with its subsidiaries, referred to as “the Group” or “the REN Group”), with head office in Avenida Estados Unidos da América, 55 - Lisbon, was formed from the spin-off of the EDP Group, in accordance with Decree-Laws 7/91 of 8 January and 131/94 of 19 May, approved by the Shareholders’ General Meeting on 18 August 1994, with the objective of ensuring the overall management of the Public Electric Supply System (PES).

Up to 26 September 2006 the REN Group’s operations were concentrated on the electricity business through REN - Rede Eléctrica Nacional, SA.. On 26 September 2006, as a result of the unbundling transaction of the natural gas business, the Group underwent a significant change with the purchase of assets and financial participations relating to the transport, storage and re-gasification of natural gas activities, comprising a new business.

In the beginning of 2007 the Company was transformed into a holding company and, after transfer of the electricity business to a new company formed on 26 September 2006, named REN - Serviços de Rede, S.A., changed its name to REN - Rede Eléctrica Nacional, S.A..

The Group presently has two main business areas, Electricity and Gas, and one secondary business, in the area of Telecommunications. In 2011, until September had also the business of Management of the Electricity Derivatives Market. As from October 2011 its position in the Management of Derivative Markets was reduced to 35%, thus losing control of this business.

The Electricity business includes the following companies:

a) REN - Rede Eléctrica Nacional, S.A., founded on 26 September 2006, the activities of which are carried out under a concession contract for a period of 50 years as from 2007 and establishes the overall management of the Public Electricity Supply System (PES);

b) REN Trading, S.A., founded on 13 June 2007, the main function of which is the management of electricity purchase contracts (EPC) from Turbogás, S.A. and Tejo Energia, S.A., which did not terminate on 30 June 2007, date of the entry into force of the new Maintenance of Contractual Balance Contracts (Contratos para a Manutenção do Equilíbrio Contratual - CMEC) contracts. The operations of this company include the trading of electricity produced and of the installed production capacity, with domestic and international distributors.

c) Enondas, Energia das Ondas, S.A. was founded on 14 October 2010, its capital being fully held by REN - Redes Energéticas Nacionais, S.A., its main activity being management of the concession to operate a pilot area for the production of electric energy from sea waves.

The Gas business includes the following companies:

a) REN Gás, S.A., was founded on 29 March 2011, with the corporate objectives of promoting, developing and carrying out projects and developments in the natural gas sector, as well as defining the overall strategy and coordination of the companies in which it has participations.

b) REN Gasodutos, S.A. was founded on 26 September 2006, the capital of which was paid up through integration into the company of the gas transport infrastructures (network; connections; compression);

c) REN Armazenagem, S.A., was founded on 26 September 2006, the capital of which was paid up through integration into the company of the underground gas storage assets;

d) REN Atlântico, Terminal de GNL, S.A., acquired under the acquisition of the gas business, previously called “SGNL - Sociedade Portuguesa de Gás Natural Liquefeito”. The operations of this company consist of the supply, reception, storage and re-gasification of natural liquefied gas through the GNL marine terminal, being responsible for the construction, utilisation and maintenance of the necessary infrastructures.

The operations of the companies in the points b) until d) mentioned above, are carried out under three concession contracts granted separately for periods of 40 years as from 2006.

On 15 November 2010 the Board of Directors approved a restructuring operation of the natural gas company.

On 30 March 2011, after the capital increase through payment in kind of 539,272,988 Euros relating to the capital of the companies REN Gasodutos, S.A. and REN Armazenagem S.A., REN Gás S.A. became sole shareholder of the two companies.

On 12 April REN SGPS, S.A. sold to REN Serviços S.A. its participation in REN Gás S.A.

Therefore the above subsidiaries are indirectly fully owned by REN SGPS as its subsidiary REN Serviços, S.A. (fully owned by REN SGPS) is sole shareholder of REN Gás, S.A.

The telecommunications business is managed by RENTELECOM Comunicações, S.A., the operations of which consist of the establishment, management and utilization of telecommunications systems and infrastructures, supplying communications services and benefitting from the excess capacity of the fibre optics belonging to the REN Group.

REN SGPS also has a participation in REN - Serviços, S.A., which has the objective of rendering services in the areas of administration, finance, regulations, personnel management, salary processing, management and maintenance of moveable and immovable assets, negotiation and supply of consumables and services of the same type, commonly referred to as back office services, for related companies and third parties, receiving remuneration for this, as well as the management of participations the company has in other companies.

Presently REN SGPS has 35% of the capital of OMIP, SGPS, S.A., which has the purpose of managing participations in other companies as an indirect form of carrying out economic activities. The company became holder of the shares in OMIP - Operador do Mercado Ibérico de Energia (Pólo português), S.A., which assure the management of MIBEL's Derivatives Market together with OMIClear (Clearing Agent for the Energy Market), a company founded and fully owned by OMIP, which the role is to be the clearing agent and central counterparty for operations realized in the term market.

REN SGPS also has 10% of the capital of OMEL, Operador del Mercado Ibérico de Energia, S.A., Spanish pole of the Sole Operator, for 3,166,800 Euros.

Changes to concession contracts

On February 21, 2012, the following additions to the concession agreements in effect between the Portuguese State and the Group companies were signed, namely: i) the concession of transport activity of electricity through the National Network of Transport of Electricity signed with REN - Rede Eléctrica Nacional, S.A.; ii) the concession of transport activity of natural gas through the National Network of Natural Gas Transportation, signed with REN Gasodutos, S.A.; iii) the concession activity of reception, storage and regasification of liquefied natural gas to the terminal in Sines, signed with REN Atlântico, terminal GNL, S.A.; iv) the concession of the activity of underground storage of natural, signed with REN Armazenagem, S.A..

These concession contracts were changed with the main purposes of: i) detailing the functions of the operators of the national networks of electricity and natural gas transportation; ii) develop arrangements for monitoring and supervising the activities of dealers by the Portuguese State and iii) specify the terms applicable to provide information by each of the dealers, adapting the respective contractual clauses to the legal provisions and regulations in force, in particular Decree-Law no. No. 77/2011 and n. No. 78/2011, both of 20 June.

Companies included in the consolidation

The following companies are included in the consolidation as of 31 March 2012:

Designation / adress	Activity	% Owned	
		Group	Individual
Electricity sector:			
REN - Rede Electrica Nacional, S.A. Av. Estados Unidos da América, 55 - Lisboa	Operator of the very high tension national network of transmission lines	100.00%	100.00%
REN Trading, S.A. Av. Estados Unidos da América, 55 - Lisboa	Purchase and sale, import and export of electricity and natural gas	100.00%	100.00%
Enondas-Energia das Ondas, S.A. Mata do Urso - Guarda Norte - Carriço- Pombal	Management of the concession to operate a pilot area for the production of electric energy from ocean waves	100.00%	100.00%
Telecommunications Sector:			
RENTELECOM - Comunicações S.A. Av. Estados Unidos da América, 55 - Lisboa	Telecommunications network operation	100.00%	100.00%
Other sectors:			
REN - Serviços, S.A. Av. Estados Unidos da América, 55 - Lisboa	Back Office and Management of participations	100.00%	100.00%
Natural Gas Sector:			
REN Atlântico , Terminal de GNL, S.A. Terminal de GNL - Sines	Liquefied Natural Gas Terminal maintenance and regasification operation	100.00%	100.00%
Owned by Ren Serviços, S.A.: REN Gás, S.A. Av. Estados Unidos da América, 55 -12º - Lisboa	Management of projects and ventures in the natural gas sector	100.00%	-
Owned by Ren Gas, S.A.: REN - Armazenagem, S.A. Mata do Urso - Guarda Norte - Carriço- Pombal	Underground storage development, maintenance and operation	100.00%	-
REN - Gasodutos, S.A. Estrada Nacional 116, km 32,25 - Vila de Rei - Bucelas	RNTGN operator and Natural Gas overall manager	100.00%	-
Owned by REN Gasodutos, S.A.: Gasoduto Braga Tuy, S.A. Estrada Nacional 116, km 32,25 - Vila de Rei - Bucelas	Gas transmission	100.00%	-
Gasoduto Campo Maior - Leiria - Braga,S.A. Estrada Nacional 116, km 32,25 - Vila de Rei - Bucelas	Gas transmission	100.00%	-

There were no changes in consolidation perimeter in relation to the reported in December 2011.

Approval of the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors at a meeting held on 10 May 2012. The Board of Directors believes that the consolidated financial statements fairly present the financial position of the companies included in the consolidation, the consolidated results of their operations, their consolidated comprehensive income, the consolidated changes in their equity and their consolidated cash flows in accordance with the International Financial Reporting Standards for interim financial statements as endorsed by the European Union (IAS 34).

2 Basis of preparation

The consolidated financial statements for the three month period ended 31 March 2012 were prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial reporting as endorsed by the European Union (IAS 34), therefore do not include all information required for annual financial statements so should be read in conjunction with the annual financial statements issued for the year ended 31 December 2011.

The consolidated financial statements are presented in thousands of Euros - tEuros, rounded to the nearest thousand.

3 Main accounting policies

The consolidated financial statements were prepared for interim financial reporting purposes (IAS 34), on a going concern basis from the books and accounting records of the companies included in the consolidation, maintained in accordance with the accounting standards in force in Portugal, adjusted in the consolidation process so that the financial statements are presented in accordance with International Financial Reporting Standards as endorsed by the European Union in force for the years beginning as from 1 January 2012.

Such standards include International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (“IASB”), International Accounting Standards (IAS), issued by the International Accounting Standards Committee (“IASC”) and respective SIC and IFRIC interpretations, issued by the International Financial Reporting Interpretation Committee (“IFRIC”)

and Standard Interpretation Committee (“SIC”), that have been endorsed by the European Union. The standards and interpretations are hereinafter referred generically to as IFRS.

The accounting policies used to prepare these consolidated financial statements are consistent in all material respects, with the policies used to prepare the consolidated financial statements for the year ended 31 December 2011, as explained in the notes to the consolidated financial statements for 2011. These policies were applied on a consistent basis for the periods presented.

4 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and benefits that are different from those of other business segments. A geographical segment is engaged in providing products or services, within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The REN Group only discloses segment information by business segment, since the Group operates only in Portugal.

REN identified the Executive Committee as the entity responsible for making operating decisions. The Executive Committee reviews the information prepared internally so as to assess the Group’s performance and the allocation of resources. Determination of the segments was made based on the information analysed by the Executive Committee, which did not result in new segments in relation to those previously reported.

Primary reporting format - business segments

The REN Group is organized in two main business segments: Electricity and Gas and one secondary segment: Telecommunication.

The Electricity segment includes the transmission of very high tension electricity and overall management of the public electricity supply system and management of energy purchasing contracts (“CAE”) not terminated on 30 June 2007. The Gas segment includes the transport of very high pressure gas and overall management of the national natural gas system, as well as operation of the LNG regasification terminal and underground storage of natural gas.

Although the activities of the LNG Terminal and underground storage can be seen as separate from the transport of gas and overall management of the national natural gas supply system, since these operations provide services to a single user, which is also the main user of the high pressure gas transport system, it was considered that it is subject to the same risks and returns.

The Telecommunications segment and management of the electricity derivatives market segment only on the period ended 2011, until it left the consolidation perimeter (September 2011), are also presented separately, although they do not qualify for disclosure.

The column “Others” includes the operations of REN SGPS and REN Serviços.

The results by segment for the three month period ended 31 March 2012 were as follows:

	<u>Electricity</u>	<u>Gas</u>	<u>Telecom.</u>	<u>Others</u>	<u>Group</u>
Revenue from construction of concession assets	18,047	6,934	-	-	24,981
Total sales and services rendered	100,776	49,711	1,518	8,062	160,066
Inter-segment sales and services rendered	(275)	(6,687)	(184)	(7,941)	(15,087)
Sales and services rendered	<u>100,502</u>	<u>43,023</u>	<u>1,334</u>	<u>120</u>	<u>144,980</u>
Operating result by segment	62,484	25,199	1,133	(6,161)	82,655
Financial costs	(18,650)	(5,940)	(1)	(10,021)	(34,612)
Financial income	7	75	-	2,356	2,438
Profit before income tax					<u>50,481</u>
Income tax expense					(16,030)
Net profit for the period					34,451
Other expenses:					
Depreciation and amortizations	(34,045)	(14,003)	(5)	(41)	(48,094)
Provisions	-	-	-	-	-

The results by segment for the three month period ended 31 March 2011 were as follows:

	Electricity	Gas	Telecom.	Electricity market operator	Others	Group
Revenue from construction of concession assets	34,862	25,242	-	-	-	60,105
Total sales and services rendered	84,926	49,537	1,278	969	7,232	143,942
Inter-segment sales and services rendered	(208)	(7,236)	(170)	(156)	(7,232)	(15,002)
Sales and services rendered	84,718	42,301	1,108	813	-	128,939
Operating result by segment	49,079	25,807	946	157	(5,955)	70,034
Financial costs	(14,660)	(3,725)	(79)	(2)	(5,036)	(23,502)
Financial income	1	108	-	42	2,579	2,730
Profit before income tax						49,262
Income tax expense						(14,862)
Net profit for the period						34,400
Other expenses:						
Depreciation and amortizations	(31,413)	(13,938)	(3)	(55)	(44)	(45,454)
Provisions	-	-	-	-	-	-

Inter-segment transactions are carried out under normal market conditions, equivalent to transactions with third parties.

Assets and liabilities by segment at 31 March 2012 as well as capital expenditure for the year then ended were as follows:

	Electricity	Gas	Telecom.	Others	Total
Total assets	2,872,673	1,347,716	2,599	191,002	4,413,991
Liabilities	697,976	306,866	257	2,428,490	3,433,590
Capital expenditure - tangible assets	-	-	-	5	5
Capital expenditure - intangible assets	18,047	6,934	-	-	24,981
Capital expenditure - total (Note 5)	18,047	6,934	-	5	24,986

Assets and liabilities by segment at 31 December 2011 as well as capital expenditure for the year then ended were as follows:

	<u>Electricity</u>	<u>Gas</u>	<u>Telecom.</u>	<u>Others</u>	<u>Total</u>
Total assets	2,902,833	1,360,064	2,743	208,034	4,473,675
Total liabilities	795,022	310,691	509	2,330,014	3,436,236
Capital expenditure - tangible assets	1	-	37	105	143
Capital expenditure - intangible assets	<u>267,888</u>	<u>81,380</u>	<u>-</u>	<u>-</u>	<u>349,269</u>
Capital expenditure - total	<u>267,889</u>	<u>81,380</u>	<u>37</u>	<u>105</u>	<u>349,412</u>

Assets by segment consist primarily of assets of the concession, classified under the captions other intangible fixed assets and trade and other receivables. Liabilities by segment include operating liabilities, except for liabilities of the parent company and borrowings not contracted for the operating activities, included under the liability caption “Others”.

Capital expenditure comprises additions to tangible and intangible fixed assets (Note 5).



5 Tangible and intangible fixed assets

The changes in tangible and intangible fixed assets in the period from 1 January 2012 to 31 March 2012 were as follows:

Changes in tangible and intangible fixed assets - March 2012

	January 2012			Changes					March 2012		
	Cost	Accumulated depreciation	Net book value	Additions (Note 4)	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals and write-offs	Cost	Accumulated depreciation	Net book value
Tangible Assets											
Transmission and electronic equipment	103	(71)	32	-	-	-	(3)	-	103	(74)	29
Transport equipment	678	(341)	336	-	-	-	(39)	-	678	(380)	298
Office equipment	187	(68)	119	5	-	-	(8)	-	192	(76)	117
Fixed assets in progress	-	-	-	-	-	-	-	-	-	-	-
	967	(480)	488	5	-	-	(50)	-	973	(530)	444
	January 2012			Changes					March 2012		
	Cost	Accumulated amortization	Net book value	Additions (Note 4)	Disposals and write-offs	Transfers	Amortization charge	Amortization - disposals and write-offs	Cost	Accumulated amortization	Net book value
Intangible Assets											
Concession Assets	6,244,879	(2,619,393)	3,625,486	127	(24)	7,715	(48,044)	-	6,252,698	(2,667,437)	3,585,261
Concession assets in progress	262,675	-	262,675	24,853	-	(7,715)	-	-	279,813	-	279,813
	6,507,554	(2,619,393)	3,888,161	24,981	(24)	-	(48,044)	-	6,532,511	(2,667,437)	3,865,073
Goodwill	3,774	-	3,774	-	-	-	-	-	3,774	-	3,774
Total tangible and intangible assets	6,512,295	(2,619,873)	3,892,423	24,986	(24)	-	(48,094)	-	6,537,257	(2,667,967)	3,869,291



The changes in tangible and intangible fixed assets in the period from 1 January 2011 to 31 March 2011 were as follows:

Changes in tangible and intangible fixed assets - March 2011

	January 2011			Changes					March 2011		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals and write-offs	Cost	Accumulated depreciation	Net book value
Tangible Assets											
Transmission and electronic equipment	103	(58)	45	-	-	-	(3)	-	103	(61)	42
Transport equipment	677	(261)	416	39	-	-	(47)	-	716	(308)	408
Office equipment	3,534	(2,924)	610	3	-	-	(56)	-	3,537	(2,980)	558
Fixed assets in progress	130	-	130	-	-	-	-	-	130	-	130
	<u>4,443</u>	<u>(3,242)</u>	<u>1,200</u>	<u>43</u>	<u>-</u>	<u>-</u>	<u>(106)</u>	<u>-</u>	<u>4,486</u>	<u>(3,349)</u>	<u>1,137</u>
Intangible Assets											
Concession Assets	5,821,735	(2,440,750)	3,380,985	426	(3,010)	1,227	(44,522)	2,467	5,820,379	(2,482,805)	3,337,574
Concession assets in progress	339,872	-	339,872	59,678	-	(1,227)	-	-	398,323	-	398,323
	<u>6,161,608</u>	<u>(2,440,750)</u>	<u>3,720,857</u>	<u>60,105</u>	<u>(3,010)</u>	<u>-</u>	<u>(44,522)</u>	<u>2,467</u>	<u>6,218,702</u>	<u>(2,482,805)</u>	<u>3,735,897</u>
Goodwill	<u>3,774</u>	<u>-</u>	<u>3,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,774</u>	<u>-</u>	<u>3,774</u>
Total tangible and intangible assets	<u>6,169,825</u>	<u>(2,443,993)</u>	<u>3,725,832</u>	<u>60,148</u>	<u>(3,010)</u>	<u>-</u>	<u>(44,628)</u>	<u>2,467</u>	<u>6,226,962</u>	<u>(2,486,154)</u>	<u>3,740,808</u>

The additions in the period ended 31 March 2012 refer essentially to rights underlying the operation of the substations of the National Transmission Network in the electricity segment, the right underlying the operation of the construction project of the 3rd tank of the Sines Terminal, which is expected to be completed in 2012.

Financial costs capitalized in fixed assets in progress in the period ended 31 March 2012 amounted to 3.726 million Euros (3.801 million Euros in 31 March 2011), while overhead and management costs amounted to 3.246 million Euros (3.176 million Euros in 31 March 2011).

The net book value of the assets acquired through finance lease contracts at 31 March 2012 was as follows:

	<u>31.03.2012</u>	<u>31.12.2011</u>
Cost	6,266	6,590
Accumulated depreciation and amortization	<u>(4,751)</u>	<u>(4,720)</u>
Net book value	<u>1,516</u>	<u>1,870</u>

6 Deferred tax assets and liabilities

The effect of the changes in the deferred tax captions in the years presented was as follows:

	<u>31.03.2012</u>	<u>31.03.2011</u>
Impact on the statement of profit and loss		
Deferred tax assets	(5,701)	4,405
Deferred tax liabilities	<u>(1,969)</u>	<u>4,824</u>
	<u>(7,670)</u>	<u>9,229</u>
Impact on equity		
Deferred tax assets	1,591	(263)
Deferred tax liabilities	<u>-</u>	<u>(972)</u>
	<u>1,591</u>	<u>(1,236)</u>
Net impact of deferred tax	<u>(6,079)</u>	<u>7,993</u>

The changes in deferred tax, by nature, were as follows:

Change in deferred tax assets - March 2012

	Provisions	Pensions	Derivative financial instruments	Tariff deviations	Others	Total
At 1 January de 2012	2,388	15,982	4,383	39,412	892	63,057
Year ended 31 December						
Increase/decrease through equity	-	-	1,591	-	-	1,591
Increase through profit and loss	-	98	-	-	5	103
Reversal through profit and loss	(1)	(270)	(23)	(5,508)	(1)	(5,804)
Changes in the period	(1)	(172)	1,568	(5,508)	4	(4,110)
At 31 March 2012	2,387	15,810	5,951	33,904	896	58,947

Change in deferred tax assets - March 2011

	Provisions	Tax losses	Pensions	Derivative financial instruments	Tariff deviations	Others	Total
At 1 January de 2011	1,337	1,244	19,149	1,525	36,602	945	60,802
Year ended 31 December							
Increase/decrease through equity	-	-	(3)	(263)	-	3	(263)
Increase through profit and loss	-	-	-	-	5,065	-	5,065
Reversal through profit and loss	-	-	(177)	(468)	-	(15)	(660)
Changes in the year	-	-	(180)	(731)	5,065	(11)	4,142
At 31 March 2011	1,337	1,244	18,969	794	41,667	933	64,944

Deferred tax assets at 31 March 2012 correspond mostly to liabilities for benefit plans granted to employees and tariff deviations to be given to subsequent year tariffs.

Evolution of deferred tax liabilities - March 2012

	Tariff deviations	Revaluation	Total
At 1 January 2012	34,345	32,531	66,875
Increase/decrease through equity	-	-	-
Increase through profit and loss	2,898	-	2,898
Reversal through profit and loss	(387)	(541)	(929)
Changes in the year	2,510	(541)	1,969
At 31 March 2012	36,855	31,989	68,844

Evolution of deferred tax liabilities- March 2011

	<u>Tariff deviations</u>	<u>Revaluation</u>	<u>Derivative financial instruments</u>	<u>Total</u>
At 1 January 2011	36,089	34,359	1,103	71,551
Increase/decrease through equity	-	(1)	973	972
Increase through profit and loss	1,945	-	-	1,945
Reversal through profit and loss	(5,522)	(605)	(642)	(6,769)
Changes in the year	<u>(3,578)</u>	<u>(606)</u>	<u>332</u>	<u>(3,851)</u>
At 31 March 2011	<u>32,511</u>	<u>33,753</u>	<u>1,435</u>	<u>67,700</u>

Deferred tax liabilities relating to revaluations result from revaluations made in preceding years under legislation. The effect of these deferred taxes reflects the non tax deductibility of 40% of future depreciation of the revaluations.

The calculation of tax for the period was updated in accordance with Law 64-B/2011 of 31 December that introduced a State surcharge corresponding to the application of an additional 3% on taxable profit from 1.5 million Euros to 10 million Euros and 5% on taxable profit in excess of 10 million Euros. These rates apply to taxable profit for the two taxable periods starting on or after January 2012.

Consequently, the tax rate used to value the temporary taxable and deductible differences at 31 March 2012 was updated for the companies included in the consolidation using the average rate considering the estimated future profit of the companies recoverable in the next two years.

7 Assets available for sale

The assets recognized in this caption at 31 March 2012 and 31 December 2011 correspond to equity instruments held in strategic market entities in the Spanish electricity market, as follows:

	<u>% owned</u>	<u>Entity</u>	<u>31.03.2012</u>	<u>31.12.2011</u>
OMEL - Operador del Mercado Ibérico de Energía (Polo Espanhol)	10.00%	REN, SGPS	3,167	3,167
Red Electrica Corporacion,S.A. ("REE")	1.00%	REN, SGPS	49,667	44,760
Enagás, S.A.	1.00%	REN, SGPS	34,459	34,125
Total			<u>87,293</u>	<u>82,051</u>

The changes in this caption were as follows:

	OMEL	REE	ENAGAS	Total
At 1 January 2011	1,033	47,651	35,617	84,301
Exit of OMIP from consolidation	(1,033)	-	-	(1,033)
Acquisitions	3,167	-	-	3,167
Fair value adjustments	-	(2,891)	(1,493)	(4,383)
At 31 December 2011	3,167	44,760	34,125	82,051
At 1 January 2012	3,167	44,760	34,125	82,051
Fair value adjustments	-	4,907	334	5,241
At 31 March 2012	3,167	49,667	34,459	87,293

The participations of REN in Enagás are recorded at fair value determined based on stock exchange closing quotations of financial participations at 31 March 2012.

Red Eléctrica de España (“REE”) is the Spanish entity responsible for managing the electricity network in Spain. REN, SGPS acquired a 1% participation in REE as part of an agreement between the Portuguese and Spanish Governments. REE is listed on the Madrid stock exchange and is included in the “IBEX 35” index and the investment was recorded at the statement of financial position date in accordance with the 31 March 2012 listed price.

ENAGÁS is the entity responsible for the transport and management of the natural gas system in Spain. REN, SGPS acquired a 1% participation in Enagás as part of a strategic partnership agreement. Enagás is listed on the Madrid stock exchange and is included in the “IBEX 35” index and the investment was recorded at the statement of financial position date at the 31 March 2012 listed price.

The adjustments to fair value of available-for-sale financial assets are recognised in the equity caption “Fair value reserve”:

Fair value adjustment	31.03.2012	31.12.2011
Change in fair value	5,241	(4,383)

8 Trade and other receivables

Trade and other receivables at 31 March 2012 and 31 December 2011 are made up as follows:

Trade and other receivables

	31.03.2012			31.12.2011		
	Current	Non current	Total	Current	Non current	Total
Trade receivables (i)	161,389	155	161,544	198,448	155	198,603
Trade receivables impairment	(822)	-	(822)	(822)	-	(822)
Trade receivables net	160,567	155	160,722	197,626	155	197,781
Tariff deviations	34,843	85,125	119,968	31,694	79,924	111,618
Adjustments to receivables	(2,650)	-	(2,650)	(2,650)	-	(2,650)
State and other public entities	12,043	-	12,043	120	-	120
Trade and other receivables	204,803	85,280	290,083	226,791	80,079	306,870

- (i) The most significant amounts in trade receivables are the receivable from EDP - Distribuição de Energia, SA in the amount of 78.306 million Euros (85.717 million Euros at 31 December 2011) and Galp in the amount of 9.308 million Euros (19.701 million Euros at 31 December 2011).

The impairment loss for accounts receivable of 2.650 million Euros is half of the interest recorded on the tariff deficit not received in April 2008.

On 18 July 2011 Decree-Law 87/2011 was published, which formalized the treatment of tariff variations of the gas segment making it equivalent to that of electricity variations in accordance with Decree-Law 237B/2006.

9 Derivative financial instruments

At 31 March 2012 and 31 December 2011 the REN Group had the following derivative financial instruments contracted:

	31 March 2012				
	Notional	Assets		Liabilities	
		Current	Non current	Current	Non current
Derivatives designated as cash flow hedges					
Interest rate swaps	334.000.000 EUR	-	-	615	4,063
Interest rate swaps	275.000.000 EUR	-	-	-	14,181
Interest rate and currency swaps	10.000.000.000 JPY	-	12,817	-	-
		-	12,817	615	18,245
Negotiable derivatives		751	-	1,096	-
Total derivatives designated as cash flow hedges		751	12,817	1,711	18,245

	31 December 2011				
	Notional	Assets		Liabilities	
		Current	Non current	Current	Non current
Derivatives designated as cash flow hedges					
Interest rate swaps	334.000.000 EUR	-	-	640	3,585
Interest rate swaps	200.000.000 EUR	-	-	-	10,654
Interest rate and currency swaps	10.000.000.000 JPY	-	26,696	-	-
		-	26,696	640	14,239
Negotiable derivatives		1,144	-	1,095	-
Total derivatives designated as cash flow hedges		1,144	26,696	1,735	14,239

The features of the derivative financial instruments contracted at 31 March 2012 and 31 December 2011 are as follows:

Swaps:

Cash flow hedges

The Group hedges part of the future payments of interest on borrowings, bonds issued and commercial paper through the designation of interest rate swaps in which it pays a fixed rate and receives a variable rate, with a notional value of 334 million Euros (also 334 million Euros in December 2011). This is an interest rate risk hedge on interest payable at variable rates on recognized financial liabilities. The risk hedged is the indexer of the variable rate to which the loan interest coupons relate. The objective of the hedge is to transform the borrowings at variable interest rates into fixed interest rates, the credit risk not being covered. The fair value of the interest rate swaps at 31 March 2012 was 4.678 million Euros negative (4.225 million Euros negative at 31 December 2011).

The Group has three interest rate forward start swaps starting in 2012 with the objective of hedging the risk of interest rate fluctuation on the Group's recurring debt. The instruments have a notional value of 275 million Euros, REN paying a fixed rate and receiving a variable rate. The risk hedged is the indexer of the variable rate which is related to loan interest coupons. The objective of the hedge is to transform the borrowings at a variable interest rate into a fixed interest rate, the credit risk not being covered. The fair value of the interest rate swaps at 31 March 2012 was 14.181 million Euros negative (10.654 million Euros negative at 31 December 2011).

In addition, REN is carrying out a hedge of its exposure to cash flow risk on its bond issue of 10.000 million JPY, resulting from exchange risk, through a cross currency swap the main features of which are equivalent to the loan. The same hedge instrument is used to hedge the fair value of the interest rate risk of the bond issue through the forward start component of the swap which will only start in June 2019. The variations in fair value of the hedging instrument are also being deferred in hedging reserves. As from June 2019 the objective will be to hedge exposure to JPY and the interest rate risk, transforming the operation into a fair value hedge, changes in fair value of the debt issued resulting from the risks covered becoming recorded in profit and loss. The credit risk is not hedged.

The amounts resulting from the hedging instrument are recorded in the statement of profit and loss when the hedged transaction affects results for the year.

The fair value of the cross currency swap at 31 March 2012 was 12.817 million Euros positive (26.696 million Euros positive at 31 December 2011). The underlying (loan) exchange variation in March 2012, in the amount of approximately 7.139 million Euros, was offset by a similar variation in the hedging instrument in the statement of profit and loss for the year.

The amount recorded in reserves (net of deferred tax) relating to the above mentioned cash flow hedges was 17.643 million Euros (10.503 million Euros at 31 December 2011).

The changes in this caption were as follows:

	Deferred taxes		
	Fair value	impact	Hedging reserves
1 January 2011	(1,607)	466	(1,142)
Changes in fair value	(13,186)	3,824	(9,362)
31 December 2011	(14,793)	4,290	(10,503)
1 January 2012	(14,793)	4,290	(10,503)
Changes in fair value	(8,731)	1,591	(7,140)
31 March 2012	(23,525)	5,881	(17,643)

Fair value hedge

In February 2009 the Group contracted an interest rate swap to hedge the fair value of an issue of 300 million Euros. The hedge was discontinued in November 2009, and on this date the hedged instrument had a fair value adjustment resulting from the hedge of 677 thousand

Euros. This amount will be amortized to profit and loss, in accordance with the effective interest rate method during the maturity period of the hedged instrument.

Futures:

REN - Redes Energéticas Nacionais, SGPS, S.A., through its subsidiary REN Trading, S.A. has carried out some financial operations in the futures energy market, coal and CO₂ emission licences, through contracts standardized by International Swaps and Derivatives Association Inc. (“ISDA”) and through participation in futures trading exchanges.

REN SGPS and REN Trading signed an agreement under which REN Trading manages these derivative financial contracts for account of REN SGPS, thus ensuring clear and transparent separation between these businesses, always on a previously defined basis, continuously monitored with low exposure to risk.

This contracting of financial derivatives in the futures market does not require any physical settlement of the underlying assets, being an activity of a purely financial nature and the mere financial management of assets, not being confused with the regulated activity of the Commercial Agent.

The fair value of the futures energy contracts and CO₂ licences at 31 March 2012 and 31 December 2011 was as follows:

	<u>Current assets</u>	<u>Current liabilities</u>
Financial contracts in the energy market for 2012	212	-
Financial contracts in the energy market for 2013	472	-
CO ₂ licences	-	1,096
Carbon financial contracts for 2012	68	-
Fair vale at 31 March 2012	<u><u>751</u></u>	<u><u>1,096</u></u>

	<u>Current assets</u>	<u>Current liabilities</u>
Financial contracts in the energy market for 2012	570	-
Financial contracts in the energy market for 2013	392	-
CO2 licences	-	1,095
Carbon financial contracts for 2012	182	-
Fair vale at 31 December 2011	<u>1,144</u>	<u>1,095</u>

10 Cash and cash equivalents

The caption “Cash and cash equivalents” at 31 March 2012 and 31 December 2011 was made as follows:

	<u>31.03.2012</u>	<u>31.12.2011</u>
Cash	24	-
Bank deposits	63,397	69,406
	<u>63,422</u>	<u>69,406</u>

The amounts considered as cash and cash equivalents in the consolidated statements of cash flows for the years ended 31 March 2012 and 31 December 2011 are made up as follows:

	<u>31.03.2012</u>	<u>31.12.2011</u>
Cash	24	-
Bank overdrafts (Note 13)	(85)	(1,049)
Bank deposits	63,397	69,406
Cash and cash equivalents	<u>63,336</u>	<u>68,358</u>

11 Capital

REN’s subscribed and paid up share capital at 31 March 2012 was made up of 534,000,000 shares of 1 euro each.

	<u>Number of shares</u>	<u>Share Capital</u>
Share capital	534,000,000	534,000

On February 22, 2012, within REN's second reprivatization phase, and as a result of the execution of direct sale agreements with Parpública - Participações Públicas (SGPS), S.A., became attributable to: (i) State Grid International Development Limited, State Grid Europe Limited and State Grid Corporation of China, a State-owned enterprise of the People's Republic of China, 25% of the voting rights inherent to REN's share capital; (ii) Oman Oil Company S.A.O.C., enterprise wholly-owned by the Sultanate of Oman, 15% of the voting rights inherent to REN's share capital.

Considering that the above mentioned direct sale agreements are subject to conditions precedent not yet satisfied, and, as a consequence, the relevant shares have not been transferred to the acquirers yet, 51.1% of the voting rights inherent to REN's share capital are still attributable to the Portuguese State.

At 31 March 2012 REN SGPS had the following own shares:

	<u>Number of shares</u>	<u>Proportion</u>	<u>Amount</u>
Own shares	3,881,374	0.7268%	(10,728)

No own shares were acquired or sold in the three month period ended 31 march 2012 and in the year ended 31 December 2011.

In accordance with the Commercial Company Code (Código das Sociedades Comerciais) REN SGPS must at all times ensure that there are sufficient Equity Reserves to cover the value of own shares, limiting the amount of reserves available for distribution.

12 Other reserves

The legal reserve has not yet reached the full amount required in accordance with the Commercial Company Code (20% of capital), and so a minimum of 5% of net profit must be transferred to that reserve. The reserve can only be used to cover losses or to increase capital.

13 Borrowings

The segregation of borrowings between current and non-current and by nature, at 31 March 2012 and 31 December 2011 was as follows:

	31.03.2012			31.12.2011		
	Current	Non current	Total	Current	Non current	Total
Commercial Paper	250,000	239,000	489,000	-	555,000	555,000
Bonds	-	1,175,055	1,175,055	-	1,100,123	1,100,123
Bank Borrowings	41,173	698,208	739,381	41,173	698,208	739,381
Bank overdrafts (Note 10)	85	-	85	1,049	-	1,049
Finance Lease	941	528	1,468	1,088	702	1,790
	<u>292,199</u>	<u>2,112,790</u>	<u>2,404,990</u>	<u>43,310</u>	<u>2,354,032</u>	<u>2,397,342</u>
Accrued interest	36,821	-	36,821	14,831	-	14,831
Prepaid interest	(6,971)	-	(6,971)	(4,554)	-	(4,554)
	<u>322,050</u>	<u>2,112,790</u>	<u>2,434,840</u>	<u>53,587</u>	<u>2,354,032</u>	<u>2,407,619</u>

In the first quarter of the year the Group issued two bonds of 63.5 million Euros and 20 million Euros, which mature in March 2015. These bonds allowed the reduction of the amount drawn under the commercial paper programmes since the gross debt variation from 31 December 2011 to 31 March 2012 was only 17.5 million Euros.

Maturities less than one year of commercial paper programs lead to their classification as current debt.

The REN Group's financial liabilities have the following main types of covenant: Cross default, *Pari Passu*, Negative Pledge, Gearing (ratio of total consolidated equity to the amount of the Group's total conceded assets). The borrowings from EIB - European Investment Bank include covenants relating to change in shareholder control and covenants relating to rating: (i) in the event of change in shareholder control, if EIB makes a negative assessment of its credit position motivated by the new shareholder Group, it can be required to provide a guarantee acceptable to EIB; (ii) in the event of ratings below the levels specified, the Group can also be called to provide a guarantee acceptable to EIB.

14 Liability for retirement benefits and others

REN - Rede Eléctrica Nacional, S.A. grants supplementary retirement and survivor pensions (hereinafter referred to as pension plan), provides its retirees and pensioners with a health care plan on a similar basis to that of its serving personnel, and grants other benefits such as long service bonuses, retirement bonuses and a death grant. The gas sector companies also grant their employees life assurance plans. There were no changes in relation to 31 December 2011 in the benefits granted to the employees.

At 31 March 2012 and 31 December 2011 the Group had the following amounts recorded relating to liabilities for retirement and other benefits:

	<u>31.03.2012</u>	<u>31.12.2011</u>
Liability on the Balance Sheet		
Pension plan	24,568	25,416
Healthcare plan and other benefits	29,838	29,586
Life assurance plan	111	108
	<u>54,517</u>	<u>55,110</u>

The amount recognized in personnel costs was as follows:

	<u>31.03.2012</u>	<u>31.03.2011</u>
Charges to the statement of profit and loss		
Pension plan	433	541
Healthcare plan and other benefits	251	257
Life assurance plan	4	3
	<u>688</u>	<u>801</u>

The amounts reported as of 31 March 2012 result from the projection of the actuarial valuation as of 31 December 2011 for the three month period ended 31 March 2012, considering the estimated increase in salaries for 2012.

The main assumptions used in the above actuarial calculation, are as follows:

	<u>2012</u>
Annual discount rate	5.00%
Expected percentage of serving employees eligible for early retirement (more than 60 years of age)	10.00%
Expected percentage of serving employees eligible for early retirement (less than 60 years of age)	5.00%
Annual salary growth rate	2.80%
Annual pension growth rate	2.00%
Annual growth rate of Social security pensions	2.00%
Inflation rate	2.00%
Annual growth rate of health costs	4.00%
Management costs (per employee/year)	200 €
Growth rate of the management costs	2.20%
Rate of return on assets	5.80%
Mortality table	TV 88/90

15 Provisions

The changes in provisions were as follows:

	<u>31.03.2012</u>	<u>31.12.2011</u>
Beginning balance	32,314	17,081
Increases	-	15,324
Utilization (i)	<u>(27,730)</u>	<u>(91)</u>
Ending balance	4,584	32,314
Current provision	64	27,794
Non-current provision	<u>4,520</u>	<u>4,520</u>
	<u>4,584</u>	<u>32,314</u>

The caption “Provisions” at 31 March 2012 corresponds essentially to the estimate of the payments to be made by REN resulting from legal processes in progress for damage caused to third parties (4.52 million Euros).

On January 2012, 27.837 million Euros were paid relating to the amount claimed plus interest accrued up to the date of payment, on the Amorim Energia B.V. process. The existing provision of 27.73 million Euros was reversed.

(i) Expense related with Amorim indemnity payment and income related to the use of the provision are not visible in the consolidated statement of profit and loss published since they were offset, in accordance to accounting standards, in order to not increase expenses and income.

16 Trade and other payables

The caption “Trade and other payables” at 31 March 2012 and 31 December 2011 was made up as follows:

	31.03.2012			31.12.2011		
	Current	Non current	Total	current	Non current	Total
Trade payables						
Current suppliers	135,513	-	135,513	174,525	-	174,525
Other creditors						
Sundry creditors	140,720	13,960	154,680	44,513	13,689	58,203
Tariff deviations	72,732	38,981	111,713	102,312	26,842	129,154
Suppliers of fixed assets	54,864	-	54,864	117,111	-	117,111
State and other public entities (1)	22,270	-	22,270	12,355	-	12,355
Deferred income						
Grants related to assets	21,259	336,046	357,305	20,766	340,964	361,730
Accrued costs						
Holidays and holidays subsidies	6,173	-	6,173	4,747	-	4,747
Trade and other payables	453,531	388,987	842,518	476,328	381,495	857,823

(1) The balance of State and other public entities corresponds to VAT, personal income tax and other taxes.

17 Income tax

Income tax for the three month periods ended 31 March 2012 and 31 March 2011 includes current and deferred tax as follows:

Income tax

	31.03.2012	31.03.2011
Current income tax	8,132	24,090
Adjustments of income tax from previous year	228	-
Deferred income tax (Note 6)	7,670	(9,229)
Income tax	16,030	14,862

Reconciliation between tax calculated at the nominal tax rate and tax recorded in the statement of profit and loss is as follows:

	<u>31.03.2012</u>	<u>31.03.2011</u>
Consolidated profit before income tax	50,481	49,261
Permanent differences		
Non deductible costs	734	10,808
Non taxable income	(717)	(10,478)
Timing differences		
Tariff deviations	(25,790)	29,801
Provisions	1	-
Revaluations	1,815	2,086
Pension, medical assistance and life insurance plans	1,375	2,557
Fair value of financial instruments	(41)	(309)
Others	15	246
Taxable income	27,873	83,973
Tax rate - 25%	(2,409)	21,352
State surcharge tax- taxable income above 1,5 million	9,666	1,380
Municipal surcharge-1,5%	757	1,260
Autonomous taxation	118	98
Current income tax	8,132	24,090
Deferred income tax	7,145	(9,229)
Effect of state surcharge tax updating on deferred tax assets and liabilities	524	-
Deferred income tax	7,670	(9,229)
Adjustments of estimated tax in previous years	228	-
Income tax	16,030	14,861
Effective tax rate	31.75%	30.17%

The tax rate used to determine the amount of tax in the consolidated financial statements for the three month periods ended 31 March 2012 was updated in accordance with Law 64-B/2011 of 31 December, that introduced a State surcharge corresponding to the application of an additional 3% on taxable profit from 1.5 million Euros to 10 million Euros and 5% on taxable profit in excess of 10 million Euros.

The caption “Income tax” payable and recoverable at 31 March 2012 and 31 December 2011 is made up as follows:

	<u>31.03.2012</u>	<u>31.12.2011</u>
Income tax		
Corporate income tax - estimated tax	-	(56,086)
Corporate income tax - payments on account	-	68,304
Income tax withheld by third parties	-	1,798
Income tax receivable from the previous year	14,015	-
Income tax receivable	14,015	14,015
Corporate income tax - estimated tax	(8,132)	(3,696)
Corporate income tax - payments on account	-	3,144
Income tax withheld by third parties	321	32
Income payable from the previous year	(520)	-
Income tax payable	(8,331)	(520)

18 Supplies and services

The caption supplies and services for the three month periods ended 31 March 2012 and 2011 is made up as follows:

	<u>31.03.2012</u>	<u>31.03.2011</u>
Gas transport subcontracts	839	791
Maintenance costs	1,952	2,599
Fees relating to external entities ii)	1,768	1,951
Cross border interconnection costs	1,247	1,189
Electric energy costs	1,421	1,161
Insurance costs	691	774
Reserve capacity costs i)	369	358
Publicity costs	372	389
Security	471	473
Others	1,673	1,708
Supplies and services	10,803	11,392

i) Excess capacity costs correspond to costs incurred by REN relating to production available required from producers, to maintain the system operational at all times. These costs are recorded in the overall management of the REN S.A. system in accordance with the regulatory model currently in force.

ii) The fees paid to external entities refer to specialized work and fees paid by REN for contracted services and specialized studies.

19 Personnel costs

Personnel costs are made up as follows:

	<u>31.03.2012</u>	<u>31.03.2011</u>
Remuneration		
Board of directors	327	383
Personnel	7,870	8,259
	<u>8,197</u>	<u>8,641</u>
Social charges		
Post-employment and other benefits cost (Note 14)	688	801
Performance bonuses	557	-
Charges on remuneration	1,888	1,953
Social support costs	49	76
Other	602	605
	<u>3,784</u>	<u>3,435</u>
Total personnel costs	<u>11,981</u>	<u>12,076</u>

20 Earnings per share

Earnings per share attributable to the equity holders of the Group were calculated as follows:

	31.03.2012	31.03.2011
Consolidated net profit used to calculate earnings per share	(1) <u>34,451</u>	<u>34,378</u>
Number of ordinary shares outstanding during the period (note 17)	(2) 534,000,000	534,000,000
Effect of own shares (note 16) (average number of shares)	(3) <u>3,881,374</u>	<u>3,881,374</u>
	(3) <u>530,118,626</u>	<u>530,118,626</u>
Basic earnings per share (euro per share)	(1)/(3) 0.06	0.06

21 Dividends per share

On 27 March 2012, the Shareholders General Meeting approved the dividend distribution to shareholders over the net profit for the year 2011 in the amount of 90.246 million Euros (0.169 Euros per share). The dividend attributable to own shares amounted to 656 thousand Euros and the shareholders have at their disposal the amount of 89.59 million Euros.

22 Guarantees given

At 31 March 2012 and 31 December 2011 the REN Group had given the following bank guarantees:

Beneficiary	Purpose	Beginning	31.03.2012	31.12.2011
European Community	To comply with the contractual requirements of the loan contract	05/12/2007	3	3
Viseu Municipal Court	Guarantee relating to expropriation of 63 plots for the Bodiosa substation	22-10-2004	206	206
Braga and C.Branco Municipal Courts	Guarantee relating to expropriation of plots for the Pedralva and C. Branco substations	15-02-2006	800	800
Municipal Council of Silves	Guarantee for works in Tunes	04-05-2006	352	352
Anadia Municipal Courts	Guarantee for the expropriation of 111 plots for the Paraimo substation	26-04-2005	432	432
Gondomar Municipal Courts	Guarantee for the process 1037/2001	09-11-2005	150	150
Penela e Ansião Municipal Court	Guarantee for the expropriation of 63 plots for the Penela substation	30-06-2006	703	703
Vieira do Minho Municipal Court	Guarantee for the expropriation of 29 plots for the Frades substation	04/08/2006	558	558
Torres Vedras Municipal Court	Guarantee for the expropriation of 11 plots for the Carvoeira substation	13-12-2006	297	297
Macedo de Cavaleiros Municipal Court	Guarantee for the expropriation of plots for the Olmos substation	15/02/2007	190	190
MEFF	To guarantee payments resulting from participation as purchaser in the Spanish market	0	-	-
Direcção Geral de Geologia e Energia	Concession of the gas transport operations	25/09/2006	20,000	20,000
Municipal Council of Seixal	To guarantee processes in progress	02/11/2006	3,853	3,853
EIB	To guarantee loans	26/06/2006	399,497	399,497
Loures Financial Services	To guarantee processes in progress	0	-	-
Lisboa Financial Services	To guarantee a process in progress	0	-	-
Tabua Municipal Court	Expropriation of plots of land	07/12/2007	171	171
Vila Pouca de Aguiar Municipal Court	Expropriation of plots of land	18/04/2007	81	81
OMEL - Operador del Mercado Español de Electricidad	To guarantee payments resulting from trading participation as purchaser in the Spanish market	26-06-2007	2,000	2,000
Lisbon Municipal Court	To guarantee processes in progress	10-12-2008	115	115
Armamar Municipal Court	Expropriation of plots of land	03-11-2008	732	732
Ministry of the Economy and Innovation	To guarantee settlement of executing debt nº 7873/2006	30-12-2008	1	1
Fortia	Financial contract under the ISDA contract (International Swaps and Derivatives Association, Inc.)	19/04/2011	1,000	1,000
EP - Estradas de Portugal - Delegação Regional do Porto	Installation of gas infrastructures by drilling - Natural Gas Transport Network Leça Industrial branch	15-07-2009	5	5
Mogadouro Municipal Court	To guarantee coverage of the cost of acquiring land to expand the Mogadouro substation	30-07-2009	18	18
EP - Estradas de Portugal - Delegação Regional de Santarém	Natural Gas Transport Network - CCC pego - connection to the Thermoelectric plant of Tejo Energia (Pego). Crossing over EN 118 - Km 142,295	25-08-2009	5	5
Tavira Municipal Court	To guarantee expropriation of 38 plots of land in the parish of Cacho, municipality of Tavira to build the Tavira substation	24-09-2009	163	163
NORSCUT - Concessionária de Auto-estradas, SA	To guarantee prompt payment of liabilities assumed by REN in the contract ceding utilization	08-01-2010	200	200
EUROSCUT NORTE - Sociedade Concessionária da SCUT do Norte Litoral, S.A.	Ensure compliance with the obligations assumed resulting from the contract relating to the installation of a gas pipeline in the concede area of EUROSCUT NORTE.	25-01-2010	250	250
Tax Services	Guarantee of failure in the process of litigation on VAT	23-09-2010	-	-
Director of DAGEF from Municipal Council of Seixal	To guarantee settlement of executing debt nº 3500/2010 a aps.-nº 35800/2010, 35801	21-12-2010	616	616
		19-10-2010	500	500
Direcção Geral de Geologia e Energia	To guarantee compliance with the obligations assumed resulting from the contract rel:			
Santa Maria da Feira Municipal Court	Expropriation of 35 plots of land - Louredo e Romariz, Concelho de Sta Maria da Feira	14/01/2011	590	590
Valongo Municipal Court	To guarantee coverage of the cost of acquiring land to construct valongo Post	15/02/2011	125	125
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed resulting from the contract relat	25/08/2011	5	5
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed resulting from the contract relat	25/08/2011	5	5
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed resulting from the contract relat	25/08/2011	5	5
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed resulting from the contract relat	25/08/2011	5	5
EP - Estradas de Portugal	Related to the following work: connecting the Valongo Post - SE Ermesinde to 220kV	02/09/2011	37	37
			433,668	433,668

The guarantee given to EIB refers to the transfer to REN of the loans of the gas companies under the unbundling process.

23 Transactions with related parties

At 31 March 2012 the REN Group was listed in Euronext - Lisbon stock exchange, having as reference shareholders with recorded transactions, the following entities: the EDP Group and Caixa Geral de Depósitos.

The following are related entities:

EDP Group:

- EDP - Energias de Portugal, S.A
- EDP - Distribuição - Energia, S.A.
- EDP Serviços Universal, S.A.
- EDP Valor - Gestão Integrada de Serviços, S.A.
- EDP Gestão da Produção da Energia, S.A.
- Portgás, S.A.
- EDP Gás.Com, S.A.
- EDP Gás, SGPS, S.A.
- O&M Serviços, S.A.
- Sãvida, S.A.
- Labelec, S.A.

CGD Group:

- Caixa Geral de Depósitos, S.A.
- Caixa BI
- Caixa Leasing e Factoring, S.A.

Other:

- Red Eléctrica Corporación, S.A.
- Capitalpor - Participações Portuguesas, SGPS, S.A.
- Gestmin, SGPS, S.A.
- EGF - Gestão e Consultoria Financeira, S.A.
- Oliren, SGPS, S.A.
- Parpública - Participações Públicas, SGPS, S.A.

During the period the REN Group realised the following transactions with these related parties:

23.1 Income

	<u>31.03.2012</u>	<u>31.03.2011</u>
Invoicing issued	385,903	484,483
Financial income		
Interest on financial applications-CGD	<u>130</u>	<u>831</u>
	<u>386,033</u>	<u>485,314</u>

The amounts shown as invoicing issued relate to the overall management of the electricity system tariff (UGS) and electricity transmission tariff (TEE) that includes same pass through amounts reversed in the consolidated statement of profit and loss.

23.2 Costs

	<u>31.03.2012</u>	<u>31.03.2011</u>
Invoicing received	176,937	263,608
Financial costs		
Interests on Commercial paper - CGD	294	290
Borrowings fees - CGD	312	30
Derivative financial instruments	77	-
Other interest - CGD	<u>4</u>	<u>2</u>
	<u>177,625</u>	<u>263,930</u>

The amounts shown as invoicing received relate to the intermediation role of REN in the purchase and sale of electricity, the income and costs of which are reversed in the statement of profit and loss.

23.3 Balances with related parties

The balances at 31 March 2012 and 31 December 2011 resulting from transactions with related parties were as follows:

	<u>31.03.2012</u>	<u>31.03.2011</u>
Trade and other receivables		
EDP - Trade receivables	90,661	89,984
EDP - Other receivables	1,329	1,471
Cash and cash equivalents		
CGD - Treasury investments	15,000	26,000
CGD - Bank deposits	2,947	701
	<u>109,936</u>	<u>118,156</u>
Trade and other payables		
EDP - Trade payables	7,382	9,979
EDP - Other payables	18	268
Borrowings		
CGD - Borrowings (Commercial paper)	16,000	5,000
CGD - Finance lease	384	406
	<u>23,784</u>	<u>15,653</u>

23.4 Management remuneration

The Board of Directors of REN, SGPS was considered in accordance with IAS 24 to be the only key entity in the management of the Group.

Remuneration of the Board of Directors of REN, SGPS for the three month period ended 31 March 2012 amounted to 327 thousand Euros (383 thousand Euros in March 2011), as shown in the following table:

	<u>31.03.2012</u>	<u>31.03.2011</u>
Remuneration and other short term benefits	327	383
	<u>327</u>	<u>383</u>

The amounts indicated refer only to fixed remuneration and meal allowance, as the Board of Directors does not receive any other income listed in paragraph 17 of IAS 24.

24 Other matters

In the General Shareholders' meeting held on 27 March 2012 a resolution was approved that, although maintaining the three civil years term of office, ends the current term of office establishing the year 2012 as the reference year for the beginning of the next term of office of the corporate bodies.

Further to the amendment, the following members of the corporate bodies of REN for the three-year term from 2012 to 2014 were elected:

Board of Directors:

- Rui Manuel Janes Cartaxo - Chairman;
- João Caetano Carreira Faria Conceição;
- Gonçalo João Figueira Morais Soares;
- State Grid International Development Limited (represented by Guangchao Zhu) - Vice-Chairman;
- Parpública - Participações Públicas (SGPS), S.A.;
- Red Eléctrica Corporación, S.A.;
- EGF - Gestão e Consultoria Financeira, S.A.;
- Gestmin, SGPS, S.A.;
- Hilal Ali Saif Al-Kharusi;
- José Luis Alvim Marinho;
- José Frederico Vieira Jordão;
- Emílio Rui Vilar;
- Mengrong Cheng;
- Haibin Wan;
- Luís Palha da Silva.

The effective exercise of the respective functions by State Grid International Development Limited (represented by Mr. Guangchao Zhu) and Mr. Mengrong Cheng and Mr. Haibin Wan is conditioned upon the entry into force of the strategic partnership agreement by and between REN and State Grid International Development Limited, and the effective exercise of the respective functions by Mr. Hilal Ali Saif Al-Kharusi is conditioned upon the entry into force of the strategic partnership agreement by and between REN and Oman Oil Company S.A.O.C., both entered into on February 22, 2012.



Audit Committee:

- José Luis Alvim Marinho - Chairman;
- José Frederico Vieira Jordão;
- Emílio Rui Vilar.

Statutory Auditor:

- Effective Statutory Auditor - Deloitte & Associados, SROC S.A., represented by Jorge Carlos Batalha Duarte Catulo;
- Substitute Statutory Auditor - Carlos Luis Oliveira de Melo Loureiro.

Board of the General Meeting:

- Pedro Canastra de Azevedo de Maia - Chairman;
- Duarte Vieira de Vasconcelos - Vice- Chairman.

Parpública - Participações Públicas (SGPS), S.A., Red Eléctrica Corporación, S.A., EGF - Gestão e Consultoria Financeira, S.A. and Gestmin, SGPS, S.A. respectively, appointed the following individuals to act as directors of REN on their own behalf and during the three-year period 2012/2014:

- Aníbal Durães dos Santos (appointed by Parpública - Participações Públicas (SGPS), S.A.);
- Luis Guedes da Cruz Almeida (appointed by EGF - Gestão e Consultoria Financeira, S.A.);
- José Manuel Félix Morgado (appointed by Gestmin, SGPS, S.A.);
- José Folgado Blanco (appointed by Red Eléctrica Corporación, S.A.).

On the same day occurred the first meeting of the new Board of Directors where the following directors were appointed to the Company's Executive Committee:

- Rui Manuel Janes Cartaxo - President;
- Gonçalo João Figueira Morais Soares;
- João Caetano Carreira Faria Conceição.

In this meeting, the directors Emílio Rui Vilar and Luís Palha da Silva have declared their intention to accept their respective appointment after the completion of REN's 2nd reprivatization phase.

25 Subsequent events

Purchase of a stake in Cahora Bassa

On 9 April 2012, REN has entered into with Parpública - Participações Públicas, SGPS, S.A. ("Parpública"), CEZA - Companhia Eléctrica do Zambeze, S.A. ("CEZA") and EDM - Electricidade de Moçambique, EP ("EDM") an agreement under which REN will purchase from Parpública 2.060.661.943 shares representing 7.5% of the share capital and voting rights of Hidroeléctrica de Cahora Bassa, S.A. ("HCB"), at a price of € 38,400,000.00 (thirty-eight million four hundred thousand Euros).

The above mentioned agreement is subject to verification of certain conditions, from which it is highlighted the occurrence of a General Shareholders Meeting of HCB, until 15 June 2012, in which the consent to the transfer of shares representing 7.5% of HCB share capital is granted in favour of REN.

Changes in limits of participations

On 12 April 2012 was approved by Council of Ministers the legislation that amend the limits of participation on REN's capital, previously limited to a maximum of 10% of the shares or 5% to companies that operate on energy sector, to a maximum of 25%.

26 Explanation added for translation

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with IAS 34 - Interim Financial Reporting. In the event of discrepancies, the Portuguese language version prevails.



The Accountant

Maria Teresa Martins

The Board of Directors

Rui Manuel Janes Cartaxo
(President)

José Frederico Vieira Jordão
(Member of the Audit Committee)

Gonçalo Morais Soares
(Executive Director)

José Luís Folgado Blanco
(Director appointed by Red Eléctrica
Corporacion, S.A.)

João Caetano Carreira Faria Conceição
(Executive Director)

Luis Guedes da Cruz Almeida
(Director appointed by EGF, Gestão e
Consultoria Financeira, S.A.)

Aníbal Durães dos Santos
(Director appointed by Parpública -
Participações Públicas (SGPS), S.A.)

José Manuel Félix Morgado
(Director appointed by Gestmin, SGPS, S.A.)

José Luís Alvim Marinho
(President of the Audit Committee)