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

Consolidated Financial Statements
31 March 2013

(Translation of consolidated financial statements originally issued in Portuguese – Note 30)

Consolidated financial statements

31 March 2013

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

Index

1. FINANCIAL PERFORMANCE 5

1.1 RESULTS 1ST QUARTER 2013 5

1.2 AVERAGE RAB AND CAPITAL EXPENDITURE 7

2. CONSOLIDATED FINANCIAL STATEMENTS 9

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013 14

1 GENERAL INFORMATION 14

2 BASIS OF PRESENTATION 18

3 MAIN ACCOUNTING POLICIES 18

4 SEGMENT REPORTING 23

5 TANGIBLE AND INTANGIBLE ASSETS 26

6 INVESTMENT IN ASSOCIATES 29

7 INCOME TAX 30

8 FINANCIAL ASSETS AND LIABILITIES 35

9 ASSETS AVAILABLE FOR SALE 37

10 TRADE AND OTHER RECEIVABLES 39

11 DERIVATIVE FINANCIAL INSTRUMENTS 40

12 CASH AND CASH EQUIVALENTS 44

13 EQUITY INSTRUMENTS 45

14 BORROWINGS 46

15 POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS 48

16 PROVISIONS 50

17 TRADE AND OTHER PAYABLES 51

18 SALES AND SERVICES RENDERED 51

19 REVENUE AND COSTS FROM CONSTRUCTION ACTIVITIES 52

20 OTHER OPERATING INCOME 52

21 EXTERNAL SUPPLIES AND SERVICES 53

22	PERSONNEL COSTS	54
23	OTHER OPERATING COSTS	54
24	FINANCIAL COSTS AND INCOME	55
25	EARNINGS PER SHARE	55
26	DIVIDENDS PER SHARE	55
27	GUARANTEES GIVEN	56
28	RELATED PARTIES	57
29	SUBSEQUENT EVENTS	60
30	EXPLANATION ADDED FOR TRANSLATION	60

1. FINANCIAL PERFORMANCE

1.1 RESULTS 1ST QUARTER 2013

MAIN INDICATORS

The 1st quarter of 2013 was marked by an EBITDA decrease of 2.6% when compared with the 1st quarter of 2012 (-3.4 M€). This reduction is mainly due to the decrease in electricity's RAB remuneration (whose base rate of return decreased from 9.82% to 8.06%) and a reduction in own works of 1.4 M€. On the other hand, interest from tariff deviation increased +2.4 M€, and recovery of depreciations +2.0 M€.

Net financial income decreased 2 M€ (+6.2%), essentially due to the decrease in dividends from REE and Enagás (-1.8 M€), reflecting a difference in the timing of dividends recognition.

Capex decreased by 4.6 M€ (-18.6%) when compared with the same period of 2012, while transfers to RAB were 5.4 M € (-69%) below.

Net debt increased by 119.9 M€ (+5.1%) versus YTD 2012 and decreased 39 M€ vs year-end 2012, reaching 2,473 M€. Its average cost rose to 5.74%, up 0.13 percentage points compared to the same period of 2012 and up 0.04 p.p. vs full year 2012.

Main indicators [M€]	**1Q2012**	**1Q2013**	**Var.%**
EBITDA	130.7	127.4	-2.6%
Net financial income	-32.2	-34.2	6.2%
Net income	34.5	29.1	-15.6%
Total CAPEX	25.0	20.3	-18.6%
Transfers to RAB (at historical costs)	7.8	2.4	-69.1%
Average RAB (at reference costs)	3,285.5	3,436.6	4.6%
Net debt	2,353.0	2,473.0	5.1%

OPERACIONAL RESULT - EBITDA

EBITDA decreased 3.4 M€ (-2.6%) when compared with the 1Q2012, reaching 127.4 M€. Among others, we highlight the following items as the most relevant:

- Decrease of 6.0 M€ in electricity's RAB remuneration, due to the decrease in the base rate of return from 9.82% to 8.06% (-8.7 M€), despite the positive evolution of the average RAB, which grew 4.6% y.o.y., and the relative increase of premium assets in the overall mix;

- The reduction in own works of 1.4 M€ (-20.1%), following the reduction in Capex and hence in assets in progress.

On the other hand we highlight the following favorable impacts:

- The increase of 2.0 M€ (+4.6%) in recovery of depreciations, consistent with a higher RAB;
- The increase in revenues from interest on tariff deviation (+2.4 M€).

EBITDA [M€]	1Q2012	1Q2013	Var.%
1) Revenues from assets	**122.5**	**117.2**	**-4.3%**
Return on RAB	70. 6	65.9	-6.7%
Hydro land remuneration	2.4	2.1	-13.8%
Lease revenues from hydro protection zone	0.2	0.2	-1.1%
Remuneration of fully depreciated assets	2.0	2.1	5.5%
Tariff smoothing effect (natural gas)	-0.3	-2.9	957.3%
Recovery of depreciations (net from subsidies)	43.1	45.1	4.6%
Subsidies depreciation	4.5	4.8	6.5%
2) Revenues from Opex	**27.1**	**25.8**	**-4.8%**
3) Other revenues	**0.6**	**5.1**	**n.m.**
Commercial gains (trading)	0.7	0.5	-30.8%
Interest on tariff deviations	-1.7	0.7	-141.6%
Availability incentive	0.0	0.0	n.m.
Hedging	0.0	0.9	n.m.
Telecommunications sales and services rendered	1.3	1.3	-6.0%
Consulting services	0.0	0.2	n.m.
Other services provided	0.1	0.0	-84.6%
Others	0.2	1.7	n.m.
4) Own works	**7.0**	**5.6**	**-20.1%**
5) Construction costs	**18.0**	**14.7**	**-18.2%**
6) OPEX	**26.4**	**26.3**	**-0.4%**
Personnel costs	12.0	13.7	14.6%
External services and supplies	10.8	9.1	-15.5%
Other operating costs	3.6	3.5	-4.8%
7) Construction costs	**18.0**	**14.7**	**-18.2%**
EBITDA (1+2+3+4+5-6-7)	**130.7**	**127.4**	**-20.6%**

NET INCOME

Net income for the first quarter of 2013 was 29.1 M€, which, affected by the negative behaviour of EBITDA and Financial results, declined 5.4 M€ (-15.6% when compared to the same period of 2012).

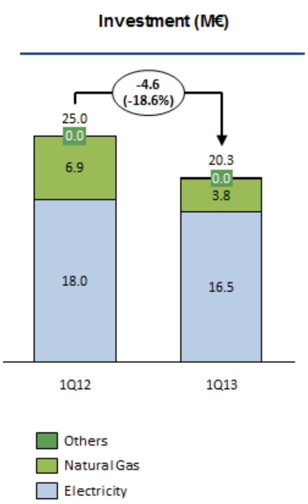
Net income [M€]	1Q2012	1Q2013	Var.%
EBITDA	**130.7**	**127.4**	**-2.6%**
Depreciations	48.1	50.0	4.0%
Financial results	-32.2	-34.2	6.2%
Income tax	16.,0	14.1	-11.9%
Net income	**34.5**	**29.1**	**-15.6%**

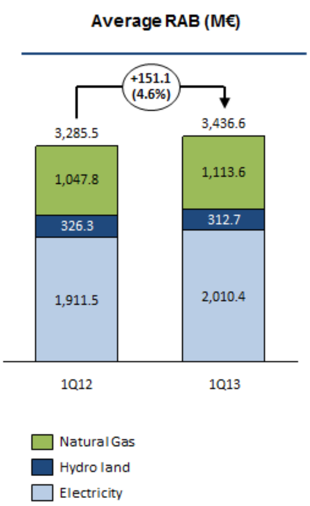
1.2 AVERAGE RAB AND CAPITAL EXPENDITURE

CAPEX AND AVERAGE RAB

Total Capex in the first quarter of 2013 was 4.6 M€ (-18.6%) lower than in the same period of 2012. Of the observed decline, -3.2 M€ are attributed to the natural gas sector, mainly due to the completion of the Sines Terminal in mid-2012, and -1.5 M€ to the Electricity sector. Following the same trend, total transfers to RAB fell 5.4 M€ (-69.1%), due to a decrease in the Electricity sector transfers (-5.5 M€,-73.9%).

Average RAB stood at 3,436.6 M€, an increase of 151.1 M€ (+4.6%) when compared to the 1st quarter of 2012, of which 85.3 M€ in the Electrical sector and 65.8 M€ in the Natural Gas sector. In electricity, the average RAB growth was focused in categories with regulatory premium (9.6% RoR), which increased by 106.0 M€ (+14.8%). The remaining RAB categories (land, RoR 2.9%, and electricity without premium, RoR 8.1%) decreased by 20.7 M€.





CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2013

2. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position as of 31 March 2013 and 31 December 2012

(Amounts expressed in thousands of Euros – tEuros)

	Note	Mar 2013	Dec 2012
ASSETS			
Non-current assets			
Property, plant and equipment	5	801	827
Goodwill		3,774	3,774
Intangible assets	5	3,861,821	3,891,464
Investments in associates	6	9,427	9,382
Available-for-sale financial assets	9	138,477	131,002
Derivative financial instruments	11	2,659	6,853
Other financial assets	12	112,436	112,583
Trade and other receivables	10	72,588	70,451
Deferred tax assets	7	64,570	61,215
		4,266,553	**4,287,552**
Current assets			
Inventories		2,951	2,920
Trade and other receivables	10	296,831	310,738
Current income tax recoverable	7	13,984	14,318
Derivative financial instruments	11	427	416
Other financial assets	12	210,554	8,864
Cash and cash equivalents	12	92,067	61,246
		616,814	**398,503**
Total assets	4	**4,883,367**	**4,686,054**
EQUITY			
Shareholders' equity:			
Share capital	13	534,000	534,000
Own shares	13	(10,728)	(10,728)
Other reserves	13	242,981	231,753
Retained earnings		272,564	148,671
Net profit for the period		29,070	123,892
Total equity		**1,067,887**	**1,027,589**
LIABILITIES			
Non- current liabilities			
Borrowings	14	1,962,238	1,535,495
Liability for retirement benefits and others	15	105,820	105,808
Derivative financial instruments	11	25,114	27,958
Provisions	16	4,801	4,801
Trade and other payables	17	378,875	360,895
Deferred tax liabilities	7	78,613	82,797
		2,555,461	**2,117,755**
Current liabilities			
Borrowings	14	931,483	1,170,400
Provisions	16	2,419	2,419
Trade and other payables	17	302,485	367,081
Income tax payable	7	22,819	-
Derivative financial instruments	11	813	811
		1,260,018	**1,540,711**
Total liabilities	4	**3,815,480**	**3,658,465**
Total equity and liabilities		**4,883,367**	**4,686,054**

The accompanying notes form an integral part of the consolidated statement of financial position as of 31 March 2013.

THE ACCOUNTANT THE BOARD OF DIRECTORS

Consolidated statements of profit and loss for the three month periods ended 31 March 2013 and 2012

(Amounts expressed in thousands of Euros - tEuros)

	Note	Mar 2013	Mar 2012
Sales	4 and 18	56	86
Services provided	4 and 18	140,747	144,894
Revenue from construction of concession assets	4 and 19	20,307	24,981
Gains from associates	6	45	-
Other operating income	20	7,260	5,264
Operating income		**168,415**	**175,224**
Cost of goods sold		(40)	(136)
Cost with construction of concession assets	19	(14,739)	(18,009)
External supplies and services	21	(9,125)	(10,803)
Employee compensation and benefit expense	22	(13,729)	(11,981)
Depreciation and amortizations	5	(50,011)	(48,094)
Other expenses	23	(3,428)	(3,545)
Operating costs		**(91,072)**	**(92,569)**
Operating results		**77,343**	**82,655**
Financial costs	24	(35,964)	(34,612)
Financial income	24	1,810	612
Investment income - dividends		-	1,825
Financial results		**(34,153)**	**(32,174)**
Profit before income taxes		**43,189**	**50,481**
Income tax expense	7	(14,120)	(16,030)
Profit for the period		**29,070**	**34,451**
Attributable to:			
Equity holders of the Company		29,070	34,451
Non-controlled interest		-	-
Consolidated profit for the period		**29,070**	**34,451**
Earnings per share (expressed in euro per share)	25	0.05	0.06

The accompanying notes form an integral part of the consolidated statement of profit and loss for the three month period ended 31 March 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of comprehensive income for the three month periods ended 31 March 2013 and 2012

(Amounts expressed in thousands of Euros – tEuros)

		Period ended	
	Note	Mar 2013	Mar 2012
Net Profit for the period		**29,070**	**34,451**
Other income and cost recorded in equity:			
Increase/(decrease) in hedging reserves - derivative financial instruments	11	4,952	(8,731)
Gain/(loss) on available-for-sale assets	9	7,475	5,241
Tax effect on items recorded directly in equity	7 and 11	(1,199)	1,591
Comprehensive income for the period		**40,298**	**32,552**
Attributable to:			
Equity holders of the company		40,298	32,552
Non-controlled interest		-	-
		40,298	**32,552**

The accompanying notes form an integral part of the consolidated statement of comprehensive income for the three month period ended 31 March 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of changes in equity for the three month periods ended 31 March 2013 and 2012

(Amounts expressed in thousands of Euros – tEuros)

		Attributable to shareholders								
Changes in the period	**Notes**	**Share capital**	**Treasury shares**	**Legal Reserve**	**Fair Value reserve (Note 9)**	**Hedging reserves (Note 11)**	**Other reserves**	**Retained earnings**	**Profit for the period**	**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	26	-	-	-	-	-	-	(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**	**186,868**	**34,451**	**980,401**
At 1 January 2013		**534,000**	**(10,728)**	**85,437**	**(4,093)**	**(26,612)**	**177,022**	**148,671**	**123,892**	**1,027,589**
Net profit of the period and other comprehensive income		-	-	-	7,475	3,753	-	-	29,070	40,298
Transfer to other reserves		-	-	-	-	-	-	123,892	(123,892)	-
At 31 March 2013		**534,000**	**(10,728)**	**85,437**	**3,382**	**(22,860)**	**177,022**	**272,564**	**29,070**	**1,067,887**

The accompanying notes form an integral part of the consolidated statement of changes in equity for the three month period ended 31 March 2013.

THE ACCOUNTANT THE BOARD OF DIRECTORS

Consolidated statements of cash flow for the three month periods ended 31 March 2013 and 2012

(Amounts expressed in thousands of Euros – tEuros)

	Note	Period ended March 2013	Period ended March 2012
Cash flow from operating activities:			
Cash receipts from customers		657,686 a)	676,341
Cash paid to suppliers		(497,283) a)	(551,788)
Cash paid to employees		(13,422)	(13,014)
Income tax received/paid		211	(321)
Other payments/receipts relating to operating activities		(26,455)	(47,446)
Net flows from operating activities		**120,736**	**63,771**
Cash flow from investing activities:			
Receipts related to:			
Interests and other similar income		1,260	573
Dividends		916	916
Payments related to:			
Financial investments	8	(201,690)	-
Property, plant and equipment		(476)	(4)
Intangible assets		(45,242)	(73,278)
Net cash used in investing activities		**(245,233)**	**(71,792)**
Cash flow from financing activities:			
Receipts related to:			
Borrowings		853,151	2,907,500
Interests and other similar income		8	17
Payments related to:			
Borrowings		(671,228)	(2,890,336)
Interests and other similar expense		(26,886)	(14,182)
Net cash (used in)/from financing activities		**155,046**	**2,999**
Net (decrease)/increase in cash and cash equivalents		30,548	(5,022)
Cash and cash equivalents at de beginning of the year	12	61,246	68,358
Cash and cash equivalents at the end of the period	12	91,794	63,336
Detail of cash and cash equivalents			
Cash	12	22	24
Bank overdrafts	12	(273)	(85)
Bank deposits	12	92,045	63,397
		91,794	**63,336**

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 consolidated statement of cash flow for the three month period ended 31 March 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

(Translation of notes originally issued in Portuguese – Note 30)

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, S.A.. 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 regasification of natural gas activities, comprising a new business.

In the beginning of 2007 the Company was transformed into a holding company and, after the 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.

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.

The telecommunications business is managed by RENTELECOM Comunicações, S.A., the operations of which consist of establishing, managing and using telecommunications systems and infrastructures, supplying communications services and optimizing the excess capacity of the fibre optics belonging to the REN Group.

REN SGPS has 100% of the capital of REN – Serviços, S.A., which has the objective of rendering services in the energy-related areas and general services on the support of the business development, for related companies and third parties, receiving remuneration for these services, as well as the management of participations the company has in other companies.

REN SGPS has also:

a) 35% interests in the share capital of OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A. ("OMIP SGPS"), having as its corporate object the management of participations in other companies as an indirect way of exercising economic activities. The company became the shareholder of OMIP – Operador do Mercado Ibérico de Energia (Portuguese Pole), which function is the management of the derivatives market in MIBEL and Omiclear – Sociedade de Compensação de Mercados de Energia, S.A., a company fully owned by OMIP and which has the corporate object of clearing futures and options operations;

b) 10% interests in the share capital of OMEL - Operador do Mercado Ibérico de Energia, S.A., the Spanish pole of the Sole operator;

c) Two participations of 1% each, in the share capital of Enagás, S.A. and Red Electrica Corporation, S.A. ("REE");

d) One participation representing 5.26% of the share capital in Medgrid, SAS, acquired in May and October 2012 and 7.5% of the share capital of Hidroeléctrica de Cahora Bassa, S.A. ("HCB"). The participation in HCB, a Mozambican company, was acquired by REN on 3 July 2012, by the amount of 38,400 thousands of Euros, transferred in the sequence of the fulfilment of the contractual conditions established in the contract dated 9 April 2012, between REN, Parpública – Participações Públicas, SGPS, S.A., CEZA – Companhia Eléctrica do Zambeze, S.A. and EDM – Electricidade de Moçambique, EP.

1.1 Companies included in the consolidation

The companies (together with their head offices, main activities and proportion of capital) included in the consolidation as of 31 March 2013 and 31 December 2012 are the following:

		mar 2013		dez 2012	
		% Owned		% Owned	
Designation / adress	Activity	Group	Individual	Group	Individual
Parent company:					
REN - Redes Energéticas Nacionais, SGPS, S.A.	Holding company	-	-	-	-
Subsidiaries:					
Electricity segment:					
REN - Rede Electrica Nacional, S.A. Av. Estados Unidos da América, 55 - Lisboa	National electricity transmission network operator (high and very high tension)	100%	100%	100%	100%
REN Trading, S.A. Av. Estados Unidos da América, 55 - Lisboa	Purchase and sale, import and export of electricity and natural gas	100%	100%	100%	100%
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%	100%	100%	100%
Telecommunications segment: RENTELECOM - Comunicações S.A. Av. Estados Unidos da América, 55 - Lisboa	Telecommunications network operation	100%	100%	100%	100%
Other segments: REN - Serviços, S.A. Av. Estados Unidos da América, 55 - Lisboa	Back office and management of participations	100%	100%	100%	100%
Natural gas segment:					
REN Atlântico , Terminal de GNL, S.A. Terminal de GNL - Sines	Liquified Natural Gas Terminal maintenance and regasification operation	100%	100%	100%	100%
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%	-	100%	-
Owned by REN Gas, S.A.: REN - Armazenagem, S.A. Mata do Urso - Guarda Norte - Carriço- Pombal	Underground storage developement, maintenance and operation	100%	-	100%	-
REN - Gasodutos, S.A. Estrada Nacional 116, km 32,25 - Vila de Rei - Bucelas	National Natural Gas Transport operator and natural gas overall manager	100%	-	100%	-

There were no changes in the consolidation perimeter in 2013 with respect to what was reported on 31 December 2012.

1.2. Approval of the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors at a meeting held on 15 May 2013. 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 PRESENTATION

The consolidated financial statements for the three month period ended 31 March 2013 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 2012.

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 2013.

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 2012, as explained in the notes to the consolidated financial statements for 2012. These policies were applied on a consistent basis for the periods presented.

Adoption of new standards, interpretations, amendments and revisions

The following standards, interpretations, amendments and revisions endorsed by the European Union must be applied for the financial years beginning on or after 1 January 2013:

- IAS 1 "Presentation of Financial Statements" (amendment) (to be applied for years beginning on or after 1 July 2012) – This amendment introduced new requirements for comprehensive income presentation, requiring the split of profit and loss items and equity items. This change did not result in a significant impact on REN's consolidated financial statements.

- IAS 19 "Post-Employment Benefits" (amendment) (to be applied for years beginning on or after 1 January 2013) – This amendment introduces some changes related with reporting of defined benefits plans, namely: (i) actuarial gains and losses are recorded in reserves (eliminate the corridor method); (ii) only one interest rate is applied for the determination of the defined benefit obligation and the plan assets. The difference between the real return on plan assets and the unique interest rate is regarded as an actuarial gain/loss; (iii) expenses recorded in the profit and loss statement correspond only to the service cost and to the interest cost. This change did not result in a significant impact on REN's consolidated financial statements.

- IFRIC 20 "Stripping Cost in the Production Phase of a Surface Mine" (new) (to be applied to years beginning on or after 1 January 2013) – This interpretation provides guidance on how and when to recognize certain stripping costs in the production phase of a surface mine. The adoption of this interpretation did not have any impact on REN's consolidated financial statements.

- IAS 12 "Income Taxes" (amendment) (to be applied to years beginning on or after 1 January 2013) – This change introduces a rebuttable presumption that investment properties ate fair value in accordance to IAS 40 are recovered entirely through sale, unless the entity has clear evidence that recovery will occur in another manner. This change did not result in a significant impact on REN's consolidated financial statements.

- IFRS 13 "Fair Value Measurements" (new) (to be applied to years beginning on or after 1 January 2013) – This standard sets out a single IFRS framework for measuring fair value and provides comprehensive guidance on how to measure the fair value of both financial and non-financial assets and liabilities. IFRS 13 is intended to be the main source of measurement and disclosure requirements relating to fair value. The adoption of this standard did not have a significant impact on REN's consolidated financial statements.

- IFRS 7 "Financial Instruments: Disclosures" (amendment) (to be applied to years beginning on or after 1 January 2013) – This change introduced a series of additional disclosures for financial instruments, namely, information regarding those subject to similar compensation agreements. This change did not result in a significant impact on REN's consolidated financial statements.

- IFRS 1 "First Time Adoption of IFRSs" (amendment) (to be applied to years beginning on or after 1 January 2013) – This change introduced the exemption for entities that are operating in a hyper inflationary economy and adopting for the first time IFRS, allowing the use of fair value as cost considered on the items of the opening financial statement under IFRS. Additionally there is a change in the reference date for transition. This change did not result in a significant impact on REN's consolidated financial statements.

- IFRS 1 - Amendment (government subsidies) (to be applied to years beginning on or after 1 January 2013) – Creates an exception to the retrospective application of the requirements defined in IAS 20 for the application to government subsidies granted by subsidized interest rates. This change did not result in a significant impact on REN's consolidated financial statements.

- Improvements of International Financial Reporting Standards (to be applied in several years, usually for years beginning on or after 1 January 2013) – These improvements involve the revision of several standards, namely, IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. This change did not result in a significant impact on REN's consolidated financial statements.

The following standards, interpretations, amendments and revisions have been endorsed by the European Union with mandatory application in future economic exercises:

- IFRS 10 “Consolidated Financial Statements” (new) (to be applied to years beginning on or after 1 January 2014) – This standard establishes the grounds for presenting consolidated financial statements, replacing on this matter the standard IAS 27 - Consolidated and Separate Financial Statements and SIC 12 - Consolidation – Special Purpose Entities. This standard introduces as well new rules for determining control and consolidation perimeter. From the future adoption of this standard it is not expected a significant impact on REN’s consolidated financial statements.

- IFRS 11 “Joint Arrangements” (new) (to be applied to years beginning on or after 1 January 2014) – This standard supersedes IAS 31 and SIC 13 – Jointly Controlled Entities and mainly address: (i) the definition of “jointly arrangements” empathizing the rights and obligations instead of its legal form; (ii) reduces the types of jointly agreements prevailing the following: “joint operations” and “joint ventures”; and (iii) eliminates the possibility of using the proportional consolidation model for “joint ventures”. From the future adoption of this standard it is not expected a significant impact on REN’s consolidated financial statements.

- IFRS 12 “Disclosure of interests in other entities” (new) (to be applied to years beginning on or after 1 January 2014) – This standard provides expanded disclosures requirements relating to entity’s interests in subsidiaries, associates and joint arrangements. From the future adoption of this standard it is not expected a significant impact on REN’s consolidated financial statements.

- IAS 27 “Separate financial statements” (revised) (to be applied to years beginning on or after 1 January 2014) – This standard was revised in the sequence of the emission of IFRS 10, and contains the recording and disclosures principles for investments in associates in the separate financial statements. The future adoption of this change will not have any impact on REN’s consolidated financial statements.

- IAS 28 “Investments in associates and joint ventures” (revised) (to be applied to years beginning on or after 1 January 2014) – This IAS 28 was revised in the sequence of the issue of IFRS 11 and IFRS 12 and provides guidance on accounting for interests in associates and joint ventures in accordance with equity method. From the future adoption of this change it is not expected a significant impact on REN’s consolidated financial statements.

- IAS 32 "Financial Instruments: Presentation" (amended) (to be applied to years beginning on or after 1 January 2014) – This change clarified the requirements for an entity to be able to compensate financial assets and liabilities in the financial position statement. From the future adoption of this change it is not expected a significant impact on REN's consolidated financial statements.

- IFRS 10, IFRS 11 and IFRS 12 – Amendments (transition guidance) (to be applied to years beginning on or after 1 January 2014) – Amendments to IFRS 10, IFRS 11 and IFRS 12 to clarify the rules of the transition to IFRS. From the future adoption of this change it is not expected a significant impact on REN's consolidated financial statements.

The Company did not use any early adoption option of any of the above standards in the consolidated financial statements for the three month period ended 31 March 2013.

The following standards, interpretations, amendments and revisions, with mandatory application in future years, were not, until the date of preparation of these consolidated financial statements, been endorsed by the European Union:

Standard	Applicable for financial years beginning on or after	Resume
IFRS 9 - Financial instruments (2010)	01-Jan-15	This standard sets out requirements for the classification of financial assets.
IFRS 10, IFRS 12 and IAS 27 - Amendments (Investment Entities)	01-Jan-14	Creates an exception for the preparation of consolidated financial statements for investment entities.

These standards were not yet endorsed by the European Union and, as such, were not adopted by the group in the period ended 31 March 2013.

4 SEGMENT REPORTING

The REN Group is organised in two main business segments, Electricity and Gas and one secondary segment, telecommunications. The electricity segment includes the transmission of electricity in very high voltage, overall management of the public electricity system, management of the power purchase agreements (PPA) not terminated on 30 June 2007 and management of the concession of the pilot zone for electricity production from sea waves. The gas segment includes high pressure gas transmission and overall management of the national natural gas supply system, as well as the activity of regasification at the LNG Terminal and the 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, these operations provide services to a single user, which is also the main user of the high pressure gas transport system and, as such, it was considered that all these activities are subject to the same risks and benefits.

The telecommunications segment is also presented separately despite not qualifying for disclosure.

The management of external financing is centered in REN SGPS, S.A., having the company opted to report the assets and liabilities separately from the eliminations that are undertaken in preparation of the consolidated financial statements, as it is used by the main responsible operating decision maker.

The results by segment for the three month period ended 31 March 2013 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Sales and services provided	**97,254**	**42,382**	**1,291**	**8,865**	**(8,989)**	**140,803**
Inter-segments	219	66	37	8,668	(8,989)	-
Revenues from exernal customers	97,035	42,316	1,255	197	-	140,803
Revenue from construction of concession assets	16,537	3,770	-	-	-	20,307
Cost with construction of concession assets	(11,922)	(2,817)	-	-	-	(14,739)
Gains from associates	-	-	-	45	-	45
External supplies and services	(9,979)	(5,517)	(436)	(4,344)	11,152	(9,125)
Employee compensation and benefit expense	(6,493)	(2,202)	(58)	(4,976)	-	(13,729)
Other expenses and operating income	4,703	731	(3)	522	(2,163)	3,791
Operating cash flow	90,100	36,347	794	113	-	127,354
Non reimbursursable expenses						
Depreciation and amortizations	(35,189)	(14,763)	(5)	(54)	-	(50,011)
Financial results						
Financial income	118	4,182	52	35,618	(38,160)	1,810
Financial costs	(15,351)	(9,221)	(0)	(49,551)	38,160	(35,964)
Profit before income tax	**39,678**	**16,545**	**841**	**(13,874)**	**-**	**43,190**
Income tax expense	(12,677)	(4,845)	(224)	3,626	-	(14,120)
Profit for the year	**27,002**	**11,699**	**617**	**(10,248)**	**-**	**29,070**

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

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Sales and services provided	**100,776**	**49,711**	**1,518**	**8,062**	**(15,087)**	**144,980**
Inter-segments	275	6,687	184	7,941	(15,087)	-
Revenues from exernal customers	100,502	43,023	1,334	120	-	144,980
Revenue from construction of concession assets	18,047	6,934	-	-	-	24,981
Cost with construction of concession assets	(12,912)	(5,097)	-	-	-	(18,009)
Gains from associates	-	-	-	-	-	-
External supplies and services	(10,680)	(12,444)	(406)	(3,827)	16,555	(10,803)
Employee compensation and benefit expense	(5,325)	(2,266)	(47)	(4,343)	-	(11,981)
Other expenses and operating income	3,040	1,121	(4)	(281)	(2,293)	1,583
Operating cash flow	92,945	37,958	1,061	(389)	(826)	130,749
Investment income - dividends	-	-	-	1,825	-	1,825
Non reimbursursable expenses						
Depreciation and amortizations	(34,045)	(14,828)	(5)	(41)	826 (1)	(48,094)
Financial results						
Financial income	482	1,864	23	31,017	(32,773)	612
Financial costs	(18,650)	(5,940)	(0)	(42,794)	32,773	(34,612)
Profit before income tax	**40,732**	**19,053**	**1,079**	**(10,382)**	**-**	**50,481**
Income tax expense	(12,577)	(5,513)	(286)	2,346	-	(16,030)
Profit for the year	**28,154**	**13,540**	**793**	**(8,036)**	**-**	**34,451**

(1) Reclassification to Amortizations of the grant recognition related to the rights Gasoduto Campo-Maior-Leiria Braga, S.A. e Gasoduto Braga-Tuy, S.A.

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

Revenue included in the segment "Others" is essentially related to the services provided by the management and back office to Group entities as well as third parties.

Assets and liabilities by segment as well as capital expenditures for the three month period ended 31 March 2013 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Segment assets						
Group investments held	-	549,433	-	1,432,191	(1,981,624)	-
Property, plant and equipment and intangible assets	2,626,365	1,235,499	40	718	-	3,862,622
Other assets	387,596	471,175	6,361	3,551,382	(3,395,769)	1,020,745
Total assets	**3,013,960**	**2,256,107**	**6,400**	**5,000,184**	**(5,377,392)**	**4,883,367**
Total liabilities	**2,365,504**	**1,029,830**	**2,289**	**3,813,738**	**(3,395,882)**	**3,815,480**
Capital expenditure - total	**16,537**	**3,770**	**-**	**36**	**-**	**20,343**
Capital expenditure - property, plant and equipment (note 5)	-	-	-	36	-	36
Capital expenditure - intangible fixed assets (note 5)	16,537	3,770	-	-	-	20,307
Investments in associates	-	-	-	9,427	-	9,427

Assets and liabilities by segment as well as capital expenditures for the year ended 31 December 2012 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Segment assets						
Group investments held	-	538,663	-	1,390,905	(1,929,567)	-
Property, plant and equipment and intangible assets	2,645,016	1,246,494	45	736	-	3,892,291
Other assets	375,953	445,691	5,960	3,378,040	(3,411,881)	793,763
Total assets	**3,020,969**	**2,230,849**	**6,005**	**4,769,680**	**(5,341,448)**	**4,686,054**
Total liabilities	**2,399,515**	**1,027,041**	**2,510**	**3,641,281**	**(3,411,881)**	**3,658,465**
Capital expenditure - total	**155,519**	**45,012**	**-**	**523**	**-**	**201,054**
Capital expenditure - property, plant and equipment (note 5)	24	-	-	523	-	547
Capital expenditure - intangible fixed assets (note 5)	155,494	45,012	-	-	-	200,507
Investments in associates	-	-	-	9,382	-	9,382

The liabilities included in the segment "Others" are essentially related to external borrowings obtained directly by REN SGPS, S.A. for financing the several activities of the Group.

The captions of the statement of financial position and profit and loss for each segment result of the amounts considered directly in the individual financial statements of each company that belongs to the Group included in the perimeter of each segment, corrected with the reversal of the intra-segment transactions.

5 TANGIBLE AND INTANGIBLE ASSETS

During the three month period ended 31 March 2013, the changes in tangible and intangible assets in the period were as follows:

	1 January 2013			Changes					31 March 2013		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals, write-offs and other reclassifications	Cost	Accumulated depreciation	Net book value
Property, plant and equipment											
Transmission and electronic equipment	103	(83)	19	-	-	-	(3)	-	103	(87)	16
Transport equipment	1,170	(502)	668	36	-	-	(50)	-	1,206	(552)	653
Office equipment	222	(102)	120	-	-	-	(10)	-	222	(112)	111
Property, plant and equipment in progress	20	-	20	0	-	-	-	-	21	-	21
	1,515	(688)	827	36	-	-	(63)	-	1,551	(750)	801

	1 January 2013			Changes					31 March 2013		
	Cost	Accumulated amortization	Net book value	Additions	Disposals and write-offs	Transfers	Amortization charge	Amortization - disposals, write-offs and other reclassifications	Cost	Accumulated amortization	Net book value
Intangible assets											
Concession assets	6,563,836	(2,814,944)	3,748,892	35	(23)	2,384	(49,948)	21	6,566,233	(2,864,871)	3,701,362
Concession assets in progress	142,572	-	142,572	20,272	-	(2,384)	-	-	160,459	-	160,459
	6,706,408	(2,814,944)	3,891,464	20,307	(23)	-	(49,948)	21	6,726,692	(2,864,871)	3,861,821
Total of property, plant and equipment and intangible assets	**6,707,923**	**(2,815,632)**	**3,892,291**	**20,343**	**(23)**	**-**	**(50,011)**	**21**	**6,728,243**	**(2,865,622)**	**3,862,621**

During the year ended 31 December 2012, the changes in tangible and intangible assets in the year were as follows:

	1 January 2012			Changes					31 December 2012		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals, write-offs and other reclassifications	Cost	Accumulated depreciation	Net book value
Property, plant and equipment											
Transmission and electronic equipment	103	(71)	32	-	-	-	(13)	-	103	(83)	19
Transport equipment	678	(341)	336	492	-	-	(161)	-	1,170	(502)	668
Office equipment	187	(68)	120	35	-	-	(34)	-	222	(102)	120
Property, plant and equipment in progress	-	-	-	20	-	-	-	-	20	-	20
	967	(480)	488	547	-	-	(208)	-	1,515	(688)	827

	1 January 2012			Changes					31 December 2012		
	Cost	Accumulated amortization	Net book value	Additions	Disposals and write-offs	Transfers	Amortization charge	Amortization - disposals, write-offs and other reclassifications	Cost	Accumulated amortization	Net book value
Intangible assets:											
Concession assets	6,244,879	(2,619,393)	3,625,486	9,984	(1,652)	310,626	(197,160)	1,609	6,563,836	(2,814,944)	3,748,892
Concession assets in progress	262,675	-	262,675	190,523	-	(310,626)	-	-	142,572	-	142,572
	6,507,554	(2,619,393)	3,888,161	200,507	(1,652)	-	(197,160)	1,609	6,706,408	(2,814,944)	3,891,464
Total of property, plant and equipment and intangible assets	**6,508,521**	**(2,619,873)**	**3,888,649**	**201,054**	**(1,652)**	**-**	**(197,368)**	**1,609**	**6,707,923**	**(2,815,632)**	**3,892,291**

The additions registered in three month period ended 31 March 2013, in the global amount of 20,343 thousand Euros refer essentially to rights over the investments on construction/renovation and expansion of electrical and gas transportation grid.

The main investments that were concluded and began activity during the periods ended 31 March 2013 and 31 December 2012 are made up as follows:

	Mar 2013	Dec 2012
Electricity segment		
Power line construction (220 KV)	-	51,044
Power line construction (400 KV)	-	46,135
Other power line constructions	-	16,123
Construction of new substations	-	8,275
Substation Expansion	1,719	60,941
Other renovations in substations	5	4,870
Other assets	208	8,634
Gas segment		
Expansion and improvements to natural gas transmission network	388	4,676
Construction project of cavity underground storage of natural gas in Pombal	5	2,690
Construction project of the third tank - Sines terminal	60	107,238
Total of transfer	**2,384**	**310,626**

The intangible assets in progress as of 31 March 2013 and 31 December 2012 are as follows:

	Mar 2013	Dec 2012
Electricity segment		
Power line construction (150KV/220KV e 400KV)	27,805	24,983
Substation Expansion	48,840	42,631
New substations projects	28,615	23,566
Other projects	3,627	3,226
Other assets in progress	149	40
Gas segment		
Expansion and improvements to natural gas transmission network	31,690	29,530
Construction project of cavity underground storage of natural gas in Pombal	19,699	18,596
Construction project of the third tank - Sines terminal	34	-
Total of assets in progress	**160,459**	**142,572**

Financial costs capitalized in intangible assets in progress in the period ended 31 March 2013 amounted to 1,907 thousand Euros (3,726 thousand Euros as of 31 March 2012), while overhead and management costs capitalized amounted to 3,661 thousand Euros (3,246 thousand Euros as of 31 March 2012) (Note 19).

As of 31 March 2013 and 31 December 2012, the net book value of the intangible assets financed through lease contracts was as follows:

	Mar 2013	Dec 2012
Cost	3,425	3,719
Accumulated depreciation and amortization	(2,279)	(2,395)
Net book value	**1,147**	**1,324**

6 INVESTMENT IN ASSOCIATES

Currently, the Group owns 35% of the share capital of OMIP, Operador de Mercado Ibérico (Portugal), SGPS, S.A. ("OMIP, SGPS, S.A."). In accordance with the Agreement between the Republic of Portugal and the Kingdom of Spain regarding the foundation of an Iberian market of electric energy, REN should sell more 25% of the share capital in OMIP, in order to lower its participation in the share capital in OMIP to 10%. While there is an intentions agreement between the involved parties, there were not identified concrete, potential buyers than could enable the realization of the operation.

As of 31 March 2013 and 31 December 2012, the financial information regarding the financial interest held is as follows:

			Associate financial information				Capital owned		
			31 March 2013						
Associate	Activity	Head office	Assets	Liabilities	Revenues	Net profit/(loss)	%	Carrying amount	Group share of profit (loss)
OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A.	Holding company	Lisbon	27,069	136	190	129	35	9,427	45

			Associate financial information				Capital owned		
			31 December 2012						
Associate	Activity	Head office	Assets	Liabilities	Revenues	Net profit/(loss)	%	Carrying amount	Group share of profit (loss)
Equity method:									
OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A.	Holding company	Lisbon	26,904	99	2,274	1,899	35	9,382	665

The changes in the caption "Investments in associates" during the period ended 31 March 2013 were as follows:

	Investments
At 1 January 2013	**9,382**
Effect of aplying the equity method	45
At 31 March 2013	**9,427**

7 INCOME TAX

REN is taxed based on the special regime for the taxation of group of companies ("RETGS"), which includes all companies located in Portugal that REN detains directly or indirectly at least 90% of the share capital and comply with the conditions of the article 69º of the Corporate Income Tax law.

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for social security), except when there are tax losses, tax benefits granted or tax inspections, claims or contestations in progress, in which case the period can be extended or suspended, depending on the circumstances.

The Company's Board of Directors understands that any correction to the tax returns resulting from tax reviews / inspections carried out by the tax authorities will not have a significant effect on the financial statements as of 31 March 2013.

During 2013, following the change in the tax legislation made in December 2012 by Law 66-B/2012, the Company is taxed by a Corporate Income Tax ("CIT") rate of 25%, increased by: (1) Municipal surcharge up the maximum of 1.5% over the taxable profit; and (2) a State surcharge of an additional 3% of taxable profit between 1,500 thousand Euros and 7,500 thousand Euros and an additional 5% over the taxable profit in excess of 7,500 thousand Euros, which results in a maximum aggregate CIT tax rate of 31.5%.

The tax rate used in the valuation of temporary taxable and deductible differences as of 31 March 2013, was calculated for each company included in the consolidation perimeter using the average tax rate expected in accordance with future perspective of taxable profits of the company recoverable in the next periods.

Income tax registered in the three months period ended on 31 March 2013 and 2012 is detailed as follows:

	mar 2013	mar 2012
Current income tax	23,364	8,132
Adjustaments of income tax from previous year	(506)	228
Deferred income tax	(8,739)	7,670
Income tax	**14,120**	**16,030**

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

	mar 2013	mar 2012
Consolidated profit before income tax	**43,189**	**50,481**
Permanent differences		
Positive net worth variation	(33)	(33)
Non deductible costs	85	734
Non taxable income	(320)	(685)
Timing differences		
Tariff deviations	27,820	(25,790)
Provisions	1	1
Revaluations	1,669	1,815
Pension, medical assistence and life insurance plans	12	1,375
Fair value of financial instruments	(41)	(41)
Others	-	15
Taxable income	72,383	27,873
Tax rate - 25%	18,096	6,968
State surcharge tax- taxable income above 1,5 million	3,840	289
Municipal surcharge-1,5%	1,314	757
Autonomous taxation	115	118
Current income tax	23,364	8,132
Deferred income tax	(8,739)	7,670
Deferred income tax	(8,739)	7,670
Adjustments of estimated tax in previous years	(506)	228
Income tax	**14,120**	**16,030**
Effective tax rate	**32.69%**	**31.75%**

Income taxes

The caption “Income tax” payable and receivable as of 31 March 2013 and 31 December 2012 is detailed as follows:

	Mar 2013	Dec 2012
Income tax:		
Corporate income tax - estimated tax	-	(18,995)
Corporate income tax - payments on account	-	31,414
Income withholding tax by third parties	-	1,565
Income tax receivable from the previous year	13,984	334
Income tax receivable	**13,984**	**14,318**
Corporate income tax - estimated tax	23,364	-
Corporate income tax - payments on account	(41)	-
Income withholding tax by third parties	(504)	-
Income tax payable	**22,819**	**-**

Deferred taxes

The effect of deferred taxes registered in the consolidated financial statements is as follows:

	mar 2013	mar 2012
Impact on the statement of profit and loss		
Deferred tax assets	4,555	(5,701)
Deferred tax liabilities	4,184	(1,969)
	8,739	(7,670)
Impact on equity		
Deferred tax assets	(1,199)	1,591
	(1,199)	1,591
Net impact of deferred taxes	**7,540**	**(6,079)**

The changes in deferred tax by nature was as follows:

Change in deferred tax assets - March 2013

	Provisions /Impairments	Pensions	Tariff deviations	Derivative financial instruments	Others	Total
At 1 January 2013	**3,483**	**30,684**	**18,185**	**8,858**	**5**	**61,215**
Increase/decrease through reserves	-	-	-	(1,199)	-	(1,199)
Reversal through profit and loss	-	-	-	(10)	(1)	(11)
Increase through profit and loss	-	4	4,562	-	-	4,566
Change in the period	-	4	4,562	(1,209)	(1)	3,356
At 31 March 2013	**3,483**	**30,687**	**22,747**	**7,649**	**4**	**64,570**

Change in deferred tax assets - December 2012

	Provisions /Impairments	Pensions	Tariff deviations	Derivative financial instruments	Others	Total
At 1 January 2012	**2,388**	**15,982**	**39,412**	**4,383**	**892**	**63,057**
Increase/decrease through reserves	-	15,602	-	4,529	-	20,131
Reversal through profit and loss	(290)	(1,248)	(21,227)	(54)	(887)	(23,707)
Increase through profit and loss	1,386	347	-	-	-	1,733
Change in the period	1,096	14,702	(21,227)	4,474	(887)	(1,843)
At 31 December 2012	**3,483**	**30,684**	**18,185**	**8,858**	**5**	**61,215**

Deferred tax assets on 31 March 2013 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 2013

	Tariff deviations	Revaluation	Total
At 1 January 2013	**52,373**	**30,424**	**82,797**
Reversal trough profit and loss	(3,673)	(511)	(4,184)
Change in the period	(3,673)	(511)	(4,184)
At 31 March 2013	**48,700**	**29,913**	**78,613**

Evolution of deferred tax liabilities – December 2012

	Tariff deviations	Revaluation	Total
At 1 January 2012	**34,345**	**32,531**	**66,875**
Increase through profit and loss	18,029	-	18,029
Reversal trough profit and loss	-	(2,107)	(2,107)
Change in the period	18,029	(2,107)	15,922
At 31 December 2012	**52,373**	**30,424**	**82,797**

Deferred tax liabilities relating to revaluations result from revaluations made in preceding years under applicable legislation. The effect of these deferred taxes reflects the non-tax deductibility of 40% of future depreciation of the revaluations (included in the assets considered cost at the time of the transition to IFRS).

The legal diplomas that supported these revaluations were the following:

Legislation (Revaluation)	
Electricity segment	**Natural gas segment**
Decree-Law nº 430/78	Decree-Law nº 140/2006
Decree-Law nº 399-G/81	
Decree-Law nº 219/82	
Decree-Law nº 171/85	
Decree-Law nº 118-B/86	
Decree-Law nº 111/88	
Decree-Law nº 7/91	
Decree-Law nº 49/91	
Decree-Law nº 264/92	

8 FINANCIAL ASSETS AND LIABILITIES

The accounting policies for financial instruments in accordance with the IAS 39 categories have been applied to the following financial assets and liabilities:

March 2013

	Notes	Credits and other receivables	Fair value - hedging derivative financial instruments	Fair value - Negotiable derivatives	Available-for-sale	Fair value - through profit and loss	Other financial assets/liabilities	Total carrying amount	Fair value
Assets									
Cash and cash equivalents	12	91,794	-	-	-	-	-	91,794	91,794
Trade and other receivables	10	369,419	-	-	-	-	-	369,419	369,419
Other investments		318,853	-	-	-	4,137	-	322,990	322,990
Available-for-sale financial assets	9	-	-	-	138,477	-	-	138,477	138,477
Income tax receivable	7	13,984	-	-	-	-	-	13,984	13,984
Derivative financial instruments	11	-	2,659	427	-	-	-	3,085	3,085
Total financial assets		**794,050**	**2,659**	**427**	**138,477**	**4,137**	**-**	**939,750**	**939,750**
Liabilities									
Borrowings	14	-	-	-	-	-	2,893,721	2,893,721	2,893,721
Trade and other payables	17	-	-	-	-	-	341,370	341,370	341,370
Income tax payable	7	-	-	-	-	-	22,819	22,819	22,819
Drivative financial instruments	11	-	25,114	813	-	-	-	25,926	25,926
Total financial liabilities		**-**	**25,114**	**813**	**-**	**-**	**3,257,910**	**3,283,837**	**3,283,837**

December 2012

	Notes	Credits and other receivables	Fair value - hedging derivative financial instruments	Fair value - Negotiable derivatives	Available-for-sale	Fair value - through profit and loss	Other financial assets/liabilities	Total carrying amount	Fair value
Assets									
Cash and cash equivalents	12	61,246	-	-	-	-	-	61,246	61,246
Trade and other receivables	10	381,189	-	-	-	-	-	381,189	381,189
Other investments		117,163	-	-	-	4,285	-	121,447	121,447
Available-for-sale financial assets	9	-	-	-	131,002	-	-	131,002	131,002
Income tax receivable	7	14,318	-	-	-	-	-	14,318	14,318
Derivative financial instruments	11	-	6,853	416	-	-	-	7,269	7,269
Total financial assets		**573,916**	**6,853**	**416**	**131,002**	**4,285**	**-**	**716,471**	**716,471**
Liabilities									
Borrowings	14	-	-	-	-	-	2,705,895	2,705,895	2,705,895
Trade and other payables	17	-	-	-	-	-	383,952	383,952	383,952
Income tax payable	7	-	-	-	-	-	-	-	-
Drivative financial instruments	11	-	27,958	811	-	-	-	28,769	28,769
Total financial liabilities		**-**	**27,958**	**811**	**-**	**-**	**3,089,847**	**3,118,616**	**3,118,616**

The caption “Other financial assets” in the amount of 322,990 thousand Euros, includes:

- Financial assets at fair value through results, comprising the Group’s financial investment in the closed fund “Luso Carbon Fund” with a maturity of 10 years.
- Other receivables, mainly related to: (i) A guarantee given to EIB in November 2012, in the form of a secured deposit in the amount of 117,163 thousand Euros, that is required until REN’s investment grade rating is re-established or this guarantee is replaced by another acceptable by EIB (including bank guarantees presented by financial institutions acceptable by EIB) (Note 14); and (ii) two bank deposits with maturities over three months in the amount of 200.000 thousand Euros.

Fair value estimate – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value on 31 March 2013 in accordance with the following hierarchy levels of fair value:

- Level 1: the fair value of financial instruments is based on net liquid market prices as of the date of the consolidated statement of financial position;
- Level 2: the fair value of financial instruments is not based on active market prices but rather on valuation models. The main inputs of the models used are taken from the market, the discount rate intervals used for the Euro curve being around 0.083% to 2.254% (maturities of 1 week and twenty years respectively);
- Level 3: the fair value of financial instruments is not based on active market prices, but rather on valuation models, for which the main inputs are not taken from the market.

		Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale financial assets	Shares	96,511	-	-	96,511
Financial assets at fair value	Hedging derivatives	-	2,659	-	2,659
Financial assets at fair value recorded in income	Negotiable derivatives	427	-	-	427
Other investments	Treasury funds	4,137	-	-	4,137
Liabilities:					
Financial liabilities at fair value recorded in reserves	Hedging derivatives	-	25,114	-	25,114
Financial liabilities at fair value recorded in income	Negotiable derivatives	813	-	-	813
		100,262	**(22,455)**	**-**	**77,807**

With respect to the current receivables and payables balances, its carrying amount corresponds to a reasonable approximation of its fair value.

The non-current accounts receivable and accounts payable refers, essentially, to tariff deviations whose amounts are communicated by ERSE, being its carrying amount a reasonable approximation of its fair value, given that they include the time value of money, being incorporated in the next two years tariffs.

9 ASSETS AVAILABLE FOR SALE

The assets recognised in this caption as of 31 March 2013 and 31 December 2012 correspond to equity interests held on strategic entities for the Group, which can be detailed as follows:

	Head office				Book value	
	City	Country	% owned	Entity	Mar 2013	Dec 2012
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	Madrid	Spain	10.00%	REN, SGPS	3,167	3,167
Red Electrica Corporacion, S.A. ("REE")	Madrid	Spain	1.00%	REN, SGPS	53,133	50,493
Enagás, S.A.	Madrid	Spain	1.00%	REN, SGPS	43,378	38,542
Med Grid SAS	Paris	France	5.26%	REN, SGPS	400	400
Hidroeléctrica de Cahora Bassa	Maputo	Mozambique	7.50%	REN, SGPS	38,400	38,400
					138,477	**131,002**

The changes in this caption were as follows:

	OMEL	Med Grid	HCB	REE	ENAGAS	Total
At 1 January 2012	**3,167**	**-**	**-**	**44,760**	**34,125**	**82,051**
Acquisitions	-	400	38,400	-	-	38,800
Fair value adjustments	-	-	-	5,733	4,418	10,151
At 31 December 2012	3,167	400	38,400	50,493	38,542	131,002
At 1 January 2013	**3,167**	**400**	**38,400**	**50,493**	**38,542**	**131,002**
Fair value adjustments	-	-	-	2,640	4,836	7,475
At 31 March 2013	**3,167**	**400**	**38,400**	**53,133**	**43,378**	**138,477**

The interests held in REE and Enagás are recorded at fair value determined based on the shares closing quotations of 31 March 2013.

Red Eléctrica Corporación (“REE”) is the transmission system operator of electricity in Spain. REN, SGPS acquired 1% of equity interests in REE as part of the agreement signed by the Portuguese and Spanish Governments. REE is a listed company in Madrid’s index IBEX 35– Spain and the financial asset was recorded on the statement of financial position at the market price of 31 March 2013.

ENAGÁS is the transmission system operator of natural gas in Spain. REN, SGPS acquired a 1% stake in Enagás as part of a strategic partnership agreement. Enagás is a listed company in Madrid’s index IBEX 35 and the financial asset was recorded on the statement of financial position at the market price of 31 March 2013.

As of 31 March 2013, the Group holds the following equity instruments of non-listed companies:

(i) Hidroeléctrica de Cahora Bassa, S.A. (“HCB”): On 3 July 2012 REN bought shares representing 7.5% of HCB’s share capital, as a result of the conditions established in the agreement signed on 9 April 2012 between REN, Parpública – Participações Públicas, SGPS, S.A. (“Parpública”), CEZA – Companhia Eléctrica do Zambeze, S.A. and EDM – Electricidade de Moçambique , EP for the acquisition of 2,060,661,943 shares owned by Parapública representing 7.5% of HCB’s share capital and voting rights for the total price of 38,400 thousand Euros.

(ii) Medgrid, S.A.S.: During 2012 REN became shareholder of Medgrid, having bought 4,000 shares (400 thousand Euros representing 5.26% of the share capital). This project is an international partnership to promote and develop interconnection electric network of the Mediterranean, allowing the transportation of clean electricity produced in Africa to Europe.

(iii) OMEL, Operador del Mercado Ibérico de Energia, S.A. (“OMEL”): Within the scope of the creation of a sole operator in the Iberia market (OMI) in 2011 and as agreed between the Portuguese republic and the Rein of Spain regarding the creation of the Iberian electrical energy market, the Group bought 10% of the share capital of OMEL, Operador del Mercado Ibérico de Energia, S.A., in the amount of 3,167 thousand Euros.

As there are no available market prices for the above referred investments (HCB, MedGrid and OMEL), and as it is not possible to determine the fair value of the period using comparable transactions, these shares are recorded at its acquisition cost deducted of impairment losses as described in note 3.6 of the consolidated financial statements of 31 December 2012, being REN’s understanding that as of 31 March 2013, there is no evidence of impairment losses on these investments.

The adjustments to fair value of available-for-sale financial assets are recognised in the equity caption “Fair value reserve” that as of 31 March 2013 and 31 December 2012 had the following amounts:

	Fair value reserve (Note 13)
1 January 2012	**(14,244)**
Changes in fair value	10,151
31 December 2012	**(4,093)**
1 January 2013	**(4,093)**
Changes in fair value	7,475
31 March 2013	**3,382**

10 TRADE AND OTHER RECEIVABLES

Trade and other receivables as of 31 March 2013 and 31 December 2012 are made up as follows:

Trade and other receivables

	Mar 2013			Dec 2012		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	187,354	155	187,509	191,321	155	191,476
Impairment of trade receivables	(822)	-	(822)	(822)	-	(822)
Trade receivables net	186,532	155	186,687	190,499	155	190,654
Tariff deviations	86,954	77,729	164,682	100,554	75,592	176,146
Impairment of other receivables	-	(5,296)	(5,296)	-	(5,296)	(5,296)
State and Other Public Entities	23,346	-	23,346	19,685	-	19,685
Trade and other receivables	**296,831**	**72,588**	**369,419**	**310,738**	**70,451**	**381,189**

The most significant amounts in trade receivables are the receivables from EDP – Distribuição de Energia, S.A. in the amount of 94,192 thousand Euros (82,624 thousand Euros as of 31 December 2012) and Galp in the amount of 16,059 thousand Euros (10,473 thousand Euros as of 31 December 2012).

Under the applicable regulation, Group REN recorded during the year of 2008, interests relating to the tariff deficit receivable in the amount of 5,296 thousand Euros. Since then the Company has been developing efforts for the recoverability of this amount, not only with the Portuguese State (main shareholder until February 2012) as well as with the regulator of its activity, ERSE. According to its best judgment and risk assessment of the recoverability of this amount as of the date of these financial statements, the entire amount is fully covered by an impairment loss.

Changes to the impairment losses for trade receivable and other accounts receivable are made up as follows:

	Mar 2013	Dec 2012
Begining balance	**(6,118)**	**(3,472)**
Increases	-	(2,646)
Ending balance	**(6,118)**	**(6,118)**

11 DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 March 2013 and 31 December 2012 the REN Group had the following derivative financial instruments contracted:

		31 March 2013			
		Assets		Liabilities	
	Notional	Current	Non-current	Current	Non-current
Derivatives designated as cash flow hedges					
Interest rate swaps	425,000 TEUR	-	-	-	25,114
Interest rate and currency swaps	10,000,000 TJPY	-	2,659	-	-
		-	2,659	-	25,114
Negotiable derivatives		427	-	813	-
Derivative financial instruments		**427**	**2,659**	**813**	**25,114**

		31 December 2012			
		Assets		Liabilities	
	Notional	Current	Non-current	Current	Non-current
Derivatives designated as cash flow hedges					
Interest rate swaps	425,000 TEUR	-	-	-	27,958
Interest rate and currency swaps	10,000,000 TJPY	-	6,853	-	-
		-	6,853	-	27,958
Negotiable derivatives		416	-	811	-
Derivative financial instruments		**416**	**6,853**	**811**	**27,958**

The amount recorded in this caption relates to six interest rate swaps and one cross currency swap, contracted by REN SGPS to hedge the risk of fluctuation of future interest and foreign exchange rates.

The amounts presented above, include interest receivable and payable relating to derivative financial instruments in the net payable amount of 1,753 thousand Euros as of 31 March 2013.

The features of the swaps as of 31 March 2013 and 31 December 2012 are as follows:

Reference value	Payment periods	Receipt/payment	Maturity date	Fair value at 31.03.2013	Fair value at 31.12.2012
Interest rate swaps:					
50 000 mEuros	Interest payment periods: payable: 27 April and October – interest settled semesterly; receivable: 27 April and October – interest settled semesterly.	REN receives Euribor 6M and pays 2.26%	October 2014	(1,614)	(1,677)
50 000 mEuros	Interest payment periods: payable: 27 April and October – interest settled semesterly; receivable: 27 April and October – interest settled semesterly.	REN receives Euribor 6M and pays 2.23%	October 2014	(1,590)	(1,646)
50 000 mEuros	Interest payment periods: payable: 12 January and July – interest settled semesterly; receivable: 12 January and July – interest settled semesterly.	REN receives Euribor 6M and pays 2.15%	July 2014	(1,312)	(1,720)
100 000 mEuros	Interest counting periods: payable: 15 March, June, September and December – Interest settled quartely; receivable: 15 June, September and December - interest settled quartely	REN receives Euribor 3M and pays 2.72%	December 2016	(8,214)	(9,162)
100 000 mEuros	Interest counting periods: payable: 15 March, June, September and December – Interest settled quartely; receivable: 15 June, September and December - interest settled quartely	REN receives Euribor 3M and pays 2.77%	December 2016	(8,356)	(9,132)
75 000 mEuros	Interest payment periods: payable: 15 March, June ,September and December – interest settled quarterly; receivable: 15 March, June, September and December – interest settled quarterly.	REN receives Euribor 3M and pays 1.89%	September 2017	(4,029)	(4,621)
425 000 mEuros				**(25,114)**	**(27,958)**
Cross-currency swap:					
10 000 000 000 JPY 72 899 mEuros	Interest counting periods: payable: 26 June and December – interest settled half yearly; receivable: 26 June and December - interest settled half yearly.	REN receives 2.71% and pays 5.64% (annual) up to June 2019 and Euribor 6M + 190 b.p. from that date to maturity	June 2024	2,659	6,853
10 000 000 000 JPY				**2,659**	**6,853**
			Total	**(22,455)**	**(21,105)**

Swaps:

Cash flow hedges

The Group hedges part of the future payments of interest on borrowings, bonds issued and commercial paper programmes through the designation of interest rate swaps in which it pays a fixed rate and receives a variable rate, with a notional amount of 425,000 thousand Euros (425,000 thousand Euros in December 2012). 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 on 31 March 2013 was 25,114 thousand Euros negative (27,958 thousand Euros negative on 31 December 2012).

In addition, REN hedges its exposure to cash flow risk on its bond issue of 10,000 million JPY resulting from foreign exchange rate risk, through a cross currency swap with the main features equivalent to the debt issued. The same hedging instrument is used to hedge the fair value of the exchange rate risk of the bond issue through the forward start swap component which will only start in June 2019. The variations in the fair value of the hedging instrument are also recognized in hedging reserves. As from June 2019 the object will be to hedge exposure to JPY and the interest rate risk, transforming the operation into a fair value hedge, the changes in fair value of the debt issued resulting from the risks covered becoming recognized in the statement of profit and loss. The credit risk is not hedged. The amounts resulting from the hedging instrument are recognized in the statement of profit and loss when the transaction hedged affects results for the year. The fair value of the cross currency swap on 31 March 2013 was 2,659 thousand Euros positive (6,853 thousand Euros positive on 31 December 2012).

The underlying exchange variation (borrowing) for 2013, in the amount of, approximately, 9,834 thousand Euros, was offset by a similar variation in the hedging instrument in the statement of profit and loss. The inefficient component of the fair value hedge amounted to 20 thousand Euros negative.

The amount recorded in reserves relating to the above mentioned cash flow hedges was 30,479 thousand Euros as of 31 March 2013 (35,431 thousand Euros as of 31 December 2012).

The changes in this caption (Note 13) were as follows:

	Fair value	Deferred taxes impact	Hedging reserves
1 January 2012	**(14,793)**	**4,290**	**(10,503)**
Changes in fair value	(20,638)	4,529	(16,109)
31 December 2012	**(35,431)**	**8,819**	**(26,612)**
1 January 2013	**(35,431)**	**8,819**	**(26,612)**
Changes in fair value	4,952	(1,199)	3,753
31 March 2013	**(30,479)**	**7,620**	**(22,860)**

Fair value hedge

In February 2009 the Group contracted an interest rate swap to hedge the fair value of a bond issue of 300,000 thousand Euros. The hedge was discontinued in November 2009, and as of 31 March 2013 the hedged instrument has a fair value adjustment resulting from the hedge of 115 thousand Euros. This amount is being 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 market of energy, coal and CO_2 emission licences, through contracts standardized by the 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 on behalf 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.

These financial derivatives contracts in the futures market do not imply any physical liquidation of the underlying assets, being an activity of a purely financial nature, in a framework of financial management of assets, not being viewed as a regulated activity of the Commercial Agent.

The fair value of the futures energy contracts and carbon licences as of 31 March 2013 and 31 December 2012 was as follows:

	Mar 2013	
	Current assets	Current liabilities
Financial contracts in the energy market for 2013	427	-
CO2 licences	-	813
Fair vale at 31 March 2013	**427**	**813**

	Dec 2013	
	Current assets	Current liabilities
Financial contracts in the energy market for 2013	416	-
CO2 licences	-	811
Fair vale at 31 December 2012	**416**	**811**

The changes in fair value of trading derivatives that were recognized in profit and loss were 9 thousand Euros positive in March 2013 (443 thousand Euros negative on 31 December 2012).

12 CASH AND CASH EQUIVALENTS

The amounts considered as cash and cash equivalents as of 31 March 2013 and 31 December 2012 are made up as follows:

	Mar 2013	Dec 2012
Cash	22	-
Bank deposits	92,045	61,246
Cash and cash equivalents in balance	**92,067**	**61,246**
Bank overdrafts (Note 14)	(273)	-
Cash and cash equivalents in cash flow statement	**91,794**	**61,246**

13 EQUITY INSTRUMENTS

Share capital

REN's subscribed and paid up share capital as of 31 March 2013 and 31 December 2012 was made up of 534,000,000 shares of 1 euro each.

	Number of shares	Share capital
Share Capital	534,000,000	534,000

Own shares

As of 31 March 2013 REN SGPS had the following own shares:

	Number of shares	Proportion	Amount
Own shares	3,881,374	0.73%	(10,728)

No own shares were acquired or sold in the three month period ended 31 March 2013.

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.

Other reserves

The caption "Other reserves" includes:

- Legal reserves, in the amount of 85,437 thousand Euros: The Commercial Company Code in place requires that at least 5% of the net profit must be transferred to this reserve until it has reached 20% of capital. The reserve cannot be distributed unless in case of company liquidation, but can be used to cover losses after other reserves are depleted or to increase capital.

- Fair value reserves:
  - (i) Fair value reserve – includes changes in the fair value of held for sale assets (positive 3,382 thousand Euros), as detailed in Note 9;

(ii) Hedging reserve – includes changes in the fair value of hedging derivative financial instruments when cash flow hedge is effective (negative 22,860 thousand Euro) as detailed in Note 11.

In accordance to the legislation in place in Portugal, increase in capital as a result of the incorporation of fair value (fair value reserves and hedging reserves) can only be disbursed to shareholders when the assets that gave place to its fair values have been sold, exercised, extinct, settled or used.

- Free reserves, in the amount of 177,022 thousand Euros: This caption is used for applying the period end net income. The amount included in this caption can be disbursed to shareholders with the exception imposed by the Commercial Company Code regarding own shares.

14 BORROWINGS

The segregation of borrowings between current and non-current and by nature, as of 31 March 2013 and 31 December 2012 was as follows:

	March 2013			December 2012		
	Current	Non-current	Total	Current	Non-current	Total
Commercial Paper	-	-	-	250,000	93,000	343,000
Bonds	850,000	1,216,348	2,066,348	850,000	771,676	1,621,676
Bank Borrowings	66,123	745,236	811,359	66,123	670,085	736,208
Bank overdrafts (Note 12)	273	-	273	-	-	-
Finance Lease	536	654	1,189	643	734	1,377
	916,931	1,962,238	2,879,169	1,166,766	1,535,495	2,702,261
Accrued interest	33,636	-	33,636	18,816	-	18,816
Prepaid interest	(19,085)	-	(19,085)	(15,183)	-	(15,183)
Borrowings	**931,483**	**1,962,238**	**2,893,721**	**1,170,400**	**1,535,495**	**2,705,895**

In January 2013 the Group issued two bonds of 150,000 thousand Euros and 300,000 thousand Euros with maturity in January 2020 and January 2018.

The Group’s outstanding bond loans as of 31 March 2013 are detailed as follows:

31 March 2013					
Emission date	Maturity	Amount		Interest rate	Periodicity of interest payment
REN SGPS private emission					
27/04/2011	27/10/2014	100,000	(i)	Floating rate (ii)	Semesterly
12/07/2011	12/07/2014	50,000	(i)	Floating rate (ii)	Semesterly
14/03/2012	14/03/2015	20,000	(i)	Floating rate (ii)	Semesterly
"Euro Medium Term Notes" programme emissions					
10/12/2008	10/12/2013	800,000		Fixed rate EUR 7,875%	Annually
20/04/2009	05/12/2013	50,000	(i)	Floating rate	Quarterly
26/06/2009	26/06/2024	JPY 10.000.000	(i)	Fixed rate (ii)	Semesterly
08/03/2012	09/03/2015	63,500	(i)	Fixed rate	Semesterly
21/09/2012	21/09/2016	300,000		Fixed rate EUR 6,25%	Semesterly
28/09/2012	28/09/2015	50,000	(i)	Fixed rate	Annually
10/12/2012	10/12/2015	100,000	(i)	Fixed rate	Semesterly
16/01/2013	16/01/2020	150,000	(i)	Floating rate	Quarterly
31/01/2013	31/01/2018	300,000		Fixed rate	Annually

(i) These emissions correspond to private placements.
(ii) These emissions have associated interest rate swaps and/or cross currency swaps (Note 11)

REN is a subscriber of seven commercial paper programs amounting to 875,000 thousand Euros (1,170,000 thousand Euros in December 2012), however, no amount was subscribed on 31 March 2013 (343,000 thousand Euros in December 2012). The inflows resulting of the bond issues mentioned above contributed to the absence of commercial paper subscription.

The bank borrowings are mainly (698,208 thousand Euros) represented by EIB – European Investment Bank loans. Part of these borrowings (275,000 thousand Euros) are hedged with interest rate swaps (Note 11).

In March 2013 REN obtained a 3 years maturity loan providing its share capital stakes in Red Eléctrica Corporación and in Enagás as collateral. REN mantains in full the rights inherent to such shareholdings, including voting rights and dividends.

REN's financial liabilities have the following main types of covenants: *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 include ratings covenants. In the event of REN's ratings falling below the levels specified, REN can be called to provide a guarantee acceptable to EIB. As of 31 March 2013 REN provide a guarantee to EIB, in the form of a pledge bank deposit, in the amount of 117,163 thousand Euros (as of 31 December 2012 the guarantee value was the same) (Note 8).

Following the legal standards and usual market practices, contractual terms and free market competition, establish that neither REN nor its counterparts in borrowing agreements are authorized to disclose further information regarding the content of these financing agreements.

The book value and fair value of the borrowings were as follows:

	Book value		Fair value	
	March 2013	December 2012	March 2013	December 2012
Commercial Paper	-	343,000	-	343,042
Bank Borrowings	811,359	736,208	809,435	764,386
Bonds	2,066,348	1,621,676	2,094,066	1,805,072
Others	1,189	1,377	1,252	1,466
	2,878,897	**2,702,261**	**2,904,752**	**2,913,965**

Fair value is calculated in accordance with the discounted cash flow method, using an interest rate curve at the statement of financial position date, in accordance with the characteristics of each type of borrowing.

Market interest rates used for the calculation of the fair value are included in the interval between 0.083% and 2.254% (maturity of one week and twenty years respectively).

15 POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS

REN – Rede Eléctrica Nacional, S.A. grants supplementary retirement, pre-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 Group also grants their employees life assurance plans. There were no changes in relation to 31 December 2012 in the benefits granted to the employees.

As of 31 March 2013 and 31 December 2012 the Group had the following amounts recorded relating to liabilities for retirement and other benefits:

	Mar 2013	Dec 2012
Liability on the Balance Sheet		
Pension plan	68,001	68,208
Healthcare plan and other benefits	37,692	37,477
Life assurance plan	127	123
	105,820	**105,808**

During the three month period ended 31 March 2013 and 31 March 2012 the following operating expenses were recorded regarding benefit plans with employees:

	Mar 2013	Mar 2012
Charges to the statement of profit and loss (note 22)		
Pension plan	1,186	433
Healthcare plan and other benefits	236	251
Life assurance plan	4	4
	1,426	**688**

The amounts reported to 31 March 2013 result from the projection of the actuarial valuation as of 31 December 2012 for the three month period ended 31 March 2013, considering the estimated increase in salaries for 2013.

The actuarial assumptions used to calculate the post-employment benefits, which are considered by the REN Group and the entity specialized in actuarial studies to be those that best meet the commitments established in the pension plan and related retirement benefit liabilities, are as follows:

	Mar 2013	Dec 2012
Annual discount rate	3.25%	3.25%
Expected percentage of serving employees elegible for early retirement (more than 60 years of age)	20.00%	20.00%
Expected percentage of serving employees elegible for early retirement (between 55 and 59 years of age)	20.00%	20.00%
Rate of salary increase	3.30%	3.30%
Pension increase	2.00%	2.00%
Future increases of Social Security Pension amount	2.00%	2.00%
Inflation rate	2.00%	2.00%
Medical trend	3.50%	3.50%
Management costs (per employee/year)	215€	215€
Expenses medical trend	2.20%	2.20%
Rate of return on assets	5.70%	5.70%
Mortality table	TV 88/90	TV 88/90

16 PROVISIONS

The changes in provisions in the reported periods is as follows:

	Mar 2013	Dec 2012
Begining balance	**7,220**	**32,314**
Increases	-	2,833
Reversing	-	(197)
Utilization (i)	-	(27,730)
Ending balance	**7,220**	**7,220**
Current provision	2,419	2,419
Non-current provision	4,801	4,801
	7,220	**7,220**

As of 31 March 2013 the caption “Provisions” corresponds essentially to estimates of the payments to be made by REN resulting from legal processes in progress for damage caused to third parties and a restructuring provision in the amount of 2,000 thousand Euros, recorded in 2012, related to the Group’s restructuring plan in course.

(i) The utilization in 2012 refers to the payment of 27,837 thousand Euros in January 2012 of the indemnity on the Amorim Energia B.V. litigation process, plus interest owed up to the date of payment being the provision used in the amount of 27,730 thousand Euros. The expense as well as the revenue regarding the reversal of the provision, are not visible in the income statement as they were recorded in the same caption, as recommended by the accounting principles, avoiding the overstatement of expenses and losses.

17 TRADE AND OTHER PAYABLES

The caption "Trade and other payables" as of 31 March 2013 and 31 December 2012 was made up as follows:

	Mar 2013			Dec 2012		
	Current	Non current	Total	Current	Non current	Total
Trade payables						
Current suppliers	120,490	-	120,490	146,588	-	146,588
Other creditors						
Other creditors	57,465	28,291	85,755	58,382	6,822	65,204
Tariff deviations	24,080	29,728	53,807	32,106	30,900	63,006
Fixed assets suppliers	46,996	-	46,996	83,890	-	83,890
Tax payables (i)	28,163	-	28,163	20,215	-	20,215
Deferred income						
Grants related to assets	19,133	320,857	339,990	20,851	323,173	344,024
Accrued costs						
Holidays and holidays subsidies	6,159	-	6,159	5,050	-	5,050
Trade and other payables	**302,485**	**378,875**	**681,360**	**367,081**	**360,895**	**727,977**

(i) Tax payables refer to VAT, personnel income taxes and other taxes

18 SALES AND SERVICES RENDERED

Sales and services rendered recognized in the consolidated statement of profit and loss are made up as follows:

	Mar 2013	Mar 2012
Goods:		
Domestic market	56	86
	56	86
Services:		
Electricity transmission and overall systems management	96,213	100,220
Natural gas transmission	29,823	30,931
Regasification	9,245	8,662
Underground gas storage	3,209	3,378
Telecommunications network	1,237	1,301
Trading	682	281
Others	337	120
	140,747	144,894
Total sales of goods and services	**140,803**	**144,980**

19 REVENUE AND COSTS FROM CONSTRUCTION ACTIVITIES

As part of the concession contracts treated under IFRIC 12, the construction activity is subcontracted to specialized suppliers. Therefore the Group obtains no margin in the construction of these assets. The detail of the revenue and expenses with the acquisition of concession assets for the three month periods ended 31 March 2013 and 31 March 2012 is the following:

	Mar 2013	Mar 2012
Revenue from construction of concession assets		
- Acquisitions	14,739	18,009
- Own work capitalised :		
Financial expenses (Note 5)	1,907	3,726
Overhead and management costs (Note 5)	3,661	3,246
	20,307	**24,981**
Cost of construction of concession assets		
- Acquisitions	14,739	18,009
	14,739	**18,009**
	14,739	**18,009**

20 OTHER OPERATING INCOME

The caption "Other operating income" is made up as follows:

	Mar 2013	Mar 2012
Recognition of investment subsidies	4,781	4,489
Supplementary income	440	474
Hedging	867	-
Others	1,171	302
	7,260	**5,264**

The caption "Hedging" refers to gains on financial operations in the futures market for energy, coal, and carbon emission licences, through contracts standardized by the International Swaps and Derivatives Association Inc. ("ISDA"), as well as through participation in futures trading exchanges. The operations are merely financial not involving physical deliveries.

21 EXTERNAL SUPPLIES AND SERVICES

The caption "External supplies and services" for the three month periods ended 31 March 2013 and 31 March 2012 is made up as follows:

	Mar 2013	Mar 2012
Gas transport subcontracts	857	839
Maintenance costs	1,183	1,952
Fees relating to external entities ii)	2,066	1,768
Cross border interconnection costs iii)	656	1,247
Electric energy costs	1,155	1,421
Insurance costs	715	691
Reserve capacity costs i)	366	369
Publicity costs	241	372
Security and surveillance	419	471
Other (less than 1,000 thousand Euros)	1,468	1,673
External supplies and services	**9,125**	**10,803**

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

ii) The cross border interconnection costs refer to the cost assumed on cross-border trade in electricity. The variation registered in March 2013, when compared with the same period of last year reflects the decrease of the electricity import flows.

iii) Reserve 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 global management activity of the REN S.A. system in accordance with the regulatory model currently in force.

22 PERSONNEL COSTS

Personnel costs are made up as follows:

	Mar 2013	Mar 2012
Remuneration		
Board of directors	622	327
Personnel	8,711	8,427
	9,333	8,754
Social charges and other expenses		
Post-employement and other benefits cost (Note 15)	1,426	688
Performance bonuses	-	-
Charges on remuneration	2,104	1,888
Social support costs	12	49
Other	853	602
	4,396	3,228
Total personnel costs	**13,729**	**11,981**

The Corporate Bodies remuneration includes remunerations paid to the Board of Directors as well as to the Board of the General Shareholders meeting.

23 OTHER OPERATING COSTS

Other operating costs are made up as follows:

	Mar 2013	Mar 2012
ERSE operating costs i)	2,190	2,190
Donations	60	42
Taxes	400	537
Quotizations	664	519
Others	114	257
	3,428	**3,545**

i) The caption “ERSE operating costs” corresponds to ERSE’s operating costs, to be recovered through electricity and gas tariffs.

24 FINANCIAL COSTS AND INCOME

Financial costs and income are made up as follows:

	Mar 2013	Mar 2012
Financial costs		
Interest cost	32,753	32,690
Swaps	2,847	1,621
Losses on other financial assets	364	301
	35,599	**34,612**
Financial income		
Interest income	1,704	551
Liquidation of swaps	106	61
	1,810	**612**

25 EARNINGS PER SHARE

Earnings per share attributable to REN's shareholders were calculated as follows:

		Mar 2013	Mar 2012
Consolidated net profit used to calculate earnings per share	(1)	29,070	34,451
Number of ordinary shares outstanding during the period (Note 13)	(2)	534,000,000	534,000,000
Effect of own shares (Note 13) (average number of shares)		3,881,374	3,881,374
Number of shares in the period	(3)	530,118,626	530,118,626
Basic earnings per share (euro per share)	**(1)/(3)**	**0.05**	**0.06**

Basic earnings per share are the same as diluted earnings as there is no situation that could originate dilution effects.

26 DIVIDENDS PER SHARE

During the General Shareholders Meeting held on 30 April 2013, the shareholders approved the distribution of dividends with respect to the net profit of 2012, in the amount of 90,780 thousand Euros, corresponding to a gross dividend amount of 0.17 Euros per share (including the dividends attributable to own shares).

The distribution of dividends with respect to the net profit of 2011 amounted to 90,246 thousand Euros (0,169 Euros per share). From this amount, 656 thousand Euros were attributable to own shares, having been paid to the shareholders an amount of 89,590 thousand Euros.

27 GUARANTEES GIVEN

As of 31 March 2013 and 31 December 2012 the REN Group had given the following guarantees:

Beneficiary	Subject	Mar 2013	Dec 2012
Ministry of the Economy and Innovation	To guarantee settlement of executing	1	1
European Community	To comply with the contractual requirements of the loan contract	3	3
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed	84	84
Tax Authority and Customs	Ensure the suspension of tax enforcement proceedings	193	193
NORSCUT - Concessionária de Auto-estradas, SA	To guarantee prompt payment of liabilities assumed by REN in the contract ceding utilization	200	200
EUROSCUT NORTE - Sociedade Concessionária da SCUT do Norte Litoral, S.A.	Ensure compliance with the obligations assumed	-	250
Fortia - Energia para Grandes Consumidores	Financial contract under the ISDA contract (International Swaps and Derivatives Association, Inc.)	1,000	1,000
OMEL - Operador del Mercado Español de Electricidad	To guarantee payments resulting from trading participation as purchaser in the Spanish market	2,000	2,000
Municipal Council of Seixal	To guarantee processes in progress	4,469	4,469
Judge of District Court	Guarantee for expropriation processes	5,693	5,681
Direcção Geral de Geologia e Energia	To guarantee compliance with the obligations assumed resulting from the contract relating to the public service concession	20,500	20,500
European Investment Bank	To guarantee loans	359,021	359,022
		393,164	**393,403**

28 RELATED PARTIES

Main shareholders and shares held by corporate bodies

As of 31 March 2013 and 31 December 2012, the shareholder structure of Group REN was as follows:

	Mar 2013		Dec 2012	
	Number of shares	%	Number of shares	%
State Grid International Development Limited	133,500,000	25.0%	133,500,000	25.0%
Oman Oil Company S.A.O.C.	80,100,000	15.0%	80,100,000	15.0%
EGF - CGF, S.A.	45,019,666	8.4%	45,019,666	8.4%
Parpublica - Participações Públicas (SGPS), S.A.	52,871,340	9.9%	52,871,340	9.9%
Gestmin, SGPS, S.A.	31,326,951	5.9%	31,046,951	5.8%
Oliren, SGPS, S.A.	26,700,000	5.0%	26,700,000	5.0%
EDP - Energias de Portugal, S.A.	26,707,335	5.0%	26,707,335	5.0%
Red eletrica Corporación, S.A.	26,700,000	5.0%	26,700,000	5.0%
Columbia Wanger	10,703,317	2.0%	10,703,317	2.0%
Caixa Geral de Depósitos, S.A.	6,196,739	1.2%	6,118,772	1.1%
Own shares	3,881,374	0.7%	3,881,374	0.7%
Free Float	90,293,278	16.9%	90,651,245	17.0%
	534,000,000	**100.00%**	**534,000,000**	**100.00%**

Transaction over REN shares by the Board of Directors

Mr. Manuel Carlos de Melo Champalimaud, member of the Board of Directors acquired 35,700 REN shares in February 2013.

Besides the above situation, didn't occur any other transactions carried out by Corporate Bodies in relation to the consolidated financial statements as of 31 December 2012.

Remuneration of the Board of Directors

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 in the three month period ended 31 March 2013 amounted to 622 thousand Euros (327 thousand Euros on 31 March 2012), as shown in the following table:

	Mar 2013	Mar 2012
Remuneration and other short term benefits	622	327
	622	**327**

The Board of Directors does not receive any other compensation disclosed in the paragraph 17 of IAS 24 besides salaries and short term benefits.

Transactions with group or dominated companies

In its activity REN maintains transactions with Group entities or with dominated parties. The terms in which these transactions are held are substantially identical to those practiced between independent parties in similar operations.

In the consolidation process the amounts related to such transactions or open balances are eliminated (Note 3.2 of the notes to the consolidated financial statements as of 31 December 2012) in the consolidated financial statements.

The main transactions held between Group companies were: (i) borrowings and shareholders loans; and (ii) shared services namely legal, administrative and IT services.

Balances and transactions held with associates and other related parties

REN Group carried out the following transactions with reference shareholders, qualified shareholders and related parties:

Revenue

	Mar 2013	Mar 2012
Sales and services provided		
Invoicing issued- EDP	434,199	385,903
Invoicing issued- OMIP	4	-
Financial income		
Interest on financial aplications-CGD	-	130
Dividends received		
REE	-	916
	434,204	**386,949**

The amounts shown as invoicing issued relate essentially to the overall management of the electricity system tariff (UGS) and electricity transmission tariff (TEE) that include pass through amounts with income and costs being reversed in the consolidated statement of profit and loss.

Costs

	Mar 2013	Mar 2012
External supplies and services		
Invoicing received-EDP	185,185	176,937
Financial costs		
Interests on Commercial paper - CGD	95	298
Borrowings fees - CGD	430	312
Derivative financial instruments	753	77
	186,462	**177,625**

The amounts shown as invoicing received relate to the intermediation role of REN in the purchase and sale of electricity, where REN acts as an agent, income and costs being reversed in the statement of profit and loss, since they are pass through amounts in the income recognition.

Balances

As of 31 March 2013 and 31 December 2012 the balances resulting from transactions with related parties were as follows:

	Mar 2013	Dec 2012
Trade and other receivables		
EDP - Trade receivables	105,227	107,487
EDP - Other receivables	1,709	1,267
OMIP - Trade receivables	-	2
OMIP - Other receivables	925	920
Oman Oil - Other receivables	-	1
Cash and cash equivalents		
CGD - Bank deposits	404	551
	108,265	**110,227**
Trade and other payables		
EDP - Trade payables	3,118	3,937
OMICLEAR, S.A. - Other payables	40	889
Borrowings		
CGD - Borrowings (Commercial paper)	-	93,000
	4,110	**98,827**

29 SUBSEQUENT EVENTS

On 29 April 2013 were signed the financing agreement with the China Development Bank of 400,000 thousand Euros. This amount is part of the global commitment amount of 1,000,000 thousand Euros agreed with State Grid International Development Ltd, under the process of re-privatization of REN.

This first 400,000 thousand Euros will be used to refinancing the existing borrowings. The second 400,000 thousand Euros have the purpose of financing future investments in electrical and gas infrastructures. REN has also more 200,000 thousand Euros for new projects not yet identified.

30 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 and Executive Director)

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

João Caetano Carreira Faria Conceição
(Executive Director)

Filipe Maurício de Botton
(Director appointed by EGF – Gestão e consultoria Financeira, S.A.)

Gonçalo Morais Soares
(Executive Director)

Jose Luis Folgado Blanco
(Director appointed by Rede Eléctrica Corporation, S.A.)

Guangchao Zhu
(Vice-President of the Board of Directors appointed by State Grid International, Development Limited)

Manuel Carlos Mello Champalimaud
(Director appointed by Gestmin, SGPS, S.A.)

Mengrong Cheng
(Non-Executive Director)

José Luis Arnaut
(Non-Executive Director)

Haibin Wan
(Non-Executive Director)

José Luís Alvim Marinho
(President of the Audit Committee)

Hilal Ali Saif Al-Kharusi
(Non-Executive Director)

José Frederico Vieira Jordão
(Member of the Audit Committee)

Emílio Rui Vilar
(Member of the Audit Committee)