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

Consolidated Financial Statements
30 June 2013

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

INDEX

1. FINANCIAL PERFORMANCE

1.1 Results in the 1st Half 2013

MAIN INDICATORS

In the first half of 2013, EBITDA was 259.9M€, a decrease of 0,7% (-1,8M€) as compared to the same period of 2012, due essentially to a decrease in the base rate of return of electricity assets (which is indexed to the average daily quotes for the Portuguese Republic 5 year CDS).

Despite the slight increase of net debt (+1.9%) and in the average cost of debt (+2 b.p.), financial results have increased (+1.4M€, +2.1%), driven by increases both in financial and dividends attributed.

Net Income decreased 9.3% as compared to the first half of 2012, while Recurrent Net Income decreased 7.2%.

Capex fell 21.4% (-16.0M€) versus the same period of 2012, decreasing from the investment peaks witnessed in previous years. Similarly, transfers to RAB have decreased by 113.6M€ (-92.9%), reflecting the transfer in June of 2012 of the Sines LNG Terminal Expansion Project.

Main indicators [Millions of Euros]	**1H12**	**1H13**	**Change %**
EBITDA	261.7	259.9	-0.7%
Net financial income	-67.2	-65.7	+2.1%
Net income	70.6	64.1	-9.3%
Recurrent net income	65.0	60.3	-7.2%
Total Capex	74.9	58.9	-21.4%
Transfers to RAB [1] (at historic costs)	122.3	8.7	-92.9%
Average RAB (at reference costs)	3,320.2	3,416.4	2.9%
Net debt	2,452.2	2,499.4	1.9%

1 Includes direct acquisitions RAB related.

OPERATIONAL RESULTS – EBITDA

EBITDA decreased 1.8M€ (-0.7%), as compared to the first half of 2012, to 259.9M€.

The main cause for the negative evolution of EBITDA was the reduction in electricity remuneration, due to a decrease in the base rate of return from 9.76% to 8.03% (impact of -11.9M€).

On the other hand, there were several aspects contributing positively to EBITDA:

- The evolution of interest on tariff deviation, which have increased 4.8M€ year on year;
- The increase in depreciation recovery net of subsidies (+3.1M€, +3.6%), consistent with the increase in the regulated asset base;
- A reduction in Opex of 2.3M€ (-4.2%), due to cost reduction efforts underway.

EBITDA [Millions of Euros]	**1H12**	**1H13**	**Change %**
1) Revenues of Assets	**243.9**	**233.2**	**-4.4%**
Return on RAB	142.0	130.7	-8.0%
Electricity	98.3	86.4	-12.1%
Gas	43.7	44.3	1.4%
Hydro land remuneration	4.8	4.0	-17.4%
Lease revenues from hydro protection zone	0.4	0.4	-1.1%
Remuneration of fully depreciated assets	4.0	4.2	5.5%
Smoothing differences and neutrality effect (gas)	-3.4	-5.8	72.3%
Recovery of depreciation (net from subsidies)	87.1	90.2	3.6%
Subsidies depreciation	9.0	9.6	6.4%
2) Revenues from Opex	**50.3**	**51.0**	**1.0%**
3) Other revenues	**7.7**	**10.1**	**n.m.**
Allowed incentives (Trading)	1.6	0.9	-43.6%
Interest on tariff deviation	-3.4	1.4	-141.6%
Hedging	0.0	1.6	n.m.
Telecommunications sales and services rendered	2.6	2.9	9.8%
Consultancy services	0.0	0.8	n.m.
Other services provided	0.6	0.0	-92.4%
Other revenues	6.2	2.4	n.m.
4) Own works (capitalised in Investment)	**13.8**	**12.1**	**-12.3%**
5) Construction revenues (ex. Own woks)	**61.0**	**46.7**	**-23.5%**
6) OPEX	**54.1**	**51.8**	**-4.2%**
Personnel costs	22.9	27.8	21.8%
External supplies and services	23.9	18.0	-25.0%
Other Operational Costs	7.3	6.1	-17.0%
7) Construction costs	**61.0**	**46.7**	**-23.5%**
8) Provisions	**-0.2**	**-0.1**	**n.m.**
9) Impairment of receivable debts	**0.0**	**-5.3**	**n.m.**
EBITDA (1+2+3+4+5-6-7-8-9)	**261.7**	**259.9**	**-0.7%**

NET INCOME

Net Income for the first half of 2013 reached 64.1M€, a year on year decrease of 9.3% (-6.5M€), reflecting essentially: i) the reduction of EBITDA (-0,7%) and ii) the increase in income tax expenses (+12.2%), driven by the positive effect in income taxes of the first half of 2012 due to the recognition as a fiscal cost of the provision pertaining to the litigation with Amorim Energia (2012 impact of -5.6M€). This negative effect was partially offset by the positive performance of the financial results, which despite the slight increase in net debt (+1.9%) and in the average cost of funding (from 5.63% to 5.65%), registered an improvement of 1.4M€, driven by the evolution of financial income and investment income.

Recurrent Net Income (i.e. Net Income without nonrecurring items) decreased 7.2% (-4.7M€). The non-recurring items considered in the first half of both 2012 and 2013 were the following:

i) In 2013: reversion of impairment of debts receivable amounting to 5.3M€ (3.8M€ after taxes);

ii) In 2012: the surplus from the estimated income tax of -5.6M€ connected with recognizing as a fiscal cost the provision for an indemnity pertaining to the litigation with Amorim Energia

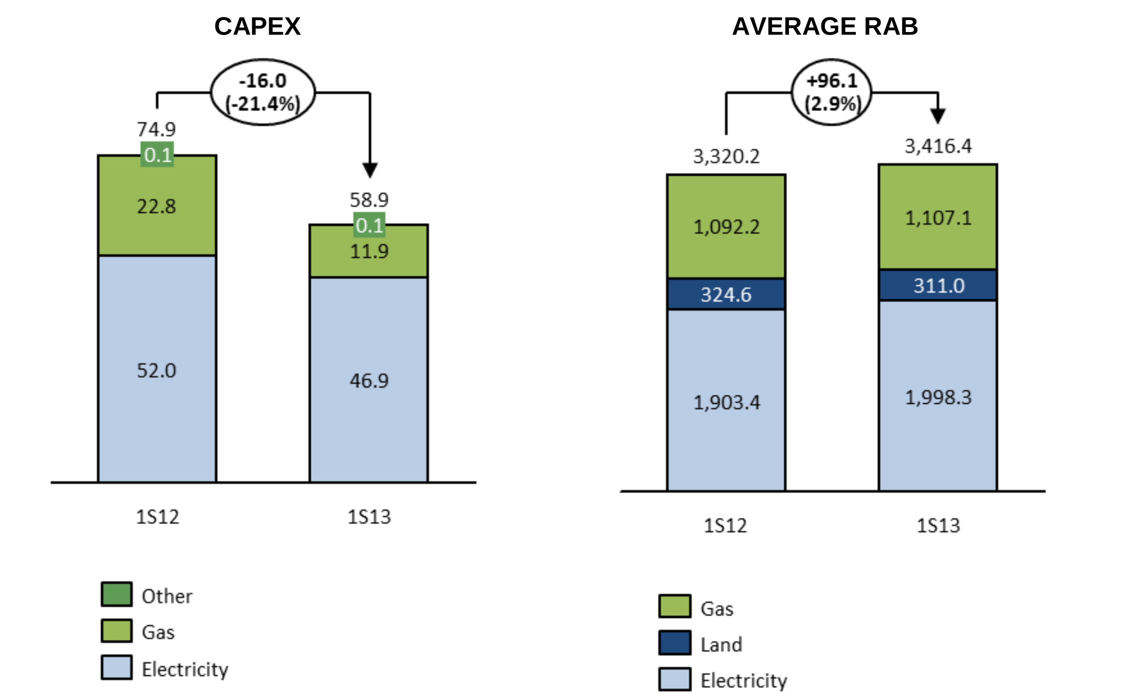
Net Income [Millions of Euros]	**1H12**	**1H13**	**Change %**
EBITDA	**261.7**	**259.9**	**-0.7%**
Depreciations	97.1	100.0	3.0%
Net financial income	-67.2	-65.7	+2.1%
Income tax expenses	26.9	30.2	12.2%
Net income	**70.6**	**64.1**	**-9.3%**
Nonrecurring items	**-5.6**	**-3.8**	**n.m.**
Recurrent Net Income	**65.0**	**60.3**	**-7.2%**

1.2 Average RAB and investment

CAPEX AND AVERAGE RAB

Total Capex for the first half of 2013 reached 58.9M€, a 16.0M€ decrease (-21.4%) as compared to the first half of 2012, of which -5.1M€ in electricity and -10.9M€ in gas. This reduction results on one hand from the investment peaks witnessed in previous years, and on the other hand, from the postponement to the second half of 2013 of some projects in electricity. Following this trend, transfers to RAB decreased 113.6M€ (-92.9%), which is essentially explained by the transfer to RAB in June of 2012 of the Sines LNG Terminal Expansion Project.

Average RAB increased 96.1M€ (+2.9%), reaching 3,416.4M€.



1.3 Main events in the 1st Half 2013

- During the first half of 2013, REN continued with its objective of reinforcing liquidity, diversifying funding sources and managing financial risk. It should be noted that in the first half of the year the Group issued two bonds of 300 million Euros and 150 million Euros, with maturity, respectively, in January 2018 and in January 2020 and signed a financing contract with China Development Bank of 400 million euros, with maturity in December 2021.

- Under the strategic partnership agreement signed with State Grid International Development Limited, and in the context of the second phase of privatization of REN, in May it was incorporated the Research Centre for Energy REN - State Grid, SA, a company owned equally by each party, that aims to create the necessary conditions for the development of research activities in the energy sector.

- Also in May, the company REN Finance BV was incorporated in the Netherlands, which is to be used in the Company’s international activities, including the obtainance of additional and more competitive funding sources.

- In what concerns to regulatory issues, ERSE published on June 15, the regulating parameters of the natural gas sector, which shall take effect for the next regulatory period that began in July 1st, 2013.

1.4 Main risks and uncertainties for the 2nd Half 2013

- The current economic situation has been marked by high uncertainty and volatility in financial markets, affecting in particular the ability of companies of "peripheral" countries in the euro area to have access to the capital markets. In this context the financial risk for companies increased, especially the risk of refinancing and of having higher credit "spreads". Efficient management of these risks is the main challenge for the financial management of REN in the second half of 2013.

1.5 Quarterly statements of profit and loss and comprehensive income for the periods from 1 April 2013 to 30 June 2013 and 2012

In compliance with the requirements of CMVM´s (Stock Exchange Commission) Circular of 12 July 2013, following are the statements of profit and loss and comprehensive income for the periods from 1 April to 30 June 2013 and 2012 (unaudited information):

Consolidated statements of profit and loss

(Amounts expressed in thousands of euros - tEuros)

	01.04.2013 to 30.06.2013	01.04.2012 to 30.06.2012
Sales	30	60
Services provided	139,757	145,837
Revenue from construction of concession assets	38,457	49,822
Gains from associates and joint ventures	(579)	602
Other operating income	6,992	5,096
Operating income	**184,658**	**201,418**
Cost of goods sold	(148)	(91)
Cost with construction of concession assets	(31,940)	(43,015)
External supplies and services	(8,832)	(13,141)
Employee compensation and benefit expense	(14,100)	(10,875)
Depreciation and amortizations	(49,995)	(48,978)
Provisions	82	153
Impairment of trade receivables	5,296	-
Other expenses	(2,438)	(3,527)
Operating costs	**(102,075)**	**(119,475)**
Operating results	**82,583**	**81,943**
Financial costs	(41,686)	(35,514)
Financial income	4,746	374
Investment income - dividends	5,377	157
Financial results	**(31,563)**	**(34,983)**
Profit before income taxes	**51,019**	**46,960**
Income tax expense	(16,037)	(10,842)
Profit for the period	**34,982**	**36,118**
Attributable to:		
Equity holders of the Company	34,982	36,118
Non-controlled interest	-	-
Consolidated profit for the period	**34,982**	**36,118**
Earnings per share (expressed in euro per share)	0.07	0.07

Consolidated statements of comprehensive income

(Amounts expressed in thousands of euros - tEuros)

	01.04.2013 to 30.06.2013	01.04.2012 to 30.06.2012
Net Profit for the period	**31,222**	**36,118**
Other income and cost recorded in equity:		
Increase/(decrease) in hedging reserves - derivative financial instruments	4,915	(2,971)
Actuarial gains and losses - gross of tax	(912)	(355)
Gain/(loss) on available-for-sale assets	8,574	(3,230)
Tax effect on items recorded directly in equity	(964)	846
Comprehensive income for the period	**42,835**	**30,408**
Attributable to:		
Equity holders of the company	42,835	30,408
Non-controlled interest	-	-
	42,835	**30,408**

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2013

2. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position as of 30 June 2013 and 31 December 2012

(Amounts expressed in thousands of Euros – tEuros)

	Note	30.06.2013	31.12.2012
ASSETS			
Non-current assets			
Property, plant and equipment	5	804	827
Goodwill		3,774	3,774
Intangible assets	5	3,850,315	3,891,464
Investments in associates and joint ventures	6	11,759	9,382
Available-for-sale financial assets	9	147,052	131,002
Derivative financial instruments	11	-	6,853
Other financial assets	8	110,173	112,583
Trade and other receivables	10	97,148	70,451
Deferred tax assets	7	61,803	61,215
		4,282,828	**4,287,552**
Current assets			
Inventories		1,684	2,920
Trade and other receivables	10	255,648	310,738
Current income tax recoverable	7	13,746	14,318
Derivative financial instruments	11	788	416
Other financial assets	8	223,325	8,864
Cash and cash equivalents	12	156,811	61,246
		652,003	**398,503**
Total assets	4	**4,934,830**	**4,686,054**
EQUITY			
Shareholders' equity:			
Share capital	13	534,000	534,000
Own shares	13	(10,728)	(10,728)
Other reserves	13	261,297	231,753
Retained earnings		175,742	148,671
Net profit for the period		64,052	123,892
Total equity		**1,024,362**	**1,027,589**
LIABILITIES			
Non- current liabilities			
Borrowings	14	1,983,239	1,535,495
Liability for retirement benefits and others	15	106,538	105,808
Derivative financial instruments	11	22,458	27,958
Provisions	16	4,801	4,801
Trade and other payables	17	386,532	360,895
Deferred tax liabilities	7	77,839	82,797
		2,581,407	**2,117,755**
Current liabilities			
Borrowings	14	1,007,021	1,170,400
Provisions	16	2,019	2,419
Trade and other payables	17	281,568	367,081
Income tax payable	7	37,640	-
Derivative financial instruments	11	813	811
		1,329,061	**1,540,711**
Total liabilities	4	**3,910,468**	**3,658,465**
Total equity and liabilities		**4,934,830**	**4,686,054**

The accompanying notes form an integral part of the consolidated statement of financial position as of 30 June 2013.

THE ACCOUNTANT THE BOARD OF DIRECTORS

Consolidated statements of profit and loss for the six month periods ended 30 June 2013 and 2012

(Amounts expressed in thousands of Euros - tEuros)

	Note	30.06.2013	30.06.2012
Sales	4 and 18	86	146
Services provided	4 and 18	280,504	290,731
Revenue from construction of concession assets	4 and 19	58,764	74,803
Gains / (losses) from associates and joint ventures	6	(533)	602
Other operating income	20	14,251	10,360
Operating income		**353,072**	**376,642**
Cost of goods sold		(188)	(227)
Cost with construction of concession assets	19	(46,679)	(61,024)
External supplies and services	21	(17,957)	(23,944)
Employee compensation and benefit expense	22	(27,829)	(22,856)
Depreciation and amortizations	5	(100,006)	(97,072)
Provisions	16	82	153
Impairment of trade receivables	10	5,296	-
Other expenses	23	(5,866)	(7,072)
Operating costs		**(193,147)**	**(212,044)**
Operating results		**159,925**	**164,598**
Financial costs	24	(77,650)	(70,126)
Financial income	24	6,557	986
Investment income - dividends	9	5,377	1,983
Financial results		**(65,717)**	**(67,157)**
Profit before income taxes		**94,209**	**97,441**
Income tax expense	7	(30,157)	(26,873)
Profit for the period		**64,052**	**70,569**
Attributable to:			
Equity holders of the Company		64,052	70,569
Non-controlled interest		-	-
Consolidated profit for the period		**64,052**	**70,569**

The accompanying notes form an integral part of the consolidated statement of profit and loss for the six month period ended 30 June 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of comprehensive income for the six month periods ended 30 June 2013 and 2012

(Amounts expressed in thousands of Euros – tEuros)

	Note	Period ended 30.06.2013	Period ended 30.06.2012
Net Profit for the period		**64,052**	**70,569**
Other income and cost recorded in equity:			
Increase/(decrease) in hedging reserves - derivative financial instruments	11	9,867	(11,702)
Actuarial gains and losses - gross of tax		(912)	(355)
Fair value on available-for-sale assets	9	16,050	2,012
Tax effect on items recorded directly in equity	7	(2,163)	2,437
Comprehensive income for the period		**86,894**	**62,960**
Attributable to:			
Equity holders of the company		86,894	62,960
Non-controlled interest		-	-
		86,894	**62,960**

The accompanying notes form an integral part of the consolidated statement of comprehensive income for the six month period ended 30 June 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of changes in equity for the six month periods ended 30 June 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		-	-	-	2,012	(9,368)	-	(252)	70,569	62,960
Distribution of dividends		-	-	-	-	-	-	(89,590)	-	(89,590)
Transfer to other reserves		-	-	5,628	-	-	16,679	98,270	(120,576)	-
At 30 June 2012		**534,000**	**(10,728)**	**85,437**	**(12,232)**	**(19,871)**	**177,018**	**186,616**	**70,569**	**1,010,809**
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		-	-	-	16,050	7,439	-	(647)	64,052	86,894
Distribution of dividends	26	-	-	-	-	-	-	(90,120)	-	(90,120)
Transfer to other reserves		-	-	6,055	-	-	-	117,838	(123,892)	-
At 30 June 2013		**534,000**	**(10,728)**	**91,492**	**11,957**	**(19,173)**	**177,022**	**175,742**	**64,052**	**1,024,362**

The accompanying notes form an integral part of the consolidated statement of changes in equity for the six month period ended 30 June 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of cash flow for the six month periods ended 30 June 2013 and 2012

(Amounts expressed in thousands of Euros – tEuros)

	Note	30.06.2013	30.06.2012
Cash flow from operating activities:			
Cash receipts from customers		1,167,062 a)	1,183,284 a)
Cash paid to suppliers		(836,646) a)	(964,095) a)
Cash paid to employees		(27,197)	(30,032)
Income tax received/paid		(56)	(446)
Other payments/receipts relating to operating activities		(50,087)	(74,056)
Net flows from operating activities		**253,076**	**114,655**
Cash flow from investing activities:			
Receipts related to:			
Derivative financial instruments		1,790	-
Interests and other similar income		2,311	966
Dividends	9	2,371	1,073
Payments related to:			
Other financial assets	8	(212,530)	-
Investments in associates and joint ventures	6	(2,910)	-
Available-for-sale		-	(200)
Property, plant and equipment		(480)	(17)
Intangible assets		(75,771)	(97,102)
Net cash used in investing activities		**(285,219)**	**(95,280)**
Cash flow from financing activities:			
Receipts related to:			
Borrowings		963,151	5,278,000
Interests and other similar income		8	17
Payments related to:			
Borrowings		(690,007)	(5,188,688)
Interests and other similar expense		(55,455)	(35,122)
Dividends	26	(90,120)	(89,590)
Net cash (used in)/from financing activities		**127,578**	**(35,383)**
Net (decrease)/increase in cash and cash equivalents		95,434	(16,008)
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	156,680	52,350
Detail of cash and cash equivalents			
Cash	12	23	27
Bank overdrafts	12	(131)	(45,717)
Bank deposits	12	156,788	98,040
		156,680	**52,350**

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 six month period ended 30 June 2013.

THE ACCOUNTANT THE BOARD OF DIRECTORS

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE 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.

On 10 May 2013 was founded REN Finance, B.V., company 100% held by REN SGPS, with head office in the Netherlands, with the purpose of participate, finance, collaborate and conduct the management of related companies.

In addition, on 24 May 2013, jointly with China Electric Power Research Institute, a State Grid Group company, was founded the company Centro de Investigação em Energia REN - STATE GRID, S.A. ("Research Centre") under a Joint Venture in which the Group holds 1,500,000 shares representing 50% of the respective capital. The object of this company aims to implement a Center for Research and Development in Portugal, dedicated to the research, development, demonstration and innovation in the areas of electricity transmission and management systems, providing consulting services and education services and training in connection with these activities, as well as conducting all activities related and complementary services, related to its objects.

REN SGPS has also:

a) 40% 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 and 7.5% of the share capital of Hidroeléctrica de Cahora Bassa, S.A. ("HCB").

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 30 June 2013 and 31 December 2012 are the following:

Designation / adress	Activity	30.06.2013 % Owned Group	30.06.2013 % Owned Individual	31.12.2012 % Owned Group	31.12.2012 % Owned 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%
REN Finance, B.V. Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands	Participate, finance, collaborate, conduct management of companies related to REN Group.	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%	-

The incorporation of REN Finance, B.V., in the Netherlands, was the only change in the consolidation perimeter 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 31 July 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 six month period ended 30 June 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.

New accounting policies adopted during the six months ended 30 June 2013

Investments in joint ventures are included in the consolidated financial statements by the equity method. The Group's share of profits or losses of the joint venture is recognized in the income statement as operating income and the portion of movements in reserves of the joint venture, if any, is recognized in reserves. The unrealized gains and losses on transactions with jointly controlled entities are eliminated in proportion to the Group's interest in jointly controlled company, against the investment in the entity.

The accounting policies of joint ventures are uniformized, whenever necessary, to ensure that they are implemented consistently in the financial statements of the Group.

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 chnage 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 have any 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. These changes 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 six month period ended 30 June 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.
Amendments to IAS 36 - Assets impairment	01-Jan-14	Recoverable Amount Disclosures for Non-Financial Assets and other amendments related to IFRS 13 - 'Fair value: measurement and disclosure'
Amendments to IAS 39 - 'Novation of Derivatives and Hedge Accounting'	01-Jan-14	Isention to the obligation of the need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.
IFRIC 21 - 'Levies'	01-Jan-14	Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

These standards were not yet endorsed by the European Union and, as such, were not adopted by the Group in the period ended 30 June 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 six month period ended 30 June 2013 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Sales and services provided	**192,711**	**84,900**	**2,954**	**20,632**	**(20,606)**	**280,590**
Inter-segments	441	292	73	19,800	(20,606)	-
Revenues from exernal customers	192,269	84,608	2,881	831	-	280,590
Revenue from construction of concession assets	46,851	11,913	-	-	-	58,764
Cost with construction of concession assets	(36,987)	(9,692)	-	-	-	(46,679)
Gains from associates	-	-	-	(533)	-	(533)
External supplies and services	(21,195)	(12,695)	(920)	(8,504)	25,357	(17,957)
Employee compensation and benefit expense	(12,811)	(4,065)	(117)	(10,835)	-	(27,829)
Other expenses and operating income	9,992	1,559	(9)	1,406	(4,751)	8,197
Operating cash flow	178,561	71,920	1,908	2,165	-	254,554
Investment income - dividends	-	-	-	5,377	-	5,377
Non reimbursursable expenses						
Depreciation and amortizations	(70,370)	(29,514)	(10)	(112)	-	(100,006)
Provisions	82	-	-	-	-	82
Impairment of trade receivables	5,296	-	-	-	-	5,296
Financial results						
Financial income	367	8,242	89	73,065	(75,205)	6,557
Financial costs	(34,469)	(18,337)	(1)	(100,048)	75,205	(77,650)
Profit before income tax	**79,466**	**32,310**	**1,987**	**(19,554)**	**-**	**94,209**
Income tax expense	(24,954)	(9,381)	(544)	4,722	-	(30,157)
Profit for the year	**54,512**	**22,929**	**1,443**	**(14,832)**	**-**	**64,052**

Results by segment for the six month period ended 30 June 2012 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Sales and services provided	**202,843**	**98,907**	**3,021**	**16,928**	**(30,822)**	**290,877**
Inter-segments	521	13,341	396	16,565	(30,822)	-
Revenues from exernal customers	202,323	85,566	2,624	363	-	290,877
Revenue from construction of concession assets	51,982	22,821	-	-	-	74,803
Cost with construction of concession assets	(41,507)	(19,517)	-	-	-	(61,024)
Gains from associates	-	-	-	602	-	602
External supplies and services	(24,424)	(24,364)	(775)	(8,139)	33,758	(23,944)
Employee compensation and benefit expense	(9,341)	(4,127)	(111)	(9,277)	-	(22,856)
Other expenses and operating income	6,128	2,214	(8)	(688)	(4,586)	3,061
Operating cash flow	185,682	75,934	2,126	(573)	(1,651)	261,518
Investment income - dividends	-	-	-	1,983	-	1,983
Non reimbursursable expenses						
Depreciation and amortizations	(68,144)	(30,489)	(10)	(81)	1.651	(97,072)
Provisions	153	-	-	-	-	153
Financial results						
Financial income	737	6,269	43	863	(6,927)	986
Financial costs	(39,808)	(15,147)	(1)	(67,075)	51,904	(70,126)
Profit before income tax	**78,620**	**36,567**	**2,159**	**(64,882)**	**44,977**	**97,441**
Income tax expense	(25,875)	(10,842)	(594)	10,439	-	(26,873)
Profit for the year	**52,745**	**25,725**	**1,565**	**(54,443)**	**44,977**	**70,569**

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 six month period ended 30 June 2013 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Segment assets						
Group investments held	-	521,005	-	1,321,439	(1,842,444)	-
Property, plant and equipment and intangible assets	2,621,471	1,228,883	35	730	-	3,851,119
Other assets	352,313	458,873	6,571	3,761,329	(3,495,375)	1,083,711
Total assets	**2,973,785**	**2,208,761**	**6,606**	**5,083,498**	**(5,337,819)**	**4,934,830**
Total liabilities	**2,392,536**	**1,040,757**	**4,061**	**3,972,249**	**(3,499,135)**	**3,910,468**
Capital expenditure - total	**46,852**	**11,913**	**-**	**106**	**-**	**58,870**
Capital expenditure - property, plant and equipment (note 5)	1	-	-	106	-	106
Capital expenditure - intangible fixed assets (note 5)	46,851	11,913	-	-	-	58,764
Investments in associates and joint ventures	-	-	-	11,759	-	11,759

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 six month period ended 30 June 2013, the changes in tangible and intangible assets in the period were as follows:

	1 January 2013			Changes					30 June 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	-	-	-	(6)	-	103	(90)	13
Transport equipment	1,170	(502)	668	101	(86)	-	(104)	86	1,185	(520)	665
Office equipment	222	(102)	120	5	(1)	-	(19)	1	226	(120)	106
Property, plant and equipment in progress	20	-	20	1	-	-	-	-	21	-	21
	1,515	(688)	827	106	(86)	-	(129)	86	1,535	(730)	804

	1 January 2013			Changes					30 June 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	2,133	(1,227)	6,553	(99,877)	1,190	6,571,295	(2,913,631)	3,657,664
Concession assets in progress	142,572	-	142,572	56,632	-	(6,553)	-	-	192,651	-	192,651
	6,706,408	(2,814,944)	3,891,464	58,764	(1,227)	-	(99,877)	1,190	6,763,946	(2,913,631)	3,850,315
Total of property, plant and equipment and intangible assets	**6,707,923**	**(2,815,632)**	**3,892,291**	**58,870**	**(1,313)**	**-**	**(100,006)**	**1,276**	**6,765,480**	**(2,914,361)**	**3,851,119**

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 the six month period ended 30 June 2013, in the global amount of 58,870 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 30 June 2013 and 31 December 2012 are made up as follows:

	30.06.2013	31.12.2012
Electricity segment		
Power line construction (220 KV)	-	51,044
Power line construction (400 KV)	-	46,135
Other power line constructions	3,912	16,123
Construction of new substations	-	8,275
Substation Expansion	1,719	60,941
Other renovations in substations	14	4,870
Other assets	301	8,634
Gas segment		
Expansion and improvements to natural gas transmission network	524	4,676
Construction project of cavity underground storage of natural gas in Pombal	14	2,690
Construction project of the third tank - Sines terminal	69	107,238
Total of transfers	**6,553**	**310,626**

The intangible assets in progress as of 30 June 2013 and 31 December 2012 are as follows:

	30.06.2013	31.12.2012
Electricity segment		
Power line construction (150KV/220KV e 400KV)	30,447	24,983
Substation Expansion	57,118	42,631
New substations projects	40,299	23,566
Other projects	5,304	3,226
Other assets in progress	167	40
Gas segment		
Expansion and improvements to natural gas transmission network	38,312	29,530
Construction project of cavity underground storage of natural gas in Pombal	20,878	18,596
Construction project of the third tank - Sines terminal	125	-
Total of assets in progress	**192,651**	**142,572**

Financial costs capitalized in intangible assets in progress in the period ended 30 June 2013 amounted to 4,225 thousand Euros (7,288 thousand Euros as of 30 June 2012), while overhead and management costs capitalized amounted to 7,861 thousand Euros (6,491 thousand Euros as of 30 June 2012) (Note 19).

As of 30 June 2013 and 31 December 2012, the net book value of the intangible assets financed through lease contracts was as follows:

	30.06.2013	31.12.2012
Cost	3,288	3,719
Accumulated depreciation and amortization	(2,259)	(2,395)
Net book value	**1,029**	**1,324**

6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

As of 30 June 2013 and 31 December 2012, the financial information regarding the financial interest held is as follows:

			Financial information 30 June 2013				Capital owned		
Company	Activity	Head office	Assets	Liabilities	Revenues	Net profit/(loss)	%	Carrying amount	Group share of profit (loss)
Equity method:									
Associate: OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A.	Holding company	Lisbon	26,612	144	614	424	40	10,259	(533)
Joint Venture: Centro de Investigação em Energia REN - STATE GRID, S.A.	I&D	Lisbon	3,000	-	-	-	50	1,500	-
								11,759	(533)

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

ASSOCIATES

The changes in the caption “Investments in associates” during the period ended 30 June 2013 were as follows:

Investment in associates	
At 1 January 2013	**9,382**
Purchase 5% OMIP SGPS (May 2013)	1,410
Effect of equity method	(533)
At 30 June 2013	**10,259**

JOINT VENTURES

Following a joint agreement technology partnership between REN - Redes Energéticas Nacionais and State Grid International Development (SGID), was created in May 2013 an R & D in Portugal, dedicated to power systems called – Centro de Investigação em Energia REN - STATE GRID, SA ("Research Centre") jointly controlled by the two entities.

Such research center aims to become a platform for international knowledge catalyst for innovative solutions and tools applied to the operation and planning of transmission power.

The changes in the caption "Investments in joint ventures" during the period ended 30 June 2013 were as follows:

Investment in joint ventures	
At 1 January 2013	**-**
Capital subscribed	1,500
At 30 June 2013	**1,500**

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 30 June 2013.

In 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 30 June 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 six months period ended on 30 June 2013 and 2012 is detailed as follows:

	30.06.2013	30.06.2012
Current income tax	38,452	12,513
Adjustaments of income tax from previous year	(586)	(5,384)
Deferred income tax	(7,709)	19,744
Income tax	**30,157**	**26,873**

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

	30.06.2013	30.06.2012
Consolidated profit before income tax	**94,209**	**97,441**
Permanent differences		
Positive net worth variation	(65)	(65)
Non deductible costs	294	1,564
Non taxable income	157	(1,180)
Timing differences		
Tariff deviations	26,876	(64,537)
Provisions and impairments	(5,295)	(627)
Revaluations	3,338	3,629
Pension, medical assistence and life insurance plans	(183)	(1,869)
Fair value of financial instruments	(82)	(83)
Others	-	(91)
Taxable income	119,247	34,182
Tax rate - 25%	29,812	8,545
State surcharge tax- taxable income above 1.5 million	6,324	2,632
Municipal surcharge-1.5%	2,092	1,082
Autonomous taxation	225	254
Current income tax	38,452	12,513
Deferred income tax	(7,709)	19,744
Deferred income tax	(7,709)	19,744
Adjustments of estimated tax in previous years	(586)	(5,384)
Income tax	**30,157**	**26,873**
Effective tax rate	**32.01%**	**27.58%**

Income taxes

The caption “Income tax” payable and receivable as of 30 June 2013 and 31 December 2012 is detailed as follows:

	30.06.2013	31.12.2012
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	13,746	334
Income tax receivable	**13,746**	**14,318**
Corporate income tax - estimated tax	38,452	-
Corporate income tax - payments on account	(41)	-
Income withholding tax by third parties	(771)	-
Income tax payable	**37,640**	**-**

Deferred taxes

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

	30.06.2013	30.06.2012
Impact on the statement of profit and loss		
Deferred tax assets	2,752	(16,902)
Deferred tax liabilities	4,958	(2,841)
	7,709	(19,744)
Impact on equity		
Deferred tax assets	(2,163)	2,437
	(2,163)	2,437
Net impact of deferred taxes	**5,546**	**(17,306)**

The changes in deferred tax by nature was as follows:

Change in deferred tax assets - June 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	-	264	-	(2,428)	-	(2,163)
Reversal through profit and loss	(1,536)	(52)	-	(21)	(1)	(1,610)
Increase through profit and loss	-	-	4,362	-	-	4,362
Change in the period	(1,536)	212	4,362	(2,448)	(1)	588
At 30 June 2013	**1,947**	**30,895**	**22,547**	**6,409**	**3**	**61,803**

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 30 June 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 - June 2013

	Tariff deviations	Revaluation	Total
At 1 January 2013	**52,373**	**30,424**	**82,797**
Reversal trough profit and loss	(3,935)	(1,022)	(4,958)
Change in the period	(3,935)	(1,022)	(4,958)
At 30 June 2013	**48,438**	**29,402**	**77,839**

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:

June 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	156,811	-	-	-	-	-	156,811	156,811
Trade and other receivables	10	352,796	-	-	-	-	-	352,796	352,796
Other investments		329,693	-	-	-	3,806	-	333,498	333,498
Available-for-sale financial assets	9	-	-	-	147,052	-	-	147,052	147,052
Income tax receivable	7	13,746	-	-	-	-	-	13,746	13,746
Derivative financial instruments	11	-	-	788	-	-	-	788	788
Total financial assets		**853,046**	**-**	**788**	**147,052**	**3,806**	**-**	**1,004,691**	**1,004,691**
Liabilities									
Borrowings	14	-	-	-	-	-	2,990,259	2,990,259	3,065,303
Trade and other payables	17	-	-	-	-	-	330,604	330,604	330,604
Income tax payable	7	-	-	-	-	-	37,640	37,640	37,640
Drivative financial instruments	11	-	22,458	813	-	-	-	23,272	23,272
Total financial liabilities		**-**	**22,458**	**813**	**-**	**-**	**3,358,503**	**3,381,775**	**3,456,818**

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	2,917,599
Trade and other payables	17	-	-	-	-	-	383,952	383,952	383,952
Drivative financial instruments	11	-	27,958	811	-	-	-	28,769	28,769
Total financial liabilities		**-**	**27,958**	**811**	**-**	**-**	**3,089,847**	**3,118,616**	**3,330,321**

The caption “Other financial assets” in the amount of 333,498 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) four bank deposits with maturities over three months in the amount of 210,000 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 30 June 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 0.094% to 2.490% (maturities of 1 week and twenty years, respectively), regarding to derivative financial instruments;
- 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	Investments	102,530	40,955	-	143,485
Financial assets at fair value recorded in income	Negotiable derivatives	788	-	-	788
Other investments	Treasury funds	3,806	-	-	3,806
Liabilities:					
Financial liabilities at fair value recorded in reserves	Hedging derivatives	-	22,458	-	22,458
Financial liabilities at fair value recorded in income	Negotiable derivatives	813	-	-	813
		106,310	**18,497**	**-**	**124,807**

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 30 June 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	30.06.2013	31.12.2012
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	57,194	50,493
Enagás, S.A.	Madrid	Spain	1.00%	REN, SGPS	45,336	38,542
Med Grid SAS	Paris	France	5.26%	REN, SGPS	400	400
Hidroeléctrica de Cahora Bassa	Maputo	Mozambique	7.50%	REN, SGPS	40,955	38,400
					147,052	**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	-	-	2,555	6,701	6,794	16,050
At 30 June 2013	**3,167**	**400**	**40,955**	**57,194**	**45,336**	**147,052**

The interests held in REE and Enagás are recorded at fair value determined based on the shares closing quotations of 30 June 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 30 June 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 30 June 2013.

REN holds 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. This investment is recorded at fair value in accordance with the assessment of investment valuation at statement of financial position.

As of 30 June 2013, the Group holds the following equity instruments of non-listed companies:

(i) Medgrid, S.A.S.: 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.

(ii) 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 (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 30 June 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 30 June 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	16,050
30 June 2013	**11,957**

In the six month periods ended 30 June 2013 the dividends attributable to the Group are as follows:

	30.06.2013	30.06.2012
Red Eléctrica Corporación, S.A. ("REE")	2,286	916
Enagás, S.A.	1,635	910
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	50	157
Hidroeléctrica de Cahora Bassa	1,405	-
	5,377	**1,983**

These amounts were recognized in the statement of profit and loss caption “Financial income” and were received 2,371 thousand Euros, in the first half of 2013.

10 TRADE AND OTHER RECEIVABLES

Trade and other receivables as of 30 June 2013 and 31 December 2012 are made up as follows:

Trade and other receivables

	30.06.2013			31.12.2012		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	177,272	155	177,427	191,321	155	191,476
Impairment of trade receivables	(822)	-	(822)	(822)	-	(822)
Trade receivables net	176,450	155	176,605	190,499	155	190,654
Tariff deviations	68,569	96,993	165,562	100,554	75,592	176,146
Impairment of other receivables	-	-	-	-	(5,296)	(5,296)
State and Other Public Entities	10,629	-	10,629	19,685	-	19,685
Trade and other receivables	**255,648**	**97,148**	**352,796**	**310,738**	**70,451**	**381,189**

(i) Tax receivables refer to VAT

The most significant amounts in trade receivables are the receivables from EDP – Distribuição de Energia, S.A. in the amount of 83,784 thousand Euros (82,624 thousand Euros as of 31 December 2012) and Galp in the amount of 22,636 thousand Euros (10,473 thousand Euros as of 31 December 2012).

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

	30.06.2013	31.12.2012
Begining balance	**(6,118)**	**(3,472)**
Increases	-	(2,646)
Reversals	5,296	-
Ending balance	**(822)**	**(6,118)**

At 30 June 2013, Group REN recorded the reversal of the impairment loss of interests relating to the tariff deficit receivable in the amount of 5,296 thousand Euros as a result of a formal commitment from the Portuguese Government related with the payment of this amount.

11 DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 June 2013 and 31 December 2012 the REN Group had the following derivative financial instruments contracted:

		30.06.2013			
		Assets		Liabilities	
	Notional	Current	Non-current	Current	Non-current
Derivatives designated as cash flow hedges					
Interest rate swaps	425,000 TEUR	-	-	-	20,931
Interest rate and currency swaps	10,000,000 TJPY	-	-	-	1,527
		-	-	-	22,458
Negotiable derivatives		788	-	813	-
Derivative financial instruments		**788**	**-**	**813**	**22,458**

		31.12.2012			
		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 1,037 thousand Euros as of 30 June 2013.

The features of the swaps at 30 June 2013 and at 31 December 2012 are as follows:

Reference value	Payment periods	Receipt/payment	Maturity date	Fair value at 30.06.2013	Fair value at 31.12.2012
Interest rate swaps:					
50 000 tEuros	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	(1,150)	(1,677)
50 000 tEuros	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	(1,128)	(1,646)
50 000 tEuros	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	(1,325)	(1,720)
100 000 tEuros	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	(7,010)	(9,162)
100 000 tEuros	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	(7,191)	(9,132)
75 000 tEuros	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	(3,126)	(4,621)
				(20,931)	**(27,958)**
425 000 tEuros					
Cross-currency swap:					
10 000 000 000 JPY 72 899 tEuros	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	(1,527)	6,853
10 000 000 000 JPY				**(1,527)**	**6,853**
			Total	**(22,458)**	**(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 at 30 June 2013 was 20,931 thousand Euros negative (27,958 thousand Euros negative at 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 at 30 June 2013 was 1,527 thousand Euros negative (6,853 thousand Euros positive at 31 December 2012). The underlying exchange variation (borrowing) at 30 June 2013, in the amount of, approximately, 10,735 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 243 thousand Euros negative.

The amount recorded in reserves relating to the above mentioned cash flow hedges was 25,564 thousand Euros at 30 June 2013 (35,431 thousand Euros at 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	9,867	(2,428)	7,439
30 June 2013	**(25,564)**	**6,391**	**(19,173)**

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 30 June 2013 the hedged instrument has a fair value adjustment resulting from the hedge of 74 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 30 June 2013 and 31 December 2012 was as follows:

	30.06.2013	
	Current assets	Current liabilities
Financial contracts in the energy market for 2013	788	-
CO2 licences	-	813
Fair vale at 30 June 2013	**788**	**813**

	31.12.2012	
	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 370 thousand Euros positive at 30 June 2013 (443 thousand Euros negative on 31 December 2012).

12 CASH AND CASH EQUIVALENTS

The amounts considered as cash and cash equivalents as of 30 June 2013 and 31 December 2012 are made up as follows:

	30.06.2013	31.12.2012
Cash	23	-
Bank deposits	156,788	61,246
Cash and cash equivalents in balance	**156,811**	**61,246**
Bank overdrafts (Note 14)	(131)	-
Cash and cash equivalents in cash flow statement	**156,680**	**61,246**

13 EQUITY INSTRUMENTS

Share capital

REN's subscribed and paid up share capital as of 30 June 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 30 June 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 six month period ended 30 June 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 91,492 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 11,957 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 19,173 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 30 June 2013 and 31 December 2012 was as follows:

	June 2013			December 2012		
	Current	Non-current	Total	Current	Non-current	Total
Commercial Paper	10,000	100,000	110,000	250,000	93,000	343,000
Bonds	900,000	1,160,859	2,060,859	850,000	771,676	1,621,676
Bank Borrowings	71,000	721,762	792,762	66,123	670,085	736,208
Bank overdrafts (Note 12)	131	-	131	-	-	-
Finance Lease	451	617	1,068	643	734	1,377
	981,582	1,983,239	2,964,821	1,166,766	1,535,495	2,702,261
Accrued interest	53,123	-	53,123	18,816	-	18,816
Prepaid interest	(27,684)	-	(27,684)	(15,183)	-	(15,183)
Borrowings	**1,007,021**	**1,983,239**	**2,990,259**	**1,170,400**	**1,535,495**	**2,705,895**

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

The features of the bond issued by the Group at 30 June 2013 are as follows:

30 June 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	Semesterly
"Euro Medium Term Notes" programme emissions					
10/12/2008	10/12/2013	800,000		Fixed rate 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 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 4,125%	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 at December 2012). As of 30 June 2013, 110,000 thousand Euros were subscribed (343,000 thousand Euros at December 2012). The inflows resulting of the bond issues mentioned above contributed to the decrease of commercial paper subscription.

The bank borrowings are mainly (679,611 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 contracted a bank loan with a 3 years maturity, having given as collateral its shares of REE and Enagás. REN keeps all rights related to these shares, including voting and dividend rights.

The group also has 81,500 thousand Euros in credit lines contracted, although unused at 30 June 2013, maturing in less than a year, automatically renewed periodically (in case they are not terminated in the contractually specified period).

Following the strategic partnership with State Grid International Development Ltd in the scope of REN's second privatization stage, the irreversible conditions for a 800,000 thousand

Euros loan (corresponding to 80% of the global 1,000,000 thousand Euros commitment) were agreed with China Development bank. This loan is divided in two 400,000 thousand Euros batches, one for the purpose of debt refinancing, for which a financing contract was signed in April 2013 and the other for investment in electricity and natural gas infrastructure.

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 Group's gearing ratio comfortably fulfils the contractually defined limits, being 77% above the minimum level (as of 31 December 2013 it was 76% above such level).

The borrowings from EIB also 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 30 June 2013 REN had provided 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	
	June 2013	December 2012	June 2013	December 2012
Commercial Paper	110,000	343,000	110,409	343,042
Bank Borrowings	792,762	736,208	735,833	764,386
Bonds	2,060,859	1,621,676	2,192,494	1,805,072
Others	1,199	1,377	1,128	1,466
	2,964,821	**2,702,261**	**3,039,864**	**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 0.094% and 2.490% (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 30 June 2013 and 31 December 2012 the Group had the following amounts recorded relating to liabilities for retirement and other benefits:

	30.06.2013	31.12.2012
Liability on the Balance Sheet		
Pension plan	68,559	68,208
Healthcare plan and other benefits	37,847	37,477
Life assurance plan	131	123
	106,538	**105,808**

During the six month period ended 30 June 2013 and 30 June 2012 the following operating expenses were recorded regarding benefit plans with employees:

	30.06.2013	30.06.2012
Charges to the statement of profit and loss (note 22)		
Pension plan	2,371	866
Healthcare plan and other benefits	919	502
Life assurance plan	9	7
	3,299	**1,376**

The amounts reported to 30 June 2013 result from the projection of the actuarial valuation as of 31 December 2012 considering the estimated increase in salaries for 2013, beginning to use a single discount rate in accordance with the latest version of IAS 19, which is applicable mandatory for financial years beginning after 1 January 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:

	31.12.2012
Annual discount rate	3.25%
Expected percentage of serving employees elegíble for early retirement (more than 60 years of age)	20.00%
Expected percentage of serving employees elegíble for early retirement by management decision	20.00%
Rate of salary increase	3.30%
Pension increase	2.00%
Future increases of Social Security Pension amount	2.00%
Inflation rate	2.00%
Medical trend	3.50%
Management costs (per employee/year)	215€
Expenses medical trend	2.20%
Rate of return on assets	5.7%
Mortality table	TV 88/90

16 PROVISIONS

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

	30.06.2013	31.12.2012
Begining balance	**7,220**	**32,314**
Increases	-	2,833
Reversing	(82)	(197)
Utilization (i)	(318)	(27,730)
Ending balance	**6,820**	**7,220**
Current provision	2,019	2,419
Non-current provision	4,801	4,801
	6,820	**7,220**

As of 30 June 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 30 June 2013 and 31 December 2012 was made up as follows:

	30.06.2013			31.12.2012		
	Current	Non current	Total	Current	Non current	Total
Trade payables						
Current suppliers	109,792	-	109,792	146,588	-	146,588
Other creditors						
Other creditors	51,926	28,122	80,048	58,382	6,822	65,204
Tariff deviations	17,294	40,051	57,345	32,106	30,900	63,006
Fixed assets suppliers	54,153	-	54,153	83,890	-	83,890
Tax payables (i)	24,067	-	24,067	20,215	-	20,215
Deferred income						
Grants related to assets	19,137	318,359	337,496	20,851	323,173	344,024
Accrued costs						
Holidays and holidays subsidies	5,198	-	5,198	5,050	-	5,050
Trade and other payables	**281,568**	**386,532**	**668,100**	**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:

	30.06.2013	30.06.2012
Goods:		
Domestic market	86	146
	86	146
Services:		
Electricity transmission and overall systems management	190,600	201,114
Natural gas transmission	59,497	61,612
Regasification	18,505	17,216
Underground gas storage	6,537	6,637
Telecommunications network	2,864	2,580
Trading	1,363	1,209
Others	1,138	363
	280,504	290,731
Total sales of goods and services	**280,590**	**290,877**

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 six month periods ended 30 June 2013 and 2012 is the following:

	30.06.2013	30.06.2012
Revenue from construction of concession assets		
- Acquisitions	46,679	61,024
- Own work capitalised :		
Financial expenses (Note 5)	4,225	7,288
Overhead and management costs (Note 5)	7,861	6,491
	58,764	**74,803**
Cost of construction of concession assets		
- Acquisitions	46,679	61,024
	46,679	**61,024**

20 OTHER OPERATING INCOME

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

	30.06.2013	30.06.2012
Recognition of investment subsidies	9,564	8,988
Supplementary income	927	961
Hedging - Financial contracts	1,608	-
Others	2,152	411
	14,251	**10,360**

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 six month periods ended 30 June 2013 and 2012 is made up as follows:

	30.06.2013	30.06.2012
Gas transport subcontracts	1,562	1,386
Maintenance costs	3,758	4,300
Fees relating to external entities ii)	3,886	4,082
Cross border interconnection costs iii)	-	4,102
Electric energy costs	2,220	2,690
Insurance costs	1,416	1,382
Reserve capacity costs i)	697	693
Publicity costs	556	997
Security and surveillance	921	992
Other (less than 1,000 thousand Euros)	2,940	3,320
External supplies and services	**17,957**	**23,944**

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 June 2013, when compared with the same period of last year reflect that there was no 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:

	30.06.2013	30.06.2012
Remuneration		
Board of directors	1,239	960
Personnel	17,562	15,359
	18,802	16,319
Social charges and other expenses		
Post-employement and other benefits cost (Note 15)	3,299	1,376
Charges on remuneration	4,302	3,813
Social support costs	134	197
Other	1,292	1,150
	9,027	6,537
Total personnel costs	**27,829**	**22,856**

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:

	30.06.2013	30.06.2012
ERSE operating costs i)	4,380	4,380
Donations	81	319
Taxes	443	916
Quotizations	780	929
Others	182	527
	5,866	**7,072**

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:

	30.06.2013	30.06.2012
Financial costs		
Interest cost	71,381	66,228
Derivative financial instruments	5,790	3,580
Losses on other financial assets	479	318
	77,650	**70,126**
Financial income		
Interest income	4,661	925
Derivative financial instruments	1,896	61
	6,557	**986**

25 EARNINGS PER SHARE

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

		30.06.2013	30.06.2012
Consolidated net profit used to calculate earnings per share	(1)	64,052	70,569
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)**	**0.12**	**0.13**

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 dividends attributable to own shares was 660 thousand Euros, having been paid to the shareholders an amount of 90,120 thousand Euros.

27 GUARANTEES GIVEN

As of 30 June 2013 and 31 December 2012 the REN Group had given the following guarantees:

Beneficiary	Subject	30.06.2013	31.12.2012
Ministry of the Economy and Innovation	To guarantee settlement of executing	-	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	346,146	359,022
Municipal Council of Odivelas	To guarantee the good and regular execution of installing an underground line	1,119	-
		381,407	**393,403**

28 RELATED PARTIES

Main shareholders and shares held by corporate bodies

As of 30 June 2013 and 31 December 2012, the shareholder structure of Group REN was as follows:

	30.06.2013		31.12.2012	
	Number of shares	%	Number of shares	%
State Grid Europe Limited (State Grid Group Company)	133,500,000	25.0%	133,500,000	25.0%
Mazoon B.V. (Oman Oil Company S.A.O.C. Group Company)	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.	6,121,528	1.1%	6,118,772	1.1%
Own shares	3,881,374	0.7%	3,881,374	0.7%
Free Float	90,368,489	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 six month period ended 30 June 2013 amounted to 1,239 thousand Euros, as shown in the following table:

	30.06.2013	30.06.2012
Remuneration and other short term benefits	1,239	960
	1,239	**960**

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

	30.06.2013	30.06.2012
Sales and services provided		
Invoicing issued- EDP	762,409	680,977
Invoicing issued- OMIP	9	-
Invoicing issued- North China Internacional Power (State Grid Group)	20	-
Financial income		
Interest on financial aplications-CGD	28	-
Dividends received		
REE	2,286	916
	764,752	**681,893**

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

	30.06.2013	30.06.2012
External supplies and services		
Invoicing received-EDP	302,088	296,949
Invoicing received - Norfin Serviços S.A.*	4	-
Financial costs		
Interests on Commercial paper - CGD	103	-
Borrowings fees - CGD	644	-
Derivative financial instruments - CGD	1,293	-
	304,132	**296,949**

* Company related to the Member of the Board of Directors Filipe Maurício de Botton

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 30 June 2013 and 31 December 2012 the balances resulting from transactions with related parties were as follows:

	30.06.2013	31.12.2012
Trade and other receivables		
EDP - Trade receivables	91,880	107,487
EDP - Other receivables	1,554	1,267
OMIP - Trade receivables	-	2
OMIP - Other receivables	65	920
Oman Oil - Other receivables	1	1
Cash and cash equivalents		
CGD - Bank deposits	61,814	551
	155,314	**110,227**
Trade and other payables		
EDP - Trade payables	2,011	3,937
Norfin-Sociedade Gestora de Fundos * (collaterals)	9	-
Norfin Serviços S.A. *- Trade payables	5	-
OMICLEAR, S.A. - Other payables	11	889
Borrowings		
CGD - Borrowings (Commercial paper)	10,000	93,000
CGD - Finance lease	926	1,001
	12,963	**98,827**

* Company related to the Member of the Board of Directors Filipe Maurício de Botton

29 SUBSEQUENT EVENTS

There are no subsequent events to report.

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 of the Board of Directors and of the Executive Committee)

Aníbal Durães dos Santos
(Member of the Board of Directors designated by Parpública – Participações Públicas (SGPS), S.A.)

João Caetano Carreira Faria Conceição
(Member of the Board of Directors and of the Executive Committee)

Filipe Maurício de Botton
(Member of the Board of Directors designated by EGF - Gestão e Consultoria Financeira, S.A.)

Gonçalo Morais Soares
(Member of the Board of Directors and of the Executive Committee)

Manuel Carlos Melo Champalimaud
(Member of the Board of Directors designated by Gestmin, SGPS, S.A.)

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

José Luís Folgado Blanco
(Member of the Board of Directors designated by Red Eléctrica Corporación, S.A.)

Mengrong Cheng
(Member of the Board of Directors)

José Luis Arnaut
(Member of the Board of Directors)

Haibin Wan
(Member of the Board of Directors)

José Luís Alvim Marinho
(Member of the Board of Directors and President of the Audit Committee)

Hilal Ali Saif Al-Kharusi
(Member of the Board of Directors)

José Frederico Vieira Jordão
(Member of the Board of Directors and of the Audit Committee)

Emílio Rui Vilar
(Member of the Board of Directors and of the Audit Committee)

Note – The remaining pages of this Report and Accounts (1st half of 2013) were initialed by the Company Secretary, Pedro Cabral Nunes and the Accountant, Maria Teresa Martins.

4. APPENDIX

4.1 Declaration of conformity

DECLARATION PROVIDED IN THE ARTICLE 246 (1) (C)
OF THE PORTUGUESE SECURITIES CODE

In accordance with and for the purposes of article 246 (1)(c) of the Portuguese Securities Code, each one of the members of the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, S.A., nominally identified below has underwritten the declaration transcribed hereafter:

"I hereby declare, in accordance with and for the purposes of article 246 (1)(c) of the Portuguese Securities Code that, as far as I know, acting in the capacity and within the scope of the functions that I am entrusted with and based on the information that was made available to me within the Board of Directors and/or the Executive Committee, depending on the case, the consolidated financial statements were prepared in accordance with the applicable accounting rules and do reflect a true and appropriate image of the assets and liabilities, financial situation and results of REN – Redes Energéticas Nacionais, SGPS, S.A. and of the companies included in its consolidation perimeter, and that the management report relating to the financial 1st semester of 2013 faithfully reflects the relevant events occurred during that period and the impact on the respective financial statements and contains as well a description of the main risks and uncertainties for next semester."

Rui Manuel Janes Cartaxo (President of the Board of Directors and of the Executive Committee)

João Caetano Carreira Faria Conceição (Member of the Board of Directors and of the Executive Committee)

Gonçalo Morais Soares (Member of the Board of Directors and of the Executive Committee)

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

Mengrong Cheng (Member of the Board of Directors)

Haibin Wan (Member of the Board of Directors)

Hilal Ali Saif Al-Kharusi (Member of the Board of Directors)

Aníbal Durães dos Santos (Member of the Board of Directors designated by Parpública – Participações Públicas (SGPS), S.A.)

Filipe Maurício de Botton (Member of the Board of Directors designated by EGF - Gestão e Consultoria Financeira, S.A.)

Manuel Carlos Mello Champalimaud (Member of the Board of Directors designated by Gestmin, SGPS, S.A.)

José Luís Folgado Blanco (Member of the Board of Directors designated by Red Eléctrica Corporación, S.A.)

José Luis Arnaut (Member of the Board of Directors)

José Luís Alvim Marinho (Member of the Board of Directors and President of the Audit Committee)

José Frederico Vieira Jordão (Member of the Board of Directors of the Audit Committee)

Emílio Rui Vilar (Member of the Board of Directors and of the Audit Committee)

Lisbon, 31st July 2013

4.2 List of qualifying holdings [Item c) of no. 1 of Article 9 of CMVM'S Regulation no. 5/2008]

List of Holders of Qualified Shareholdings (at 31.12.2012)	No of Shares	Capital (%)	Voting Rights (%)
State Grid of China	133 500 000[1]	25.0%	25.0%
Oman Oil	80 100 000[2]	15.0%	15.0%
Portuguese State[3]	58 990 112	11.0%	11.0%
EGF, Gestão e Consultoria Financeira, S.A.[4]	45 019 666[5]	8.4%	8.4%
EDP-Energias de Portugal, S.A.	26 707 335[6]	5.0%	5.0%
Gestmin, SGPS, S.A.	31 326 951[7]	5.8%	5.8%
Olíren, SGPS, S.A.	26 700 000	5.0%	5.0%
Red Eléctrica Corporation, S.A.	26 700 000	5.0%	5.0%
Columbia Wanger	10 703 317[8]	2.0%	2.0%

[1] These qualified holdings are attributable to the companies (i) State Grid Europe Limited ("SGEL"), as a direct owner, (ii) State Grid International Development Limited ("SGID"), as the controlling shareholder of SGEL and, finally, (iii) State Grid Corporation of China, as the company which wholly controls SGEL.

[2] As part of the second stage of REN privatization, Parpública – Participações Públicas (SGPS), S.A. transferred the ownership of 80 100 000 shares representing 15% of REN capital to Mazoon B.V., a company wholly owned by Oman Oil Company SAOC (as per REN communication of 25th May 2012). This acquisition was made for the total price of EUR 205 056 000.

[3] These holdings include: (i) the qualified holdings of Parpública - Participações Públicas (SGPS), S.A., equating to 52 871 340 shares, corresponding to 9.9% of REN capital and voting rights; (ii) holdings belonging to Caixa Geral de Depósitos, S.A. totalling 6 118 772 shares (equivalent to direct holdings of 6.007.771 shares, 27 shares held by Fundo Pensões Pessoal CGD and 110 974 held by Fidelidade - Companhia de Seguros, S.A.).

[4] Previously called Logoplaste Gestão e Consultoria Financeira, S.A.

[5] The qualified holdings of EGF, Gestão e Consultoria Financeira, S.A. ("EGF") comprising (i) 33 999 783 shares held directly by EGF, (ii) 10 933 393 shares held by Logo Finance, S.A., a company wholly owned by EGF, (iv) 86 000 shares held directly and indirectly by Mr. Filipe Maurício de Botton, Chairman of the EGF Board of Directors and (v) 490 shares held directly and indirectly by Mr. Alexandre Carlos de Mello, member of the EGF Board of Directors. The voting rights inherent to the REN shares held by EGF are also attributable to the company Nikky Investments, S.A., holder of the entire EGF capital and to Mr. Filipe Maurício de Botton, holder of the controlling interest in Nikky Investments, S.A.

[6] EDP - Energias de Portugal, S.A. holds 18 690 000 shares directly and 8 017 335 shares indirectly through the EDP Pension Fund, a company in a group relation with EDP.

[7] These qualified holdings of Gestmin, SGPS, S.A. ("Gestmin"), comprising (i) (i) 31.046.951 shares held directly by Gestmin and (ii) 280.000 shares held by Mr. Manuel Carlos de Melo Champalimaud, while majority shareholder of that company and Chairman of the Board of Directors.

[8] These qualified holdings are also attributable to Columbia Management Investment Advisers LLC and to Ameriprise Financial Inc, due to the controlling relations which exist.

Therefore, pursuant to article 20 of the Portuguese Securities Code, as of 30 June 2013, the qualifying holdings of shareholders to which voting rights corresponding to, at least, 2% of the voting rights inherent to REN's share capital were attributable, are as follows:

	No.of Shares	% Votes
State Grid	133,500,000	25,0%
Oman Oil	80,100,000	15,0%
Portuguese State	58,985,604	11,0%
EGF – GCF, S.A.[2]	45,019,666	8,4%
Gestmin, SGPS, S.A.	31,326,951	5,8%
J.P. Morgan Chase & Co.[3]	28,152,643	5,2%
EDP – Energias de Portugal, S.A.[4]	26,700,000	5,0%
Oliren, SGPS, S.A.	26,700,000	5,0%
Red Eléctrica Corporatión, S.A.	26,700,000	5,0%
Columbia Wanger	10,703,317	2,0%

After the sale of 40% of REN's share capital to State Grid International Development Limited (25%) and Oman Oil Corporation (15%), via Parpública, SGPS, S.A. and within the 2nd phase of REN's reprivatization procedure, the voting rights inherent to REN's share capital that are attributable to the Portuguese State currently correspond to 11.0%, by virtue of the relationship of total control over Parpública and CGD.

4.3 Securities held by the members of the corporate bodies [Item a) of no. 1 of Article 9 of CMVM'S Regulation no. 5/2008]

Audit Committee

Audit Committee	Acquisitions	Encumbrances	Disposals	No of Shares at 30.06.2013
José Luís Alvim Marinho	-	-	-	0 (zero)
José Frederico Vieira Jordão	-	-	-	0 (zero)
Emílio Rui Vilar	-	-	-	0 (zero)

Board of Directors as per composition at 30.06.2013

The Board of Directors	Acquisitions	Encumbrances	Disposals	No of Shares at 30.06.2013
Rui Manuel Janes Cartaxo	-	-	-	19 162[1]
Gonçalo Morais Soares	-	-	-	0
João Caetano Faria Carreira Conceição	-	-	-	500
Guangchao Zhu – representing State Grid International Development Limited	133 500 000			133 500 000[2]
Hilal Ali Saif Al-Kharusi	-	-	-	-
Aníbal Durães dos Santos - appointed by Parpública - Participações Públicas (SGPS), S.A.	-	-	-	10 250[3]
Filipe Maurício de Botton – Appointed by EGF – Gestão e Consultoria Financeira, S.A.	-	-	-	45 019 666[4]

1 Comprises (i) 18 672 directly held shares and (ii) 490 shares held by his spouse.

2 Mr. Guangchao Zhu is Chairman, CEO and member of the Board of Directors of State Grid International Development Limited and Director of State Grid Europe Limited, which has qualified holdings corresponding to 133 500 000 REN shares.

3 Includes the following shares: (i) 10 000 directly held shares and 250 shares held by his spouse;

4 Consisting of (i) 33 999 783 shares held directly by EGF, (ii) 10 933 393 shares held by Logo Finance, S.A., a company wholly owned by EGF, (iv) 86 000 shares held directly and indirectly by Filipe Maurício de Botton, Chairman of the EGF Board of Directors and (v) 490 shares held directly and indirectly by Alexandre Carlos de Mello, member of the EGF Board of Directors.

The Board of Directors	Acquisitions	Encumbrances	Disposals	No of Shares at 30.06.2013
Manuel Carlos de Melo Champalimaud - Appointed by pela Gestmin, SGPS, S.A.	35.700	-	-	31 326 951[1]
Mengrong Cheng	-	-	-	0
Haibin Wan	-	-	-	0
José Folgado Blanco - appointed by Red Eléctrica Corporación, S.A.	-	-	-	26 700 000[2]
José Luís Arnaut	-	-	-	0

At 30th June 2013, members of the REN management and supervisory bodies held the following bonds issued by REN:

The Board of Directors	Acquisitions	Encumbrances	Disposals	No of Bonds at 30.06.2013
Rui Manuel Janes Cartaxo	-	-	-	1

[1] Comprises 280 000 shares held directly and 31 046 951 shares held by Gestmin SGPS, S.A. ("Gestmin"), representing 5.8% of capital and corresponding to voting rights in REN, and which, due to the exercising of the duties of Chairman of the management body of that company and the majority holding of the respective capital is attributable to him.
[2] Corresponds to the shares held by Red Eléctrica Corporación, S.A., which are attributable pursuant to Article 447 of the Portuguese Companies Code, due to the exercising of the duties of Chairman of the management body of this company.

During the 1st semester of 2013, REN was informed that the manager of the Company Manuel Champalimaud, member of the Board of Directors of REN has carried out the following transactions regarding REN's shares, which are relevant for the purposes of article 14 of CMVM's Regulation 5/2008:

Type of transaction	Place	Amount	Price	Transaction date
Acquisition	Euronext Lisbon	40	€ 2.324	19/Feb/13
Acquisition	Euronext Lisbon	100	€ 2.329	19/Feb/13
Acquisition	Euronext Lisbon	100	€ 2.329	19/Feb/13
Acquisition	Euronext Lisbon	100	€ 2.329	19/Feb/13
Acquisition	Euronext Lisbon	187	€ 2.328	19/Feb/13
Acquisition	Euronext Lisbon	200	€ 2.324	19/Feb/13
Acquisition	Euronext Lisbon	200	€ 2.329	19/Feb/13
Acquisition	Euronext Lisbon	200	€ 2.329	19/Feb/13
Acquisition	Euronext Lisbon	230	€ 2.324	19/Feb/13
Acquisition	Euronext Lisbon	230	€ 2.324	19/Feb/13
Acquisition	Euronext Lisbon	220	€ 2.326	19/Feb/13
Acquisition	Euronext Lisbon	400	€ 2.324	19/Feb/13
Acquisition	Euronext Lisbon	400	€ 2.328	19/Feb/13
Acquisition	Euronext Lisbon	513	€ 2.328	19/Feb/13
Acquisition	Euronext Lisbon	600	€ 2.328	19/Feb/13
Acquisition	Euronext Lisbon	10	€ 2.325	20/Feb/13
Acquisition	Euronext Lisbon	60	€ 2.330	20/Feb/13
Acquisition	Euronext Lisbon	144	€ 2.325	20/Feb/13
Acquisition	Euronext Lisbon	156	€ 2.325	20/Feb/13
Acquisition	Euronext Lisbon	230	€ 2.330	20/Feb/13
Acquisition	Euronext Lisbon	487	€ 2.330	20/Feb/13
Acquisition	Euronext Lisbon	490	€ 2.325	20/Feb/13
Acquisition	Euronext Lisbon	500	€ 2.311	20/Feb/13
Acquisition	Euronext Lisbon	1,210	€ 2.330	20/Feb/13
Acquisition	Euronext Lisbon	2,172	€ 2.322	20/Feb/13
Acquisition	Euronext Lisbon	25,000	€ 2.330	20/Feb/13
Acquisition	Euronext Lisbon	7	€ 2.314	21/Feb/13
Acquisition	Euronext Lisbon	490	€ 2.314	21/Feb/13
Acquisition	Euronext Lisbon	490	€ 2.314	21/Feb/13
Acquisition	Euronext Lisbon	534	€ 2.314	21/Feb/13

4.4 Limited review Report prepared by an auditor registered at the stock exchange commission (Comissão do Mercado de Valores Mobiliários) on the half year consolidate information

(Translation of a report originally issued in Portuguese)

Introduction

1. Under the terms of the Securities Market Code (Código dos Valores Mobiliários) we present our Limited Review Report on the consolidated financial information of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. ("the Company") for the half year ended 30 June 2013, included in the: Directors' Report; Consolidated Statement of Financial Position (that reflects total assets of 4,934,830 thousand Euros and equity of 1,024,362 thousand Euros, including a consolidated net profit of 64,052 thousand Euros), Consolidated Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the half year then ended and the corresponding Notes.

2. The amounts in the financial statements, as well as the additional financial information, are those reflected in the accounting records of the companies included in the consolidation, subsequently adjusted, in the consolidation process, in accordance with International Financial Reporting Standards as adopted by the European Union.

Responsibilities

3. The Company's Board of Directors is responsible: (i) for preparing consolidated financial information that fairly presents the financial position of the companies included in the consolidation, their consolidated comprehensive income, consolidated changes in equity and consolidated cash flows; (ii) that the historical financial information is prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and that it is complete, true, timely, clear, objective and licit as required by the Securities Market Code (Código dos Valores Mobiliários); (iii) for the adoption of adequate accounting policies and criteria; (iv) for the maintenance of appropriate systems of internal control; and (v) for the disclosure of any significant facts that have influenced its operations and those of the companies included in the consolidation, their financial position or their comprehensive income.

4. Our responsibility is to examine the financial information contained in the documents of account referred to above, including verifying that, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent moderate assurance report on that consolidated financial information, based on our work.

Scope

5. Our work was performed with the objective of obtaining moderate assurance as to whether the financial information referred to above is free of material distortion. Our work, which was performed in accordance with the auditing standards (“Normas Técnicas e Directrizes de Revisão/Auditoria”) issued by the Portuguese Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas”), was planned in accordance with that objective and consisted mainly of inquiries and analytical procedures to review: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting policies used, considering the circumstanmces and their consistent application; (iii) application or not of the going concern concept; (iv) presentation of the financial information; and (v) if, in all material respects, the consolidated financial information is complete, true, timely, clear, objective and licit as required by the Securities Market Code.

6. Our work also included verifying the consistency of the consolidated financial information included in the Directors’ Report with the other documents referred to above.

7. We believe that our work provides a reasonable basis for issuing this Limited Review Report on the consolidated half year financial information.

Opinion

8. Based on our work, which was performed with a view to obtaining moderate assurance, nothing came to our attention that led us to conclude that the consolidated financial information of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. for the half year ended 30 June 2013, referred to in paragraph 1 above, is not exempt from material distortions that affect its accordance with International Financial Reporting Standards as adopted by the European Union for purposes of interim financial reporting (IAS 34), and that in the terms and definitions included in the guidelines referred to in paragraph 5 above, is not complete, true, timely, clear, objective and licit.

Lisbon, 31 July 2013

Deloitte & Associados, SROC S.A.
Represented by Jorge Carlos Batalha Duarte Catulo

4.5 Report and opinion of the Audit Committee in respect of the consolidated half year information

(regarding the six month period ended 30th June 2013)

Within the scope of the responsibilities attributed, the Audit Committee, during the first semester of 2013, accompanied the development of the activity of REN – REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A. and its participated companies, ensured compliance with the law, regulations and articles of association, oversaw the fulfillment of the accounting policies and practices and supervised the process of preparation and disclosure of the financial information, the effectiveness of the internal control systems, the management of risk and also the independence and activity of the Statutory Auditor and the External Auditor.

The Audit Committee examined the consolidated financial information included in the Management Report and condensed consolidated financial statements for the half year ended June 30, 2013 of REN – REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A., which comprise the Consolidated Statement of Financial Position (that reflects total assets of 4.934.830 thousand Euros and equity of 1.024.362 thousand Euros, including a consolidated net profit in the amount of 64.052 thousand Euros), the Consolidated Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the half year then ended and the corresponding Annex.

The Audit Committee also examined and agreed with the Limited Review Report on the above mentioned consolidated half year information prepared by the Statutory Auditor and by the External Auditor.

In the light of the above, the Audit Committee is of the opinion that consolidated financial information for the half year ended on June 30, 2013, is in accordance with the applicable accounting, legal and articles of association provisions.

Lisbon, 31st July 2013

José Luís Alvim Marinho

José Frederico Jordão

Emílio Rui Vilar

4.6 Contacts

At REN we are happy to pursue a policy of facilitating direct access to the Group's corporate bodies. Feel free to contact us at the following addresses/numbers/emails:

Investor Relations Office

Ana Fernandes – Head of Office
ana.fernandes@ren.pt

Alexandra Martins
alexandra.martins@ren.pt

Telma Mendes
telma.mendes@ren.pt

REN - Redes Energéticas Nacionais, SGPS, S.A.
Investor Relations Office
Avenida dos Estados Unidos da América, 55
1749-061 LISBOA – Portugal
Telephone: +351 21 001 35 46
Telefax: +351 21 001 31 50
E-mail: ir@ren.pt

Communication and Sustainability

Margarida Ferreirinha
margarida.ferreirinha@ren.pt

REN - Redes Energéticas Nacionais, SGPS, S.A.
Communication and Sustainability
Avenida dos Estados Unidos da América, 55
1749-061 LISBOA - Portugal
Telephone: +351 21 001 35 00
Telefax: +351 21 001 31 50
E-mail: comunicacao@ren.pt