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

The previous version lacked the 3rd Quarter's P&L and Cash Flow Statements (Chapter 1.6 in page 10), we hereby present the ammended version.

Report and accounts for the first nine months of 2009

Minimum items required by IAS 34 in accordance with Art. 10 of CVM Reg. 5/2008

REN Group Consolidated Report

September 30st 2009

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

Unofficial Translation

This is an unofficial translation of the proposal indicated below and it has been prepared for information purposes only. In the case of any discrepancy between this translation and the Portuguese version, the Portuguese version will prevail.

ÍNDICE

1 Directors' Report

1.1. Main financial data

The main financial indicators at 30 September 2009 are as follows:

(€M)	9M08	9M09	Δ%
Recurrent EBITDA	245.0	271.9	11.0%
Net financial income	-47.2	-44.8	-5.1%
Income before taxes	145.4	158.3	8.9%
Net income	108.1	116.3	7.6%
Recurrent net income	75.5	90.5	19.9%
CAPEX	180.1	286.7	59.2%
Net debt (end of period)	1 738	2 089	20.2%

The company's earnings showed a strong performance, mostly due to the operational results which reflected improved rates of return and increased entries into operation.

CAPEX grew by almost 60% so far this year, with natural gas contributing with a full €82.6M.

Net financial costs were lower than in 2008 despite the increased level of net debt.

Recurrent net income grew by 19.9% vs 9M08.

Net income reached €116.3M, an increase of 7.6% when compared to the same period in 2008.

The growth of net income reflects to a larger extent the improvement in EBITDA, and to a lesser extent financial results.

Recurrent EBITDA increased by 11% reflecting the rise in electricity related RAB revenues.

In September existing net tariff deviations were accounted for in the P&L, following IAS8 recommendation that income and costs should be recognized when they are originated (this was confirmed with REN's auditors); this treatment had a positive impact of €12.4M on EBITDA and €9.1M on net income.

CAPEX in 9M09 reached €286.7M, which represents 59.2% more than in 9M08.

1.2. Statement of profit and loss

The following table shows the statement of profit and loss for the half year ended 30 September 2009 compared to the same period of 2008:

(€M)	9M08	9M09	Δ%
Operational revenues	**463.1**	**478.8**	**3.4%**
Sales and services provided	368.3	394.2	7.0%
Other	27.6	49.6	79.7%
Non recurrent revenues	67.2	35.1	-47.7%
Operational cost	**-270.5**	**-275.7**	**1.9%**
External supplies and services	-50.4	-58.5	16.0%
Personnel	-37.0	-35.4	-4.3%
Depreciation	-96.7	-103.9	7.4%
PPA's costs	-52.3	-66.8	27.8%
Other operational costs	-11.3	-11.2	-0.9%
Non recurrent costs	-22.8		
EBIT	**192.6**	**203.1**	**5.4%**
Net financial income	**-47.2**	**-44.8**	**-5.1%**
Financial costs	-69.9	-55.8	-20.2%
Financial income	20.3	7.6	-62.4%
Investment income - Dividends	2.4	3.3	40.9%
Income before taxes	**145.4**	**158.3**	**8.9%**
Income tax expense	**-37.3**	**-42.0**	**12.5%**
Net income	**108.1**	**116.3**	**7.6%**

1.3. EBITDA breakdown

The main factor behind recurrent EBITDA growth was the change in the rates of return on electricity assets (7.55% for old assets and 9.05% for assets that became operational after January 1st 2009).

OPEX (external services plus personnel charges) grew by 7.4% in the first 9 months of 2009. This increase is mostly due to the growth in the electricity grid maintenance costs. If we were to exclude this item, OPEX would have grown by 2.7%.

(M€)	9M08	9M09	Δ%
Return on RAB (Electricity)	66.5	79.0	18.9%
Return on RAB (Gas)	56	56.4	0.7%
Recovery of OPEX (Electricity)	47.4	44.6	-6.0%
Recovery of OPEX (Gas)	22.8	23.0	0.9%
Recovery of depreciation (Electricity)	74.6	81.7	9.5%
Recovery of depreciation (Gas)	27.2	29.6	8.7%
Recovery of PPA's costs	52.3	66.8	27.8%
Tariff smoothing effect (Gas)	-3.6	8.4	-334.4%
Interest on tariff deficit/deviation	13.8	4.8	-65.3%
Tariff deficit payment	67.2		
Tariff deviations (Electricity & Gas)	-1.5		
Commercial gains	4.3	5.1	20.2%
Provision reversion		35.1	
Other operational revenues	36.1	44.3	22.6%
Operational revenues	463.1	478.8	3.4%
Personnel plus External supplies & services	87.4	93.9	7.4%
Depreciation	96.7	103.9	7.4%
Remaining PPA's costs	52.3	66.8	27.8%
Provisions	22.8		
Others	11.3	11.1	-1.3%
Operational costs	270.4	275.7	2.0%
EBIT	192.6	203.1	5.4%
Depreciation	96.7	103.9	7.4%
EBITDA	289.4	307	6.1%
Non recurrent income	67.2*	22.8***	-66,1%
Non recurrent costs	22.8**		
Tariff deviations		12.4	
Recurrent EBITDA	245	271.9	11.0%

* - 1H08 –IFRS impact from the tariff deficit payment;

** - Provision to cover the revenues from the sale of the land of Pego power station;

*** - Reversion of the previous provision.

Transmission OPEX costs are now subject to a reference cost level (C0). In September 2009 incurred costs were €1.4M above C0. This was due to a non recurrent increase in pension fund costs following the actuarial re-evaluation made at the end of 2008.

On 30th of September 2009 tariff deviations in the balance sheet were worth €130.1M.

1.4. Average RAB and Capex

Investment from January through September 2009 reached €286.7M, a 59.2% increase versus the previous year.

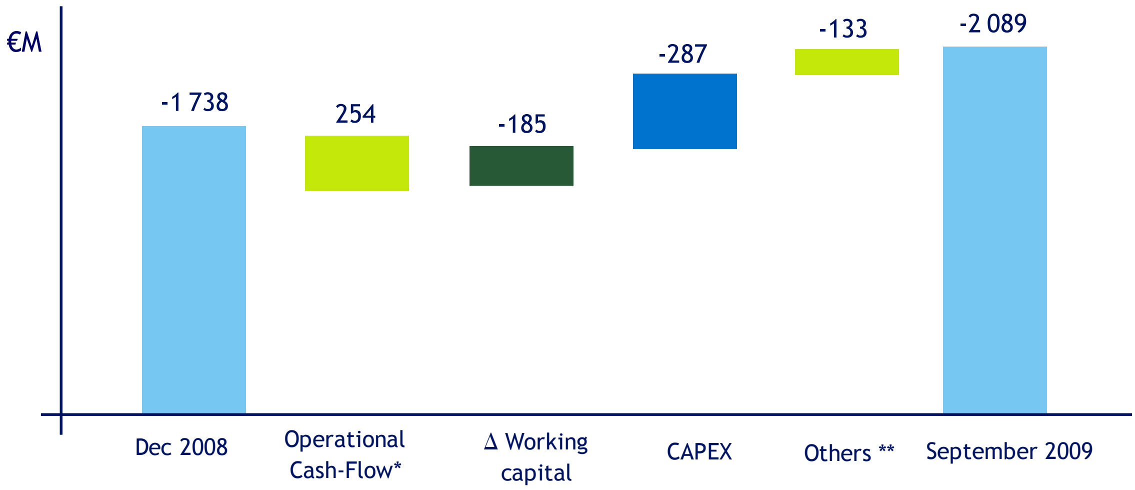
Total average RAB (Regulated Asset Base) grew by 5.4% in the first nine months of 2009. Entries into operation were €135.7M in electricity and €60.5M in gas.

(€M)	9M08	9M09	Δ%
Total Average RAB	**2 568.6**	**2 706.6**	**5.4%**
Electricity	1 265.9	1 383.4	9.3%
Hydro land	379.0	365.7	-3.5%
Gas	923.8	957.5	3.6%
Capex	**180.1**	**286.7**	**59.2%**
Electricity	160.6	204.1	27.1%
Gas	19.5	82.6	323.8%

1.5. Net debt

Net debt at the end of September 2009 was €2 089M. The growth in net debt is due to the increasing Capex levels.

In the first nine months of the year the average cost of debt was 3.9%.



(*) - Operational cash – flow = Operational income + Depreciation + Provisions;
(**) - “Others” include net financial income and payment of dividends.

1.6. Statements of profit and loss and cash flows (3rd Quarter)

Below are the profit and loss and cash flows statements for the periods from 1 July to 30 September 2009 and 2008:

Condensed consolidated statements of profit and loss

(Amounts expressed in thousands of Euros - tEuros)

	3rd Quarter 09	3rd Quarter 08
Sales	103	76
Services rendered	135,346	121,786
Total sales and services rendered	**135,448**	**121,862**
Cost of sales	(142)	(111)
External supplies and services	(21,994)	(16,748)
Personnel costs	(11,620)	(11,507)
Amortisation and depreciation	(34,832)	(32,108)
Provision for risks and charges	(35,404)	-
Other operating costs	(25,711)	(16,355)
Other operating income	61,210	907
Gain/(loss) on joint ventures	2,542	2,322
Total	**(65,950)**	**(73,601)**
Operating profit	**69,498**	**48,261**
Financial costs	(17,516)	(24,255)
Financial income	(1,272)	8,014
Gain on financial participations	2,058	1,843
Net financial costs	**(16,729)**	**(14,398)**
Profit before income tax	**52,769**	**33,863**
Income tax	(12,509)	(8,529)
Net profit for the period	**40,260**	**25,334**
Attributable to:		
Shareholders of the REN Group	40,332	25,325
Minority interest	(73)	9
	40,260	**25,334**
Earnings per share for the period attributable to shareholders (expressed in euros per share)		
- basic	0.08	0.05
- diluted	0.08	0.05

Condensed consolidated statement of cash flows

(Amounts expressed in thousands of Euros – tEuros)

	3rd Quarter 09	3rd Quarter 08
Cash flows from operating activities		
Received from customers	844,057	674,398
Paid to suppliers	(274,467)	74,046
Paid to personnel	(7,172)	(3,381)
Payment of income tax	(51,761)	(23,359)
Other from operating activities	(440,240)	(641,040)
Net cash from/(used in) operating activities	**70,416**	**80,663**
Cash flows from investing activities		
Receipts relating to:		
Financial investments	1,577	
Tangible fixed assets		
Investment subsidies	42	
Guarantees	7,300	
Interest and similar income	-	
Dividends	3,336	8,451
Payments relating to:		
Tangible fixed assets	(120,242)	(55,672)
Net cash flow from/(used in) investing activities	**(107,986)**	**(47,221)**
Cash flows from financing activities		
Receipts relating to:		
Loans obtained	2,104,309	7,889,898
Interest	7,440	
Payments relating to:	-	-
Loans obtained	(2,100,702)	(8,356,524)
Interest and similar costs	(3,153)	(21,986)
Dividends	(3,520)	-
Net cash flow from financing activities	**4,373**	**(488,612)**
Net increase/(decrease) in cash and cash equivalents	**(33,198)**	**(455,170)**
Cash and cash equivalents at the beginning of the period	**85,014**	**553,968**
Effect of exchange differences		
Cash and cash equivalents at the end of the period	**51,816**	**98,799**
Breakdown of cash and cash equivalents		
Cash	22	23
Bank overdrafts	(33,142)	(33,392)
Bank deposits	77,368	132,168
Other treasury applications	7,568	-
	51,816	**98,799**

2 Condensed consolidated financial statements as of 30 September 2009

(Translation of the condensed consolidated financial statements originally issued in Portuguese – Note 20)

Condensed consolidated statement of financial position

(Amounts expressed in thousands of Euros - tEuros)

	Notes	Period ended 30.09.09	31.12.08
ASSETS			
Non-current			
Tangible fixed assets	5	3.040.916	2.847.243
Goodwill		3.774	3.774
Investment property	6	299.197	328.680
Participation in joint ventures		8.496	9.716
Deferred tax assets	7	54.542	46.147
Assets held for sale	8	82.473	86.924
Derivative financial assets		5.040	
Trade and other receivables	9	47.622	90.393
		3.542.059	**3.412.876**
Current			
Inventories		22.715	8.364
Trade and other receivables	9	342.826	263.856
Income tax receivable		34.329	-
Guarantee deposits received		82.914	35.604
Derivative financial instruments		-	876
Cash and cash equivalents		84.959	101.431
		567.743	**410.131**
Total assets		**4.109.802**	**3.823.007**
EQUITY			
Capital and reserves attributable to the shareholders			
Capital	10	534.000	534.000
Treasury shares	10	(10.728)	(6.619)
Other reserves		153.355	164.160
Retained earnings		200.375	192.156
Profit for the period attributable to the shareholders		116.396	127.405
		993.398	**1.011.102**
Minority interest		513	574
Total equity		**993.911**	**1.011.676**
LIABILITIES			
Non- current			
Loans	11	1.691.860	1.298.530
Deferred tax liabilities	7	111.516	92.333
Liability for retirement benefits and others	12	41.880	45.198
Trade and other suppliers		392.137	351.060
Derivative financial instruments		9.216	
Provisions for other risks and charges	13	5.465	33.524
		2.252.074	**1.820.645**
Current			
Loans	12	482.122	541.026
Trade and other suppliers		298.781	296.426
Provisions for other charges			25.300
Income tax			92.331
Guarantee deposits payable		82.914	35.604
		863.817	**990.686**
Total liabilities		**3.115.891**	**2.811.331**
Total equity and liabilities		**4.109.802**	**3.823.007**

The Notes on pages 14 to 43 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit and loss

(Amounts expressed in thousands of Euros - tEuros)

	Notes	Period ended 30.09.09	Period ended 30.09.08
Sales		227	259
Services rendered		392,569	368,088
Total sales and services rendered	4	**392,796**	**368,347**
Cost of sales		(302)	(355)
External supplies and services		(58,499)	(50,383)
Personnel costs		(35,354)	(36,987)
Depreciation	5	(103,902)	(96,723)
Provisions for liabilities and charges	13		(22,754)
Other operating costs		(77,669)	(63,240)
Other operating income		78,580	87,896
Gain/ (loss)0n joint ventures		7,465	6,843
Total		(189,681)	(175,702)
Operating profit		**203,114**	**192,645**
Finance costs		(55,781)	(69,874)
Finance income		7,625	20,258
Gain in associated companies		3,336	2,367
Net financial profit		(44,820)	(47,249)
Profit before tax		**158,295**	**145,396**
Income tax	14	(41,960)	(37,287)
Net profit for the period		**116,334**	**108,109**
Attributable to:			
Shareholders		116,396	108,066
Minority interest		(62)	43
		116,334	**108,109**
Profit per share attributable to the shareholders during the period (expressed in euro per share)			
- basic		0.22	0.20
- diluted		0.22	0.20

The Notes on pages 14 to 43 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of other comprehensive income

(Amounts expressed in thousands of Euros – tEuros)

		Period ended	
	Notes	30.09.09	30.09.08
Profit for the period		116,334	108,109
Other income:			
Loss on derivative financial instruments		(6,944)	-
Actuarial gain/ (loss) - goss	12	-	(4,044)
Thermal land fair value variation	6	(42,849)	-
Gains/(losses) on assets held for sale - gross	8	(4,451)	(2,402)
Other variations		243	-
Tax effect on items recorded directly in equity		12,360	1,438
Other comprehensive income for the period		74,693	103,101
Attributable to :			
Shareholders		76,181	103,058
Minority interest		(62)	43
		76,119	**103,101**

The Notes on pages 14 to 43 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

(Amounts expressed in thousands of Euros – tEuros)

Condensed consolidated statement of changes in equity

	Atributable to shareholders									
	Share capital	Treasury shares	Legal reserve	Fair value reserve	Hedge reserve	Other reserves	Retained earnings	for the year	Minority interest	Total
At 1 January 2008	**534,000**		**61,137**	**7,460**		**83,993**	**174,033**	**145,150**	**555**	**1,006,328**
Net profit of the period	-		-	(2,402)		19,226		108,066	48	124,938
Acquisition Treasury shares		(2,774)								(2,774)
Distribution of dividends	-			-		-	(87,042)	-	(9)	(87,051)
Transfer to other reserves	-		6,084	-		-	116,867	(145,150)	-	(22,199)
At 30 September 2008	**534,000**	**(2,774)**	**67,221**	**5,058**	**-**	**103,219**	**203,858**	**108,066**	**594**	**1,019,243**

	Atributable to shareholders									
	Share capital	Treasury shares	Legal reserve	Fair value reserve	Covering reserve	Other reserves	Retained earnings	P*rofit for the year	Minority interest	Total
At 1 January 2009	**534,000**	(6,619)	**67,221**	**(6,279)**	**-**	**103,218**	**192,156**	**127,405**	**574**	**1,011,676**
Net profit of the period and other comprehensive income	-		-	(3,861)	(6,944)	-	(31,084)	116,396	(62)	74,445
Acquisition Treasury shares		(4,109)	-	-	-	-	-	-	-	(4,109)
Distribution of dividends	-		-	-		-	(88,102)	-	1	(88,101)
Transfer to other reserves	-		-	-	-	-	127,405	(127,405)	-	-
At 30 September 2009	**534,000**	**(10,728)**	**67,221**	**(10,140)**	**(6,944)**	**103,218**	**200,375**	**116,396**	**513**	**993,911**

The Notes on pages 14 to 43 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statements of cash flows

(Amounts expressed in thousands of Euros – tEuros)

	Period ended	
	30.09.09	30.09.08
Cash flow from operating activities		
Received from customers	1,710,871	1,685,120
Paid to suppliers	(1,044,642)	(474,429)
Paid to personnel	(34,795)	(28,578)
Other receipts and payments from operating activities	(440,240)	(481,950)
Payment of Income tax	(146,285)	(83,827)
Net cash from operating activities	**44,909**	**616,336**
Investing activities		
Receipts relating to:		
Investments	39	-
Investments subsidies	24,247	10,975
Dividends	3,336	8,451
Payments relating to:		
Investments		(43,195)
Tangible fixed assets	(263,673)	(163,513)
Net cash from/(used in) investing activities	**(236,051)**	**(187,282)**
Financing activities		
Receipts relating to:		
Loans obtained	8,675,696	32,644,188
Interests and similar income	13,468	17
Payments relating to:		
Loans obtained	(8,393,035)	(32,918,390)
Interests and similar costs	(21,945)	(71,241)
Acquisition Treasury shares	(3,520)	
Dividends	(88,111)	(87,043)
Net cash from financing activities	**182,552**	**(432,469)**
Net (decrease)/increase in cash and cash equivalents	(8,590)	(3,415)
Cash and cash equivalents at de begining of the period	60,407	102,215
Cash and cash equivalents in de end of the period	**51,816**	**98,799**
Breakdown of cash and cash equivalents:		
Cash	22	22
Bank overdrafts	(33,142)	(33,392)
Bank deposits	77,368	132,168
Other treasury applications	7,568	-
	51,816	**98,798**

The Notes on pages 14 to 43 form an integral part of these condensed consolidated financial statements.

3 Selected notes to the condensed consolidated financial statements

1 General information

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

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

In the beginning of 2007 the Company was transformed into a holding company and, after transfer of the electricity business to a new company formed on 26 September 2006, was renamed REN – Serviços de Rede, S.A., which was simultaneously renamed REN – Rede Eléctrica Nacional, S.A..

The Group presently has two main business areas, Electricity and Gas, and two secondary businesses, in the areas of Telecommunications and Management of the Electricity Derivatives Market.

The Electricity business includes the following companies:

a) REN – Rede Eléctrica Nacional, S.A., formed 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 PES;

b) REN Trading, S.A., formed 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 CMEC contracts. The operations of this company include the trading of electricity produced and the installed production capacity, with domestic and international distributors.

The Gas business covers the following companies:

a) REN Gasodutos, S.A.

This company was founded on 26 September 2006, the capital of which was paid up through integration of the gas transport infrastructures (network; connections; compression);

b) REN Armazenagem, S.A.

This company was founded on 26 September 2006, the capital of which was paid up through integration of the gas underground storage assets;

c) REN Atlântico, Terminal de GNL, S.A.

This company was 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 of reception, storage and re-gasification of natural liquefied gas services through the GNL maritime terminal, being responsible for the construction, utilization and maintenance of the necessary infrastructures.

The operations of these companies are carried out under three concession contracts granted separately for periods of 40 years as from 2006.

In addition REN Gasodutos, S.A. has participations in two companies founded under joint venture with the Spanish gas transporter, Enagás, to which REN Gasodutos ceded the transport rights to specific gas pipelines (Braga-Tuy and Campo Maior - Leiria – Braga).

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

Management of the Electricity Derivatives Market is provided by OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.A.. This entity was founded to organise the Portuguese division of MIBEL, providing management of MIBEL's Derivatives Market together with OMIclear (Clearing Agent for the energy market), a company founded and fully owned by OMIP, the role of which is to be the clearing agent and central counterparty for operations realized in the term market. OMIP started operating on 3 July 2006.

REN Serviços, S.A. started operating in January 2008, its operations consisting of the rendering of any general administrative, financial, regulating, personnel management, salary processing, management and maintenance of the non-fixed assets and fixed assets, negotiation and supply of consumables or services and in general any other services of the same type, usually known as back office services, being remunerated for these, both the related group companies and any third parties.

1.1 Approval of the condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors in a meeting held on 26 October 2009. The Board of Directors believes that the financial statements fairly reflect REN's operations, as well as its financial position and financial performance and its cash flows.

2 Basis of preparation

The financial statements presented for the period ended 30 September 2009 were prepared in accordance with IAS 34 – Interim Financial Reporting. The financial statements are presented in condensed form and must read in conjunction with the annual financial statements issued for the year ended 31 December 2008.

The financial statements are presented in thousands of euros.

3 Summary of main accounting policies

Except for the situations described below the accounting policies used in these condensed financial statements are consistent with the policies used for preparing the consolidated financial statements for the year ended 31 December 2008, as explained in the notes to the consolidated financial statements for 2008, the accounting policies were applied on a basis consistent for the periods presented.

a)The following standards and interpretations must be applied for the years starting on 1 January 2009:

- IAS 1 (revised), 'Presentation of financial statements'. REN presents all the changes in equity resulting from transactions with the shareholders in the consolidated statement of changes in equity. All the changes in equity resulting from transactions with non-shareholder entities are presented in two separate statements (a consolidated statement of profit and loss and a consolidated statement of other comprehensive income).
- IFRS 8, 'Operating segments'. Adoption of this standard did not have a significant impact on the REN Group's segment reporting.
- IAS 23 (revised), 'Borrowing costs'. Adoption of this standard did not have a significant impact on the REN Group's consolidated financial statements as it had already adopted this standard.
- IFRS 2 (changed), 'Share based payments'. Adoption of this change did not have any impact on the REN Group's consolidated financial statements.
- IAS 32 (changed), 'Financial instruments': presentation and consequent change in IAS 1 – 'Presentation of financial statements'. This change did not have any impact on the REN Group's consolidated financial statements.
- IFRS 1 (changed), 'First time adoption of IFRS' and consequent change to IAS 27 'Separate and consolidated financial statements'. This change did not have any impact on the REN Group's consolidated financial statements.
- Annual improvement of standards in 2008 (to be applied for years starting on 1 January 2009). Adoption of these improvements did not have any impact on the REN Group's consolidated financial statements.
- IFRIC 13, 'Customer loyalty programmes'. This interpretation did not have any impact on the REN Group's consolidated financial statements.
- IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Adoption of this interpretation did not have any impact on the REN Group's consolidated financial statements.

b) There are new standards, amendments and interpretations of existing standards, that despite being published, are only mandatorily applicable for annual periods starting as from 1 July 2009 or subsequently, which REN decided not to adopt early:

- IFRS 3 (revised), 'Business Combinations' (applicable for the years starting on or after 1 July 2009). The revised version of this standard establishes significant changes in determining the cost relating to the components covered and their valuation. The revised standard also establishes the option of applying to each individual concentration, as regards the measurement of "non-controlled interests", the proportion of the net assets of the acquired entity or the fair value of the assets and liabilities acquired ("full goodwill"). This revision will have an impact on future business combinations to be made by REN.
- IFRS 5 (2008 Annual improvement) (to be applied in the years starting on or after 1 July 2009). The improvement introduced results from revision of IFRS 3 and IAS 27, and clarifies that all assets and liabilities of a branch are classified as held for sale if, as the result of a partial sales plan, there is a resulting loss of control. This improvement will be applied by the Group in the year it becomes mandatory.
- IAS 27 (revised), 'Consolidated and separate financial statements' (to be applied in the years starting on or after 1 July 2009). The revision to this standard has not yet been adopted by the European Union. After revision, the standard requires that transactions with "uncontrolled interests" are recorded in Equity, when there is no change in control over the entity. When there are changes in control over the entity, any remaining interest over the entity is re-measured at fair value by corresponding entry to profit and loss for the year. This revision will impact future concentrations of activities made by REN.
- IFRIC 12, 'Service Concession arrangements' (to be applied in the years starting on or after 1 July 2010). IFRIC 12 establishes how operators of concession services must apply the IFRS in recording investment obligations assumed and rights obtained resulting from signature of the concession contracts. Application of this interpretation to REN's activities and the estimated impact on the Group's consolidated financial statements is still under study at this time.
- IFRIC 16, 'Hedges of a net investment in a foreign operations' (to be applied in the years starting on or after 1 July 2010). This interpretation has no impact on the REN Group's consolidated financial statements.

c) The following standards and interpretations are of mandatory application by the IASB for the years starting on or after 1 January 2009, however, they have not yet been applied as they are still subject to adoption by the European Union:

- IFRS 7 (amended) (to be applied in the years starting on or after 1 July 2009). This amendment has not yet been adopted by the European Union. The changes introduced are aimed at improving the disclosures relating to application of fair value, the level of application of fair value used for each asset and liability being disclosed, as well as the methodologies and assumptions used and the sensitivity analyses. This amendment will be applied by the REN Group in the year it becomes mandatory.
- IAS 39 (amended), 'Financial instruments' (to be applied in the years starting on or after 1 July 2010). This amendment has not yet been adopted by the European Union. This amendment clarifies the accounting procedures to be used for embedded derivatives by entities that use the option to reclassify financial instruments to be included in the fair value by profit and loss and available for sale category. This amendment will be applied by the REN Group in the year it becomes mandatory.
- IFRS 2 – 'Share based payments' – The changes introduced clarify the accounting treatment to be for transactions based on shares by cash. This standard will not impact the Group's consolidated financial statements.
- IFRIC 15, 'Real estate construction contracts'(to be applied in the years starting on or after 1 July 2009). This interpretation has not yet been adopted by the European Union. This interpretation will not impact the Group's consolidated financial statements.
- IFRIC 17, 'Distributions of non-cash asset to owners' (to be applied in the years starting on or after 1 July 2009). This interpretation has not yet been adopted by the European Union. This interpretation will be applied by the REN Group in the year it becomes mandatory.
- IFRIC 18, 'Transfers of assets from customers' (to be applied in the years starting on or after 1 July 2009). This interpretation has not yet been adopted by the European Union. This interpretation is significant for the utilities sector as it establishes the accounting treatment to be given to agreements in which the entity rendering the service receives from the customers an asset that will be used in connecting the customers or other customers to the service network or that enables the customers to access the service network. This interpretation will be applied by the REN Group in the year it becomes mandatory.

4 Segment information

REN has identified the Executive Commission as the entity responsible for making operating decisions. The Executive Commission reviews the internal information prepared so as to assess the performance of the Group's activities and allocation of resources. Determination of the segments was made based on the information analysed by the Executive Commission, which did not resulted in new segments in relation to those reported earlier.

At 30 September 2009 the REN Group was organized in two main business segments: Electricity and Gas and in two secondary segments: telecommunications and management of the electricity derivatives market. The Electricity segment includes the activities of the transport of very high tension electricity and overall management of the public electricity supply system. The Gas segment includes transport of very high pressure gas and overall management of the national natural gas supply system, as well as operation of the re-gasification of the GNL terminal, and the underground storage of natural gas.

The other segments (telecommunications and management of the electricity derivatives market) are also presented separately although they do not qualify for disclosure.

The "not allocated" columns include the operations of REN SGPS and REN Serviços.

The results by segment for the period ended 30 September 2008 are as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Not allocated	Group
Total sales and services rendered	341,903	105,373	2,347	2,972		452,595
Inter-segment sales and services rendered	(82,128)	(664)	(279)	(1,177)		(84,248)
Sales and services rendered	259,775	104,709	2,068	1,795		368,347
Operating profit per segment	154,318	52,092	109	410	(14,284)	192,645
Financial costs	(50,556)	(18,283)		(71)	(964)	(69,874)
Financial income	8,935	4,275		358	9,057	22,625
Profit before income tax						145,396
Income tax expense						(32,287)
Profit for the period						**113,109**
Other costs:						
Depreciation	63,037	33,185	10	465	26	96,723

The results by segment for the period ended 30 Setember 2009 are as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Not allocated	Group
Total sales and services rendered	342,520	130,993	2,928	3,845		480,286
Inter-segment sales and services rendered	(85,321)	(633)	(467)	(1,069)		(87,490)
Sales and services rendered	257,199	130,360	2,461	2,776		392,796
Operating profit per segment	144,214	73,299	2,079	-907	-15,571	203,114
Financial costs	(34,480)	(11,376)		(18)	-9,906	(55,780)
Financial income	245	2,272	15	86	8,343	10,961
Profit before income tax						158,294
Income tax expense						(41,960)
Profit for the period						**116,334**
Other costs:						
Depreciation	69,332	34,248	10	250	62	103,902

Inter segment transactions are made under market terms and conditions equivalent to transactions made with third party entities.

Assets and liabilities by segment, as well as investments in fixed assets for the period ended 30 September 2008 are as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Not allocated	Group
Assets	2,297,259	1,214,657	4,292	68,387	156,910	3,741,505
Investment in Joint ventures		7,417				7,417
Total assets	2,297,259	1,222,074	4,292	68,387	156,910	3,748,922
Liabilities	576,367	365,160	812	51,128	1,736,215	2,729,681
Investment in tangible fixed assets	160,432	19,460	1	62	105	180,060

Assets and liabilities by segment, as well as investments in fixed assets for the period ended 30 September 2009 are as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Not allocated	Group
Assets	2,579,726	1,281,449	2,594	89,917	147,620	4,101,306
Investment in Joint ventures		8,496				8,496
Total assets	2,579,726	1,289,945	2,594	89,917	147,620	4,109,802
Liabilities	660,062	351,197	203	85,110	2,019,318	3,115,891
Investment in tangible fixed assets	204,100	82,600	0	88	1,859	288,646

Assets by segment consist essentially of the concession assets classified in the caption tangible fixed assets and investment properties, as well as trade and other accounts receivable. Liabilities by segment include operating liabilities, except for liabilities of the holding company as of 30 September 2009 and loans not obtained to finance the operating activities at 30 September 2009, presented as liabilities “not allocated”.

Investments in fixed assets correspond to additions to tangible fixed assets (Note 5).

5 Tangible fixed assets

The changes in tangible fixed assets in the period from 1 January 2008 to 30 September 2008 were as follows:

Evolution of tangible fixed assets - September 2008

	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Administrative equipment	Work in progress	Total
1 January 2008								
Acquisition cost	1,703	97,212	3,758,857	4,771	3,327	30,989	161,614	4,058,473
Accumulated depreciation	-	(31,453)	(1,345,596)	(2,975)	(2,603)	(21,525)		(1,404,152)
Net book value	**1,703**	**65,759**	**2,413,261**	**1,796**	**724**	**9,464**	**161,614**	**2,654,321**
Period ended 30 September 2008								
Additions	-	39	18,263	1,420	248	646	176,410	197,026
Disposals	-		221	(104)		(3)		114
Transfers and write-offs	(125)		98,644	(9)		1,038	(95,160)	4,388
Depreciation charge	-	(2,220)	(91,263)	(561)	(247)	(2,877)	-	(97,167)
Depreciation on disposals				69		2		71
Depreciation on transfers/ write-offs			-					-
Closing net book value	**1,578**	**63,578**	**2,439,126**	**2,611**	**725**	**8,270**	**242,864**	**2,758,752**
At 30 September 2008								
Acquisition cost	1,578	97,251	3,875,985	6,078	3,575	32,670	242,864	4,260,001
Accumulated depreciation		(33,673)	(1,436,858)	(3,467)	(2,850)	(24,400)	-	(1,501,249)
Net book value	**1,578**	**63,578**	**2,439,127**	**2,611**	**725**	**8,270**	**242,864**	**2,758,752**

The changes in tangible fixed assets in the period from 1 January 2009 to 30 September 2009 were as follows:

Evolution of tangible fixed assets – September 2009

	Land	Buildings and other constructions	Machinery and equipment	Transport equipment	Tools	Administrative equipment	Work in progress	Total
1 January 2009								
Acqulsition cost	3,791	97,307	3,983,068	7,560	3,688	34,963	235,619	4,365,996
Accumulated depreciation	-	(34,368)	(1,452,701)	(3,457)	(2,939)	(25,289)	-	(1,518,754)
Net book value	**3,791**	**62,939**	**2,530,367**	**4,103**	**749**	**9,674**	**235,619**	**2,847,242**
Year ended 30 September 2009								
Additions		74	5	989	235	584	286,758	288,645
Disposals	(10)		-	(922)		(6)		(938)
Transfers and write-offs	3,391	(3,372)	206,606	(49)	24	1,011	(198,246)	9,365
Depreciation expense		(2,064)	(97,977)	(936)	(270)	(3,016)		(104,263)
Depreciation on disposals	-		-	863		5		868
Depreciation on transfers/ write-offs								-
Closing net book value	**7,172**	**57,577**	**2,639,001**	**4,047**	**738**	**8,252**	**324,131**	**3,040,916**
At 30 June 2009								
Acquisition cost	7,172	94,009	4,189,679	7,578	3,947	36,552	324,131	4,663,068
Accumulated depreciation	-	(36,432)	(1,550,678)	(3,530)	(3,209)	(28,300)	-	(1,622,149)
Net book value	**7,172**	**57,577**	**2,639,001**	**4,047**	**738**	**8,252**	**324,131**	**3,040,916**

The increase in tangible fixed assets in the period ended 30 September 2009 compared to the period ended 30 September 2008 is due essentially to realization of the Group's investment plan. Depreciation of tangible fixed assets was recorded in full in the statement of profit and loss caption "Depreciation" except for the amount of 361 thousand euros (445 thousand euros at 30 Setembro 2008) that was capitalized in fixed assets in progress.
Financial costs capitalized in fixed assets in progress amounted to 6,607 thousand euros (6,334 thousand euros at 30 September 2008).

6 Investment property

Investment properties are made up of land of thermal and hydro electricity producing centers and land and buildings not related to REN's conceded activities, and evolved as follows:

	2009	2008
Gross value	420,120	505,248
Depreciation and impairment loss	(91,440)	(77,650)
Net book value	**328,680**	**427,598**
Period ended 30 September		
Change in fair value	(18,903)	-
Depreciations	(10,580)	(10,598)
Slaughter by conducting	-	(85,128)
Movements of the period	**(29,483)**	**(95,726)**
Gross value	399,581	414,936
Depreciationand impairment loss	(100,383)	(83,064)
Net book value as of 30 September	**299,197**	**331,872**

Upon transition to IFRS, land relating to the thermal plants of Pego, Tapada do Outeiro and TER, were valued at fair value, the increase determined being recorded in the caption investment property by corresponding entry to accumulated reserves. However, the basis for recording that difference in the Group's equity, which assumes the right to retain the cash inflow relating to the sale of that land is not supported by legislation relating to the treatment of the land allocate to the thermal plants.

Therefore, in the first half of 2009 the Group adjusted that initial transition entry, which resulted in a decrease in accumulated reserves of 31,494 thousand euros, net of deferred tax, by corresponding entry to: (i) the recording of a decrease in the balance of the caption investment property of 20,094 thousand euros relating to land allocated to the Tapada do Outeiro and TER thermal plants not sold; (ii) the recording of an account payable of 22,755 thousand euros relating to the amount of the sale of the land allocated to the Pego thermal plant, sold in 2007; and (iii) the recording of a decrease of the deferred tax liability in the amount of 11,600 thousand euros.

7 Deferred taxes

Deferred taxes recognized in the consolidated financial statements were as follows:

	30.09.09	30.09.08
Impact on statement of profit and loss		
Deferred tax assets	(3,587)	(17,550)
Deferred tax liabilities	(19,183)	(97,280)
	(22,770)	(114,830)
Impact on equity		
Deferred tax assets	12,360	1,072
Deferred tax liabilities	-	366
	12,360	1,438
Net impact of deferred taxes	**(10,410)**	**(113,392)**

The changes in deferred taxes by nature are as follows:

Evolution of deferred tax assets - December 2008

	Provisions	Tax losses	Pensions	Investment property	Available-for-sale assets	Others		Total
At 1 January 2008	**8,176**	**-**	**7,424**	**-**	**-**	3,816		19,416
Period ended 31 December 2008								
Transfered to deferred income tax liabilities			5,290		960			6,250
Credited to statement of profit and loss	(23)		(737)			(111)		(872)
Charged/ (credited) to equity					-			-
Charged to statement of profit and loss	7,436	23	-	11,580		2313.98		21,353
Movement of the period	**7,413**	**23**	**4,553**	**11,580**	**960**	**2,203**	**-**	**26,731**
At 31 December 2008	**15,588**	**23**	**11,977**	**11,580**	**960**	**6,019**	**-**	**46,147**

Evolution of deferred tax assets - September 2009

	Provisions	Tax losses	Pensions	Investment property	Available-for-sale assets	Others	Total
At 1 January 2009	**15,588**	**23**	**11,977**	**11,580**	**960**	**6,019**	**46,147**
Period ended 30 September 2009							
Charged/ (credited) to equity				11,355	589	416	12,360
Reversed to statement of profit and loss	(14,140)	(23)	(879)				(15,042)
Charged to statement of profit and loss				(4,952)		16,029	11,077
Movement of the period	**(14,140)**	**(23)**	**(879)**	**6,403**	**589**	**16,445**	**8,395**
At 30 September 2009	**1,448**	**-**	**11,098**	**17,983**	**1,549**	**22,464**	**54,542**

Deferred tax assets at 30 September 2009 relate essentially to liabilities for benefit plans attributed to employees and provision to cover tariff variations to be included in subsequent year tariffs.

Evolution of deferred tax liabilities - December 2008

	Agent	Transmission equipment	Investment property	Revaluation previous GAAP	NG assets fair value	Other	Total
At 1 January 2008	**109,647**	**18,369**	**10,691**	**38,451**	**-**	**48**	**178,345**
Period ended 31 December 2008							
Debited/credited to equity							(1,139)
Charged to income statement		4,697				232	4,929
Credited to income statement	(76,660)		(10,691)	(2,403)	(1)	(48)	(89,803)
Movement of the period	**(76,660)**	**4,697**	**(10,691)**	**(2,403)**	**(1)**	**184**	**(86,013)**
At 31 December 2008	**32,987**	**23,066**	**-**	**36,048**	**(1)**	**232**	**92,333**

Evolution of deferred tax liabilities - September 2009

	Agent	Transmission equipment	Investment property	Revaluation previous GAAP	Tariff deviations	Other	Total
At 1 January 2009	**32,987**	**23,066**		**36,048**		**232**	**92,333**
Period ended 30 September 2009							
Debited/credited to equity							-
Charged to income statement		3,382			34,853	15,594	53,829
Credited to income statement	(32,987)			(1,659)			(34,646)
Movement of the period	**(32,987)**	**3,382**	**-**	**(1,659)**	**34,853**	**15,594**	**19,183**
At 30 September 2009	**-**	**26,448**	**-**	**34,389**	**34,853**	**15,826**	**111,516**

8 Available for sale financial assets

This heading refers to the following participations:

	% owned	Entity	30.09.09	31.12.08
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	10.00%	OMIP	1,033	1,033
Red Electrica de España, S.A.	1.00%	REN SGPS	47,339	48,733
Enagás	1.00%	REN SGPS	34,101	37,157
Total			**82,473**	**86,924**

The changes in this heading were as follows:

	OMEL	REE	ENAGAS	Total
At 1 January 2008	1,033	58,534	-	59,567
Acquisitions	-		43,195	43,195
Fair value adjustment	-	(9,801)	(6,038)	(15,839)
Disposals	-	-	-	-
At 31 December 2008	**1,033**	**48,733**	**37,157**	**86,924**
At 1 January 2009	1,033	48,733	37,157	86,923
Fair value adjustment	-	(1,394)	(3,056)	(4,450)
At 30 September 2009	**1,033**	**47,339**	**34,101**	**82,473**

The participation in OMIP is recorded at cost as OMEL has a specific activity, is not a listed company and its shares have not been traded recently on the market. No adjustment was made at 30 September 2009 as there are no indications of loss in value.

The participations in REE and ENAGAS are recorded at fair value based stock exchange listings of the companies at 30 September 2009.

The fair value variations in assets held for sale are reflected in the equity heading fair value reserve.

	Fair value adjustment
Fair value variations - gross	(4,451)
Impact of deferred tax	590
Net fair value variation in equity	**(3,862)**

9 Trade and other receivables

The heading trade and other receivables at 30 September 2009 are made up as follows:

	30.09.09			31.12.08		
	Current	Non current	Total	Current	Non current	Total
Trade receivables (i)	160,725	2,430	163,155	185,668	155	185,823
Doubtful trade receivables	(825)	-	(825)	(828)		(828)
Net trade receivables	159,900	2,430	162,330	184,840	155	184,995
Agency balance (ii)			-	56,359	68,119	124,478
Tariff Deviations	163,182	23,073	186,255			-
Loans to "joint ventures" (iii)	19,744	22,119	41,863	11,059	22,119	33,178
State and other public entities		-	-	11,597		11,597
Trade and other receivables	**342,826**	**47,622**	**390,448**	**263,856**	**90,392**	**354,248**

i) The current account balance of 57,024 euros (52,963 at 30 September 2008) from EDP is especially significant. The increase of the non-current debt in 2009 corresponds essentially to a guarantee given in the electricity trading area.

ii) The balance of commercial agent account refers to receivable resulting from intermediation activities, acquisition and sale of electricity by REN. The variation occurred in 2009 is essentially the result of the transfer of the existing balance to “tariff deviations’” account.

iii) The loan to a joint venture refers to a loan to Sociedade Gasodutos Campo Maior - Leiria – Braga, acquired under the gas unbundling transaction. The loan bears interest at the higher of the average borrowing rates of REN Gasodutos and Enagás.

On 30 September 2009, the Group recorded a receivable under "Trade and other receivables" in the amount of 12 509 euros and a payable under "Trade and other payables" amounting to 13 864 thousand euros relating to tariff deviations receivable and payable to the tariff, calculated for the segments of electricity and natural gas, which were reported against the item "Services Rendered" in the consolidated income statement. These records are related to a review of the accuracy of the estimates produced internally relating to deviations, under the regulatory framework currently in force, which showed the reliability of the estimated amount and the likelihood of achieving virtually certain these assets and liabilities, which is the reason why this matter was treated as a change in estimate under IAS 8.

10 Capital

At 30 September 2009 REN's capital was fully subscribed for and paid up, being made up of 534,000,000 shares of 1 euro each.

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

At 30 September 2009 REN SGPS had the following treasury shares:

	Numer of shares	Proportion	Amount
Treasury shares			
As of 31 December 2008	2,498,702	0.4679%	(6,619)
Acquisitions in the period	1,382,672	0.2589%	(4,109)
As of 30 September 2009	**3,881,374**	**0.7268%**	**(10,728)**

11 Loans

The distribution of loans at 30 September 2009 between current and non-current is as follows:

	30.09.09	31.12.08
Current	424,966	538,147
Non current	1,686,820	1,298,530
	2,111,786	**1,836,677**

Current and non-current loans are made up as follows

The distribution of loans at 30 September 2009 between current and non-current and by nature is as follows:

	30.09.09			31.12.08		
	Current	Non current	Total	Current	Non current	Total
Commercial Paper	351,000	128,000	479,000	449,000	200,000	649,000
Bonds		922,899	922,899		500,000	500,000
Bank loans	40,346	633,043	673,389	47,024	595,712	642,736
Bank overdrafts	33,143	-	33,143	41,023	-	41,023
	424,489	1,683,942	2,108,431	537,047	1,295,712	1,832,759
Finance Lease	477	2,878	3,355	1,100	2,818	3,918
Interest accrual	64,909	5,040	69,949	6,751	-	6,751
Interest receivable net of commission paid	(7,753)		(7,753)	(3,872)		(3,872)
	482,122	**1,691,860**	**2,173,982**	**541,026**	**1,298,530**	**1,839,556**

Evolution of loans during the reporting period:

	30.09.09	30.09.08
At 1 January	1,839,556	2,057,074
Contracted/commission	8,727,501	32,700,872
Repayments	(8,393,075)	(32,918,390)
At 30 September	**2,173,982**	**1,839,556**

Until the third quarter of 2009 REN issued three times under EMTN (European Medium Term Notes) program: i) one bond issue of 300 million euros which matures in 2013; ii) one bond issue of 50 million euros which matures in 2013; iii) one bond issue of 10 thousand million yens that matures in 2024.

The accounting value of the bond issue of 300 million maturing in 2013 is adjusted by the amount of 5 040 thousand euros arising from fair value hedge made.

Derivative Financial Instruments

Derivative financial instruments at 30 September 2009 are made up as follows:

	As of 30 September 2009					As of December 2008		
		Asset (tEuros)		Liability (tEuros)			Asset (tEuros)	
	Notional	Current	non current	Current	non current	Notional	Current	non current
Held for trading derivatives								
Interest rate swaps						500 000 000 EUR	876	
Derivatives qualified for fair value hedge								
Interest rate swaps	300 000 000 EUR		5,040					
Derivatives qualified for cash flow hedge								
Interest rate swaps	384 000 000 EUR				-5,658			
Cross currency and rate swaps	10 000 000 000 JPY				-3,557			
Total			**5,040**		**-9,215**		**876**	

Fair value hedging

The Group hedges its exposure to fair value risk of an issuance of bonds through contracting an interest rate swap with a notional value of 300,000 thousand euros, in which it receives a fixed rate and pays a variable rate. The purpose of hedging is to transform the fixed rate issuance into a variable rate issuance, therefore starting to reflect changes in fair value of the bonds issued. The credit risk is not hedged. The fair value of the interest rate swap at 30 September 2009 was 5,040 thousand euros.

The change in fair value of derivative instruments designated as fair value hedging in the amount of 5,040 thousand euros, was offset by a variation on the adjustment of the 300 million bond issue.

Cash flows hedging

The Group hedges part of bank loans future payments of interest , bonds and commercial paper issuance through interest rate swaps contracts (with a notional value of 384,000 thousand euros) in which it pays a fixed rate and receives a variable rate.

This is an interest rate hedge relating to the payment of interest at a variable rate resulting from recognised financial liabilities. The risk hedged is the indexing factor of the variable interest rate relating to the loans, the credit risk not being hedged. The fair value of the interest rate swaps at 30 September 2009 was negative in 5,658 thousands of euros.

The Group hedges its exposure to cash flow risks of its bond issue totalling 10,000 million yens (JPY), resulting from exchange risk, through a cross currency swap with the same characteristics as the debt issued. The same hedging instrument is used to hedge the fair value of the interest rate risk of the bond issuance through the component forward start swap that starts only in 2019. Therefore, the variations in fair value considered to be efficient are also recognised as hedging reserves. This hedging is intended to eliminate the Group’s exposure to JPY. Credit risk is not hedged. The fair value of the cross currency swap at 30 September 2009 was negative in 3,557 thousand euros (in December 2008 there were no such foreign contractors).

The figure of reserves referred to the cash flows coverage is 6 944 thousand euros. During the period, the amount of 2 272 thousand euros was recycled from equity and recognized as income.

12 Liability for retirement benefits and others

REN, SA grants retirement and survivor pension supplements (hereinafter referred to as Pension plan), provides its retirees and pensioners, in conditions similar to current employees, a healthcare plan and grants other benefits, such as time of service and retirement bonuses and death subsidy. The gas business companies provide their employees with life assurance plans. There have been no changes to the benefits provided to employees in relation to the preceding year.

The overall impact of the benefits granted on the consolidated financial statements is as follows:

	30.09.09	31.12.08
Obligations on Balance sheet		
Pension plan	13,813	18,103
Healthcare and others	27,990	27,025
Life insurance plan	77	70
	41,880	**45,198**

The amounts recognised as personnel costs were as follows:

	30.09.09	30.09.08
Charges to income statement		
Pension plan	(2.068)	(1.270)
Healthcare and others	(254)	(254)
Life insurance plan		-
	(2.322)	**(1.524)**

The amounts reported at 30 September 2009 result from the projection of the actuarial valuation as of 31 December 2008 for the nine month period ended 30 September 2009, considering the estimated increase in salaries for the year 2009.

The assumptions used in the actuarial calculations were as follows:

	30.09.09
Annual discount rate	6.00%
Expected percentage of the active employees elegíble for early retirement (more 60 years)	10.00%
Expected percentage of the active employees elegíble for early retirement (Between 55 and 60 years of age)	10.00%
Annual salary growth rate	3.30%
Annual pension growth rate	2.25%
Annual growth rate of Social security pensions	2.00%
Inflation rate	2.00%
Annual growth rate of heathcare costs (over 8 years)	4.50%
Annual growth rate of heathcare costs (after the 8 year period)	4.00%
Management costs (per employee/year)	150 €
Growth rate of manmagement costs - up to 2007	4.50%
Growth rate of management costs - after 2007	2.70%
Rate of return on assets	5.99%
Mortality table	TV 88/90

13 Provisions for other risks and charges

Evolution of the provisions during the periods presented was as follows:

	30.09.2009	31.12.2008
At 1 January	58,824	30,853
Increase in provisions	-	28,059
Decrease in provisions	(53,359)	(88)
At 30 September	**5,465**	**58,824**

The decrease of 53,359 thousand euros in provisions account by the end of the third quarter of 2009 is due to the reversal of the provision recorded in 2008 relating to the land of Pego thermal plant, as a result of the mentioned in Note 6 and the reversal of the provision that existed since 2007, to cover gaps to be delivered to the tariff calculated in the years 2007 and 2008, whitch became unnecessary due to the recognition of tariff deviations in the respective period, (Note 9).

14 Income tax

Income tax for the period ended 30 September 2009 includes current and deferred tax as follows:

	30.09.09	30.09.08
Current income tax	19,190	152,124
Deferred income tax	22,770	(114,837)
Income tax	**41,960**	**37,287**

Income tax

Reconciliation of the amount of income tax calculated at the nominal tax rate recognized in the statement of profit and loss is as follows:

	30.09.09	30.09.08
Consolidated profit before income tax	158,295	145,395
Tax rate	26.5%	26.5%
	41,948	38,530
No dedutible costs	3,677	20,181
No taxable income	(3,797)	(21,594)
Autonomous taxation	133	171
Income tax	41,960	37,287
Current income tax	19,190	152,124
Deferred income tax	22,770	(114,837)
Income tax	41,960	37,287
Effective tax rate	**26.5%**	**25.6%**

The tax rate used in the reconciliation of the amount of tax on the consolidated financial statements was calculated as follows:

Rates of current tax

	30.09.09	30.09.08
Income tax rate	25.00%	25.00%
Municipal tax	1.50%	1.50%
	26.50%	**26.50%**

15 Earnings per share

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

		30.09.2009	30.09.2008
Profit attributable to ordinary equity holders of the parent entity	(1)	116,396	108,066
Number of ordinary shares outstanding during the period	(2)	534,000,000	534,000,000
Efect of the treasury shares		2,820,864	-
	(3)	531,179,136	534,000,000
Básic earnings per shared (euro per share)	(1)/(3)	0.22	0.20

16 Dividends per share

Dividends attributed during the period ended 30 September 2009, amounting to 88 million Euros (0.165 Euros per share), refer to net profit for the year 2008.

17 Guarantees given

At 30 September 2009 the Group had guarantees given to the following entities:

Beneficiary	Subject	Begining	2009	2008
European Community	Compliance with contractual clauses of the loan contract	16-12-2003	691	691
Viseu District Court	Pledge regarding expropriation of 63 plots of land for Bodiosa substation	22-10-2004	206	206
Braga and C. Branco district Court	Pledge for expropriation of plots of land for Pedralva and C. Branco substations	15-02-2006	800	800
Silves Municipality	Pledge for works in Tunes	04-05-2006	352	352
Anadia District Court	pledge for expropriation of 111 plots of land for Paraimo substation	26-04-2005	432	432
Gondomar District Court	Pledge for payment concerning legal process nr.1037/2001	09-11-2005	150	150
Penela and Ansião Distric Court	Pledge for expropriation of 83 plots of land for Penela substation	30-06-2006	703	703
Vieira do Minho District Court	Pledge for expropriation of 29 plots of land to Frades substation	3-08-2006	558	558
Torres Vedras District Court	Pledge for expropriation of 11 plots of land to Carvoeira substation	13-12-2006	297	297
Macedo de Cavaleiros District Court	Pledge for expropriation of plots of land to Olmo substation	14-2-2007	190	190
Directorate General of Geology and Energy	Concession of natural gas transmission activities	26-09-2006	20,000	20,000
Seixal municipality	Guarantee for processes in progress	10-12-2008	3,853	3,853
European Bank of Investment	In guarantee of loans	03-11-2008	331,943	443,454
Loures Finance Services	Guarantee for processes in progress	30-12-2008	887	1,342
Lisbon Finance Services	Guarantee for processes in progress	-	1,080	1,080
Tabua District Court	In guarantee of the expropriation of land for Tabua substation	07-12-2007	171	171
Vila Pouca de Aguiar District court	In guarantee of the expropriation of 2 plots of land	17-04-2007	81	81
OMEL - Operador del Mercado Español de Electricidad	To garantee payments as being the buyer over the Electricity Spanish Market	-	2,000	2,000
Lisbon District Court	To garantee legal processes in progress	10-12-2008	115	
Armamar District Court	To garantee expropriation of land	03-11-2008	732	
Ministry of economy and inovation	To guarantee liquidation of debt nr 7873/2006	30-12-2008	1	
Fortis	Financial contracts under ISDA (International Swaps and Derivatives Association)	17-06-2009	2,000	
Estradas de Portugal - Delegation of OPorto	Installation of the infrastructures of gas by drilling - Net or natural gas - Industrial branch of Leça	15-07-2009	5	
Mogadouro District Court	In guarantee of expropriation of land to Mogadouro subestation	30-07-2009	18	
Estradas de Portugal - Delegation of Santarem	RNTGN - CCC Pego - Connection of termic Central Pego - crossing NR 118 - km 142,295	25-08-2009	5	
Tavira Distric Court	In guarantee of the expropriation of 38 plots of land to Tavira subestation	24-09-2009	163	
			367,431	**476,359**

18 Transactions with related parties

At 30 September 2009 the REN Group was listed on the Lisbon Euronext stock exchange, having as reference shareholders, with transactions recorded, the following entities: EDP and Caixa Geral de Depósitos.

Following is a listing of the related entities:

EDP Group

- EDP – Energias de Portugal, S.A
- EDP – Distribuição – Energia, S.A.
- EDP Serviços Universal, S.A.
- EDP Valor – Gestão Integrada de Serviços, S.A.
- EDP Gestão da Produção da Energia, S.A.
- Sãvida, S.A.
- Labelec, S.A.

CGD Group

- Caixa Geral de Depósitos, S.A.

Joint-ventures

- Sociedade Gasoduto Campo Maior - Leiria - Braga
- Sociedade Gasoduto Braga -Tuy

During the year the REN Group had the following transactions with these related entities:

18.1 Sale of products and services

	30.09.09	30.09.08
Sale of products		
Electricity to EDP	738,911	598,646
	738,911	**598,646**
Services provided		
Other services to EDP	3,546	3,793
	3,546	**3,793**

The amounts shown as sales of products are recognised in "Trade and other receivables" due to the intermediation role played by REN in the purchase and sale of electricity.

18.2 Purchase of products and services

	30.09.09	30.09.08
Purchase of products		
Electricity from EDP	(274,601)	(269,929)
	(274,601)	**(269,929)**
Purchase of services		
Other services from EDP	(3,144)	(7,746)
Interests on Commercial paper from CGD	-	(11,818)
Borrowings commissions from CGD	-	(1,356)
	(3,144)	**(20,920)**

The amounts shown as purchases of products are recognised under the caption "Trade and other receivables" due to the intermediation role played by REN in the purchase and sale of electricity.

18.3 Remuneration of the Board of Directors

Remuneration granted to the Board of Directors of REN during the period ended 30 September 2009 amounted to 2,391 thousand euros (2,706 thousand euros at 30 September 2008), as follows:

	30.09.09	30.09.08
Remuneration and other short term benefits	2,391	2,706
	2,391	**2,706**

There are no loans granted to members of the Board of Directors.

18.4 Balances with related parties

The balances resulting from transactions with related parties at 30 September 2009 were as follows:

	30.09.09	30.09.08
Related parties - debtors		
EDP - Trade receivables	57,024	43,654
EDP - Other receivables	-	
	57,024	**43,654**
Related parties - creditors		
EDP - Trade payables	(9,065)	(12,878)
EDP - Other payables	-	
CGD - Borrwings (Commercial paper)	-	(150,000)
	(9,065)	**(162,878)**

18.5 Transactions and balances with joint-ventures

	30.09.09	30.09.08
Sale of products and services		
Services provided		
Gasoduto Braga-Tuy	268	268
Gasoduto Campo Maior - Leiria - Braga	15,873	15,873
	16,141	**16,141**
Purchase of products and services		
Purchase of services		
Gasoduto Braga-Tuy	640	636
Gasoduto Campo Maior - Leiria - Braga	3,998	3,969
	4,638	**4,605**
Finance costs		
Gasoduto Campo Maior - Leiria - Braga	**736**	**1,771**

The purchase of services by the REN Group corresponds to amounts paid for the transport of natural gas through the gas pipelines in accordance with the utilisation capacity of each pipeline and the price agreed between the joint venture partners, REN – Gasodutos, S.A. and Enagás.

	30.09.09	30.09.08
Related parties - debtors		
Gasoduto Braga-Tuy	300	238
Gasoduto Campo Maior - Leiria - Braga	2,481	3,416
	2,781	**3,654**
Related parties - creditors		
Gasoduto Braga-Tuy	107	36
Gasoduto Campo Maior - Leiria - Braga	4,233	8,483
	4,340	**8,519**
Supplies		
Gasoduto Campo Maior - Leiria - Braga	**33,178**	**40,054**
Dividends payable		
Gasoduto Braga-Tuy	566	
Gasoduto Campo Maior - Leiria - Braga	8,119	
	8,685	

19 Main legal processes in progress

Disagreement with Amorim Energia BV

On 19 December 2007 REN was notified of the presentation to the International Chamber of Commerce of an arbitration requirement by Amorim Energia BV against REN, under which REN is accused of violating emerging obligations or related to the "Shareholders Agreement relating to GALP ENERGIA, SGPS, S.A." entered into on 29 December 2005 between REN, AMORIM and ENI PORTUGAL INVESTMENT, S.p.A.. The arbitration location is Paris, France.

There have been no significant developments in this process, disclosed in the consolidated financial statements as of 31 December 2008, and so REN believes that the arbitration process in progress does not determine the existence of a present obligation as (at least) it is more probable that it does not imply the recognition or recording of any liability for REN in relation to Amorim Energia BV relating to requests made or the reverse situation (that of the total or partial validity of the arbitration process).

Disagreement with GALP Energia, SGPS, S.A.

In accordance with contracts entered into between the parties, the acquisition of the regulated natural gas assets occurred in September 2006, REN having paid GALP an overall base price of 526,254,679.52 euros. The base price was contractually subject to an adjustment mechanism through valuations made by three international first rate banks, after the coming into force of the new regulating framework of the natural gas sector. Under the terms of the adjustment mechanism, the final price of the natural gas sector regulated assets corresponds to the mathematical average of the three valuations realised by the valuating banks, except if one of the valuations differs by more than 20% from the average of the three, in which case the valuation would not be considered.

In June 2007 the three valuating banks produced their respective valuation reports. None of the valuations differed by more than 20% from the average. Considering the mathematical average of the three valuations the amount that was paid by REN and the financial charges agreed contractually, the adjustment of the price for the purchase and sale of the regulated assets was fixed at 24,026,484.87 euros, which amount REN paid in the beginning of July 2007 and with which GALP Energia disagrees.

REN believes that in accordance with the legal terms applicable to the case, the valuations carried out by the three valuating banks are not adjustable under the terms proposed by GALP, considering that none of the valuations differed by more than 20% from the average of the three valuations. REN also believes that the valuation questioned by GALP complies in full with the contractually agreed criteria established, there being no basis for it not being considered.

REN believes that none of the requests of GALP have a basis and believes that Arbitration Court will judge the action to be totally unfounded.

20 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 Board of Directors

José Rodrigues Pereira dos Penedos (Chairman)

Aníbal Durães dos Santos (Executive Director)

Vítor Manuel da Costa Antunes Machado Baptista (Executive Director)

Rui Manuel Janes Cartaxo (Executive Director)

João Caetano Carreira Faria Conceição (Executive Director)

Luís Maria Atienza Serna (Director)

Gonçalo José Zambrano de Oliveira (Director)

Manuel Carlos Mello Champalimaud (Director)

José Isidoro de Oliveira Carvalho Netto (Director)

Filipe Maurício de Botton (Director)

José Luís Alvim Marinho (Chairman of the Audit Commission)

José Frederico Viera Jordão (Member of the Audit Commission)

Fernando António Portela Rocha de Andrade (Member of the Audit Commission)

Lisbon October 26th 2009

4 Appendix

4.1. 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:

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