Report and accounts for the 1st half of 2010

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

REN Group Consolidated Report

30 June 2010

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. Analysis of the main financial indicators

The main financial indicators at 30 June 2010 and 2009 are as follows:

(M€)	1H09	1H10	Δ%
EBITDA	180.0	208.6	15.9%
Net financial income	-28.1	-35.6	26.7%
Net income	76.1	56.6	-25.6%
Recurrent net income	59.4	59.8	0.8%
Capex	180.9	123.9	-31.5%
	Dez-09	**Jun-10**	
Net debt (end of period)	2 139	2 251	5.2%

In the first half of 2010 Net Income stood at €56.6M, which compares with €76.1M in 1H09, a negative variation of 25.6%. Part of the decrease is explained by the increase in the corporate tax rate (€4.7M), the remaining is due to non recurrent items.

As a result of the negative effects mentioned above, recurrent net income adjusted by the corporate income tax effect would have grown by 8.6% from €59.4M to €64.5M.

REN's business grew at a strong pace during the first half of 2010, with EBITDA increasing by 16% to €208.6M from €180M in 1H09.

In the first half of 2010 financial results were down from €-28.1M in 1H09 to €-35.6M.

In the first half of 2009 financial results benefited from a €5.8M swap gain. Excluding this effect 1H10 financial results would have decreased 5% only.

In the first half 2010 CAPEX reached €124M, a decrease of 31.5% versus 1H09 (€180.9M), which included the acquisition of the cushion gas for the third underground cavern (16.4 M€).

1.2. Statement of profit and loss

The following table shows the statement of profit and loss for the half year ended 30 June 2010 compared to the same period of 2009:

(M€)	1H09	1H10	Δ%
Operational revenues	**279.6**	**401.8**	**43.7%**
Sales and services provided	257.3	373.4	45.1%
Other	22.3	28.4	27.4%
Operational cost	**-146.0**	**-279.0**	**91.1%**
External supplies and services	-36.5	-35.2	-3.6%
Personnel	-23.7	-22.1	-7.0%
Depreciation	-69.1	-83.8	21.3%
PPA's costs	-44.5	-124.0	178.4%
(Provisions) / reversions	35.4	-6.2	-117.6%
Other operational costs	-7.6	-7.7	1.2%
EBIT	**133.6**	**122.8**	**-8.1%**
Net financial Income	**-28.1**	**-35.6**	**26.7%**
Financial costs	-38.3	-38.5	0.7%
Financial income	8.9	1.6	-82.5%
Investment income - dividends	1.3	1.4	7.0%
Income before taxes	**105.5**	**87.2**	**-17.4%**
Income tax expense	**-29.5**	**-30.7**	**4.1%**
Net income	**76.1**	**56.6**	**-25.6%**

1.3. Analysis of EBITDA evolution

(M€)	1H09	1H10	Δ%
Return on RAB (Electricity)	51.5	58.7	13.9%
Land remuneration	5.1	-0.7	-113.1%
Incentive to fully depreciated assets in use	0.0	2.5	
Return on RAB (Gas)	37.8	38.8	2.6%
Other operational revenues	23.3	36.5	56.8%
Recovery of PPA's costs	43.9	124.0	182.5%
Recovery of OPEX (Electricity)	30.7	35.8	16.6%
Recovery of depreciation (Electricity)	50.5	53.6	6.1%
Recovery of OPEX (Gas)	16.3	16.3	0.2%
Recovery of depreciation (Gas)	19.5	20.8	6.7%
Tariff smoothing effect (Gas)	3.2	11.9	273.3%
Provision reversion	22.8	0.0	
Tariff deviations (Electricity & Gas)	4.8	0.0	-100.0%
Commercial gains	2.4	1.3	-45.9%
Interest on tariff deficit/deviation	3.2	2.1	-33.0%
Total operational revenues	315.0	401.8	27.6%
External supplies & services	36.5	35.2	-3.6%
Personnel	23.7	22.1	-7.0%
Depreciation	69.1	83.8	21.3%
PPA's costs	43.9	124.0	182.5%
Provisions	-	6.2	
Other operational costs	8.2	7.7	-6.6%
Total operational costs	**181.4**	**279.0**	**53.8%**
EBIT	**133.6**	**122.8**	**-8.1%**
Depreciation	69.1	83.8	21.3%
Non recurrent items:			
Provision reversion from Pego sale	-22.8		
Provision for Amorim Energia contingency		6.2	
Subsidies depreciation		-4.2	
EBITDA	**180.0**	**208.6**	**15.9%**

This semester EBITDA grew to €208.6M from €180M in 1H09, an increase of 15.9%. This growth is mainly due to the RAB growth in 2009 and the cost reduction program put in place last year. OPEX was down by 4.9% in 1H10.

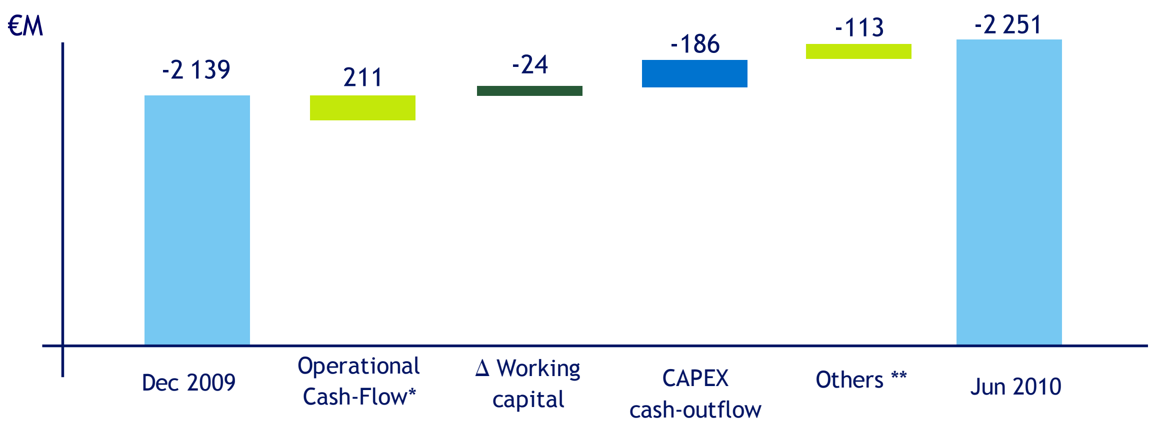
1.4. Average RAB and Capex

The average RAB for 1H10 reached 2,849M€, a 6.4% increase versus 1H09. Nevertheless, there were some delays in entries into operation in 1H10 which REN expects to recover in the 2nd half of 2010.

(M€)	1H09	1H10	Δ%
Total Average RAB	**2,677.90**	**2,849.16**	**6.4%**
Electricity	**1,365.20**	**1,527.08**	**11.9%**
Hydro land	**367.5**	**352.7**	**-4.0%**
Gas	**945.2**	**969.4**	**2.6%**
Capex	**180.9**	**123.9**	**-31.5%**
Electricity	121.8	88.8	-27.1%
Gas	59.1	33.9	-42.7%
Other		1.2	

1.5. Net debt

The Group's net debt at 30 June 2010 totalled 2 251 M€, 112M€ more than the amount at 31 December 2009. The average cost of debt for the half year was kept at 3.9% when compared with March 2010.



(*) - 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

In compliance with the provisions of CMVM (Stock Exchange Commission) Circular of 17 June 2009, below are the profit and loss and cash flows statements for the periods from 1 January to 31 March and from 1st April to 30th June 2010 and 2009 (unaudited information):

Condensed consolidated statements of profit and loss

(Amounts expressed in thousands of Euros – tEuros)

	2010		2009	
	1st quarter	2nd quarter	1st quarter	2nd quarter
Sales	471	102	35	89
Services rendered	185,069	187,767	140,484	116,739
Other operating income	6,365	17,002	8,888	8,482
Share of profit of joint ventures	2,577	2,466	2,407	2,516
Operating income	**194,482**	**207,337**	**151,814**	**127,826**
Cost of goods sold	(204)	(146)	(58)	(102)
External supplies and services	(15,327)	(19,881)	(17,174)	(19,332)
Employee compensation and benefits expense	(11,531)	(10,541)	(11,666)	(12,069)
Depreciation for the half year	(41,648)	(42,154)	(33,663)	(35,408)
Provisions	(6,235)	-	(8,392)	43,796
Other expenses	(65,668)	(65,675)	(26,612)	(25,346)
Operating costs	**(140,613)**	**(138,397)**	**(97,565)**	**(48,462)**
Operating profit	**53,869**	**68,941**	**54,249**	**79,364**
Financial costs	(18,981)	(19,539)	(18,858)	(19,407)
Financial income	401	1,157	6,028	2,869
Investment income - dividends	1,368	-	1,228	50
Net financial costs	**(17,211)**	**(18,382)**	**(11,602)**	**(16,488)**
Profit before income tax	**36,658**	**50,559**	**42,647**	**62,876**
Income tax expense	(11,613)	(19,047)	(10,820)	(18,631)
Net profit for the half year	**25,046**	**31,511**	**31,827**	**44,245**
Attributable to:				
Equity holders of the Company	25,045	31,511	31,829	44,232
Minority interest	0	0	(2)	13
	25,046	**31,511**	**31,827**	**44,245**
Earnings per share attributable to the equity holders of the company for the half year (expressed in euro per share)				
- basic	0.05	0.06	0.06	0.08
- diluted	0.05	0.06	0.06	0.08

Condensed consolidated statement of cash flows

(Amounts expressed in thousands of Euros – tEuros)

	2010		2009	
	1st quarter	2nd quarter	1st quarter	2nd quarter
Cash flow from operating activities:				
Cash receipts from customers	575,725	388,895	467,564	407,981
Cash paid to suppliers	(465,597)	(267,077)	(395,836)	(352,645)
Cash paid to employees	(12,952)	(17,730)	(11,059)	(16,564)
Income tax received/paid	231	(47)	(645)	(93,879)
other payments/receipts relating to operating activities	6,285	(2,244)		
Net flows from operating activities (1)	**103,692**	**101,798**	**60,024**	**(55,107)**
Cash flow from investing activities:				
Receipts related to:				
Financial investments	-	-	51	61
Fixed assets	-	-	-	47
Grants related to to assets	-	1,265	-	24,205
Guarantees	-	-	-	11,500
Interests	206	7,121	-	-
Dividends	692	-	(828)	828
Payments related to:				
Financial investments	-	-	1,228	(2,917)
Guarantees	-	-	-	(18,800)
Fixed assets	(127,685)	(58,184)	(58,664)	(84,767)
Interests	-	-	382	(391)
Net cash used in investing activities (2)	**(126,787)**	**(49,798)**	**(57,831)**	**(70,234)**
Cash flow from financing activities:				
Receipts related to:				
Borrowings	3,599,489	2,361,382	3,436,730	3,117,724
Interests	7	0	25	-
				-
Payments related to:				-
Borrowings	(3,551,853)	(2,298,474)	(3,421,477)	(2,890,932)
Interests	(4,276)	(19,805)	15,328	(21,541)
Dividends	-	(88,530)	(793)	(87,309)
Net cash used in financing activities (3)	**43,367**	**(45,427)**	**29,813**	**117,942**
Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)	20,272	6,574	32,006	(7,399)
	-	-	-	-
Cash and cash equivalents at de begining of the year	24,576	44,849	60,407	92,413
Cash and cash equivalents in de end of the period	**44,849**	**51,422**	**92,413**	**85,014**
	0	-	0	-
	11,351	11	11,351	11
	11,351	11	11,351	11
Detail of cash and cash equivalents				
Cash			23	27
Bank overdrafts	(22,692)	(15,095)	(25,324)	(25,125)
Bank deposits	67,540	66,517	110,241	101,781
Other apllications of cash			7,473	8,331
	44,849	**51,422**	**92,413**	**85,014**

2 Condensed consolidated financial statements

Consolidated statement of financial position

(Amounts expressed in thousands of Euros - tEuros)

	Notes	As of 30 June 2010	As of 30 June 2009	
ASSETS				
Non-current assets				
Tangible fixed Assets	5	1,971	884	a)
Goodwill	5	3,774	3,774	
Other intangible fixed assets	5	3,489,755	3,450,992	a)
Interests in joint ventures	19	35,293	11,063	
Deferred tax assets	6	47,272	37,627	
Available-for-sale financial assets	7	70,474	90,419	
Derivative financial instruments	11	14,438	-	
Other investments		7,307	7,276	
Trade and other receivables	8	146,466	44,122	
		3,816,748	**3,646,157**	
Current assets				
Inventories		24,130	23,789	
Trade and other receivables	8	248,749	426,527	
Current income tax recoverable		22,211	25,115	
Guarantee deposits	20	48,486	102,637	
Derivative financial instruments	11	1,533	-	
Cash and cash equivalents		66,517	69,888	
		411,626	**647,956**	
Total assets		**4,228,373**	**4,294,113**	
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	9	534,000	534,000	
Treasury shares	9	(10,728)	(10,728)	
Other reserves		208,623	161,638	
Retained earnings		167,328	177,067	
Profit for the year attributable to equity holders of the Company		56,557	134,107	
		955,780	**996,084**	
Minority interest		514	514	
Total equity		**956,294**	**996,598**	
LIABILITIES				
Non- current liabilities				
Borrowings	10	2,130,601	1,711,320	
Deferred tax liabilities	6	96,433	81,586	
Retirement and other benefits obligations	12	65,933	69,846	
Trade and other payables		432,781	399,508	
Derivative financial instruments	11	6,475	10,149	
Provisions	13	4,307	4,307	
		2,736,530	**2,276,716**	
Current liabilities				
Borrowings	10	186,961	497,456	
Trade and other payables		264,710	419,726	
Provisions	13	6,427	981	
Income tax payable		28,195	-	
Derivative financial instruments	11	770	-	
Guarantee deposits	20	48,486	102,637	
		535,549	**1,020,800**	
Total liabilities		**3,272,079**	**3,297,516**	
Total equity and liabilities		**4,228,373**	**4,294,113**	

a) These amounts have been restated for comparison purposes (see Note 3.1) with the consolidated statement of financial position as of 31 December 2009, as previously published

The Notes on pages 17 to 45 form an integral part of these condensed consolidated financial statements.

Consolidated statements of profit and loss for the six month periods ended 30 June 2010 and 2009

(Amounts expressed in thousands of Euros - tEuros)

	Note	Period ended 30.06.2010	Period ended 30.06.2009
Sales	4	573	124
Services provided	4	372,836	257,223
Other operating income		23,367	17,370
Share of (loss)/profit of joint ventures		5,043	4,923
Operating income		**401,819**	**279,641**
Cost of goods sold		(350)	(161)
External supplies and services		(35,208)	(36,506)
Employee compensation and benefit expense		(22,072)	(23,735)
Depreciation and impairment charges	5	(83,802)	(69,071)
Provisions	13	(6,235)	35,404
Other expenses	21	(131,343)	(51,958)
Operating costs		**(279,009)**	**(146,025)**
Operating results	4	**122,810**	**133,617**
Financial costs		(38,520)	(38,265)
Financial income		1,558	8,897
Investment income - dividends		1,368	1,278
Financial results		**(35,593)**	**(28,090)**
Profit before income taxes		**87,217**	**105,526**
Income tax expense	14	(30,660)	(29,451)
Profit for the year		**56,557**	**76,075**
Attributable to:			
Equity holders of the Company		56,557	76,064
Minority interest		-	11
		56,557	**76,075**
Earnings per share attributable to the equity holders of the company during the year (expressed in euro per share)			
- basic		0.11	0.14
- diluted		0.11	0.14

The Notes on pages 17 to 45 form an integral part of these condensed consolidated financial statements.

Consolidated statements of other comprehensive income for the six month periods ended 30 June 2010 and 2009

(Amounts expressed in thousands of Euros – tEuros)

	Notas	Period ended 30.06.2010	Period ended 30.06.2009
Net profit for the period		56,557	76,075
Other income and costs recorded in equity:			
Increase in hedging reserves - derivative financial instruments		16,418	(4,602)
Change in fair value of thermal land		-	(42,849)
Loss on assets held for sale - gross amount	7	(19,945)	(8,807)
Other variations		-	243
Tax effect on items recorded directly in equity	6	(4,805)	12,522
Comprehensive income for the period		48,225	32,582
Attributable to:			
Equity holders of the company		48,225	32,571
Minority interest		-	11
		48,225	**32,582**

The Notes on pages 17 to 45 form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity for the six month periods ended 30 June 2010 and 2009

(Amounts expressed in thousands of Euros - tEuros)

	Attributable to the shareholders									
	Share capital	Treasury shares	Legal Reserve	Fair Value reserve	Hedging reserves	Other reserves	Retained earnings	Profit 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	-	-	-	(7,641)	(4,602)	-	(31,249)	76,064	10	32,582
Acquisition of treasury shares	-	**(2,027)**	-	-	-	-	-	-	-	(2,027)
Distribution of dividends	-	-	-	-	-	-	(88,102)	-	-	(88,102)
Transfer to other reserves	-	-	-	-	-	-	127,405	(127,405)	-	-
At 30 June 2009	534,000	**(8,646)**	67,221	(13,920)	(4,602)	103,218	200,210	76,064	584	954,129

	Attributable to the shareholders									
	Share capital	Treasury shares	Legal Reserve	Fair Value reserve	Hedging reserves	Other reserves	Retained earnings	Profit for the year	Minority interest	Total
At 1 January 2010	**534,000**	**(10,728)**	**67,221**	**(3,247)**	**(5,553)**	**103,218**	**177,067**	**134,107**	**514**	**996,599**
Net profit of the period and other comprehensive income	-	-	-	(17,007)	11,846	(3,171)	-	56,557	-	48,225
Acquisition treasury shares	-	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	-	-	-	(88,530)	-	-	(88,530)
Transfer to other reserves	-	-	7,224	-	-	48,092	78,791	(134,107)	-	-
At 30 June 2010	534,000	**(10,728)**	74,445	(20,254)	6,293	148,139	167,328	56,557	514	956,294
	534,000	**(10,728)**	**74,445**	**(20,254)**	**6,293**	**148,139**	**167,328**	**56,557**	**514**	**956,294**

The Notes on pages 17 to 45 form an integral part of these condensed consolidated financial statements.

Consolidated statements of cash flows for the six month periods ended 30 June 2010 and 2009

(Amounts expressed in thousands of Euros - tEuros)

	Period ended	
	30-06-2010	30-06-2009
Cash flow from operating activities		
Cash receipts from customers	964,620	875,545
Cash paid to suppliers	(732,674)	(748,481)
Cash paid to employees	(30,682)	(27,623)
Income tax received/paid	184	(94,524)
Other payments/receipts relating to operating activities	4,041	-
Net flows from operating activities	**205,490**	**4,917**
Cash flow from investing activities		
Receipts related to:		
Investments	-	112
Tangible fixed assets	-	47
Investment subsidies	1,265	24,205
Guarantees	-	11,500
Interest and similar income	7,328	-
Dividends	692	-
Payments related to:		
Investments	-	(1,689)
Guarantees	-	(18,800)
Tangible fixed assets	(51)	(143,431)
Intangible fixed assets	(185,818)	-
Interest and similar expense	-	(9)
Net cash used in investing activities	**(176,585)**	**(128,065)**
Cash flow from financing activities		
Receipts related to:		
Borrowings	5,960,871	6,554,454
Interest and similar income	7	25
Payments related to:		
Borrowings	(5,850,327)	(6,312,409)
Interest and similar expense	(24,081)	(6,213)
Dividends	(88,530)	(88,102)
Net cash (used in)/from financing activities	**(2,060)**	**147,755**
Net increase in cash and cash equivalents	26,845	24,607
Cash and cash equivalents at the begining of the year	24,576	60,407
Cash and cash equivalents at the end of the period	**51,422**	**85,014**

Detail of cash and cash equivalents		
Cash	-	27
Bank overdrafts	(15,095)	(25,125)
Bank deposits	66,517	101,781
Other cash applications	-	8,331
	51,422	**85,014**

The Notes on pages 17 to 45 form an integral part of these condensed consolidated financial statements.

3 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 founded 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 held on 18 August 1994, with the objective of ensuring overall management of the Public Electricity Supply System (Sistema Eléctrico de Abastecimento Público - SEP).

Up to 26 September 2006 the operations of the REN Group were concentrated on the electricity business through REN – Rede Eléctrica Nacional, S.A.. As a result of the unbundling process of the natural gas business, on 26 September 2006 the Group underwent a significant change with the acquisition of the assets and participations relating to the transport, storage and re-gasification operations of natural gas, this becoming a new business.

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

The Group currently 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., which was founded on 26 September 2006, the operations of which are carried out under a concession contract granted for a period of 50 years as from 2007, which establishes the overall management of the Public Electricity Supply System (Sistema Eléctrico de Abastecimento Público - SEP);

b) REN Trading, S.A., which was founded on 13 June 2007, the main operations of which are the management of energy acquisition contracts (contratos de aquisição de energia - CAE) of Turbogás and Tejo Energia, which did not terminate on 30 June 2007, the date on which the new Contracts for the Maintenance of the Contractual Equilibrium (Contratos para a Manutenção do Equilíbrio Contratual - CMEC) came into force. The operations of the company include the commercialization of the electricity produced and the installed production capacity, to national and international distributors.

The Gas business includes the following companies:

a) REN Gasodutos, S.A.

The company was founded on 26 September 2006, its capital having been paid up through incorporation of the gas transport infrastructure (network; connections; compression);

b) REN Armazenagem, S.A.

The company was founded on 26 September 2006, its capital having been paid up through incorporation of the underground gas storage assets;

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

The company was acquired under the gas acquisition business, previously called "SGNL – Sociedade Portuguesa de Gás Natural Liquefeito". The operations of the company consist of the supply of reception services, storage and re-gasification of liquid natural gas through the GNL marine 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 a period 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 transport company Enagás, to which REN Gasodutos, S.A. granted the transport rights over specific gas pipelines (Braga-Tuy and Campo Maior - Leiria – Braga).

The telecommunications business is managed by Rentelecom Comunicações, S.A., its operations being the establishment, management and utilization of the telecommunication systems and infrastructures, providing communication services, taking advantage of the excess capacity of the REN Group's fibre optics.

Management of the Electricity Derivatives Market is carried out by OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.A.. This entity was founded to organize 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 non-fixed assets and fixed assets, negotiation and supply of consumables or services and in general any other services of that nature, usually known as back-office services, both for group companies and any third parties, being remunerated for these services.

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 27 July 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 for the period ended 30 June 2010 were prepared in accordance with International Financial Reporting Standards as endorsed by the European Union, for interim financial reporting (IAS 34). The condensed financial statements should be read in conjunction with the annual financial statements issued for the year ended 31 December 2009 considering the matters referred to in Note 3.1 below.

The financial statements are presented in thousands of euros.

3 Main accounting policies

The condensed consolidated financial statements were prepared for interim financial reporting purposes (IAS 34), on a going concern basis, at historical cost, except for the derivative financial instruments and available-for-sale financial assets, which are recorded at fair value, as from the books and accounting records of the companies included in the consolidation, maintained in accordance with generally accepted accounting principles in Portugal, adjusted in the consolidation process so that the consolidated financial statements conform to International Financial Reporting Standards as endorsed by the European Union, in force for the years starting on 1 January 2010. It is understood that 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 are considered as being part of these standards. The standards and interpretations are hereinafter referred generically to as IFRS.

Except for the matters explained below (Note 3.1), the accounting policies used to prepare the condensed 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 2009, as explained in the notes to the consolidated financial statements for 2009. These policies were applied on a consistent basis for the periods presented.

a) The following standards, interpretations, amendments and revisions endorsed by the European Union, with mandatory application for financial years beginning on or after 1 January 2010:,

- IFRS 1 - First time adoption of IFRS (amendment). This amendment defined the use of deemed cost for petroleum and gas assets on transition to IFRS. This change did not have any impact on the REN Group's consolidated financial statements.
- IFRS 2 – Share based payments (amendment). The changes introduced clarified the following matters: (i) that an entity should not apply this IFRS to transactions in which the entity acquires assets as part of the net assets acquired in a concentration of business activities as defined in IFRS 3 – Concentration of Business Activities (as amended in 2008), in a concentration of entities or business activities under common control; and (ii) the accounting treatment of share based payments in shares of the Group in the non-consolidated financial statements of an entity which receives goods or services, when that entity is not required to make the payment in shares. These changes did not have any impact on the REN Group's consolidated financial statements.
- IFRS 3 – Concentration of business activities / IAS 27 – Consolidated and separate financial statements (2008 Revision) – This revision introduced changes: (a) in the measurement of interests without control (previously called minority interests); (b) in the recognition and subsequent measurement of contingent payments; (c) in the treatment of direct costs

relating to concentrations; and (d) in the recording of the purchase of interests in entities already controlled and the sale of interests which do not result in the loss of control of the entity. This change did not have any impact on the REN Group's consolidated financial statements.

- IFRS 5 – Non-current assets held for sale and discontinued operating units (amendment). This change did not have any impact on the REN Group's consolidated financial statements.

- IFRS 8 – Reportable segments (amendment). This change did not have any impact on the REN Group's consolidated financial statements.

- IAS 1 Presentation of financial statements (amendment). This improvement clarified the conditions for the classification of a liability as current. This change did not have any impact on the REN Group's consolidated financial statements.

- IAS 7 Statement of cash flows (amendment) – This change established that only expenditure that results in an asset recognized in the statement of financial position is eligible for classification as an investment activity. Adoption of this amendment did not have any impact on the REN Group's consolidated financial statements as it had already been adopted.

- IAS 17 Leases (amendment) – This amendment clarified the criteria for classifying leases that include both land and buildings and adds a transitory provision that, in accordance with it, an entity must reassess the classification of the land included in unexpired leases on the date this amendment is adopted, based on the information existing at the beginning of the lease. This change did not have any impact on the REN Group's consolidated financial statements.

- IAS 36 Impairment of assets (amendment). This change did not have any impact on the REN Group's consolidated financial statements.

- IAS 38 Intangible assets (amendment) – this improvement clarified the criteria for the measurement at fair value of an intangible asset acquired in a concentration of business activities. This change did not have any impact on the REN Group's consolidated financial statements.

- IAS 39 Financial instruments: Recognition and measurement (amendment). This deals with clarification of the following hedge accounting matters: (i) qualification of an item as hedged; and (ii) cash flow hedges.

- IFRIC 9 Revaluation of embedded derivatives (amendment) – This amendment clarified the circumstances under which the subsequent reappraisal of the requirement to separate an embedded derivative is permitted, which had no impact on the consolidated financial statements of the REN Group.
- IFRIC 12 - Concession service agreements. IFRIC 12 establishes how operators of concession services must apply IFRS in recording investment obligations assumed and rights obtained resulting from the signing of concession contracts. This interpretation applies to the REN Group's operations, and the impact of its adoption on the REN Group's consolidated financial statements is described below.
- IFRIC 15 - Real estate construction contracts. This interpretation covers the approach of the way to assess if an agreement to construct a property is within the scope of IAS 11 – Construction contracts or IAS 18 – Income and how the income should be recognized. This interpretation had no impact the REN Group's consolidated financial statements.
- IFRIC 16 - Hedging of a net investment in a foreign operating unit (amendment). This interpretation provides guidelines on hedge accounting for net investments in foreign operations. This interpretation had no impact on the REN Group's consolidated financial statements.
- IFRIC 17 - Distributions in kind to the shareholders. This interpretation provides guidelines on the correct recording of assets other than cash distributed to shareholders as dividends. This interpretation had no impact on the consolidated financial statements of the REN Group.

- IFRIC 18 - Transfers of assets by clients. This interpretation provides guidelines with respect to the recording by operators of tangible fixed assets of clients. 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 client an asset that will be used to connect the client or other clients to the service network or that enables the client to access the service network. This interpretation had no impact on the consolidated financial statements of the REN Group.

b) Up to the date of approval of these financial statements the following standards, interpretations, amendments and revisions, with mandatory application in future financial years have been endorsed by the European Union:

- IFRS 1 - First time adoption of International Financial Reporting Standards (amendment) (to be applied for years starting on or after 1 July 2010). This amendment established a limited exemption from the requirement to present comparative disclosures in accordance with IFRS 7 for those adopting IFRS for the first time. This amendment will not have any impact the Group's consolidated financial statements.
- IFRS 7 – Financial instruments: Disclosures (amendment) (to be applied for years starting on or after 1 July 2010). This amendment clarifies the effective date and transition of the document of improvements to this IFRS, issued in March 2009. This amendment will not have any impact the REN Group's consolidated financial statements.

3.1 Adoption of IFRIC 12 – Concession service agreements

IFRIC 12 was issued by the IASB in November 2006, for application in the years starting on or after 1 January 2008. It was endorsed by the European Union on 25 March 2009, for mandatory application in the years starting on or after 1 January 2010.

IFRIC 12 applies to public service concession contracts in which the conceding entity controls:

- The services to be rendered by the concessionaire (through utilization of the infrastructure), to whom and at what price; and
- Any residual interest over the infrastructure at the end of the contract.

IFRIC 12 applies to the following infrastructures:

- Constructed or acquired by the operator from third parties;
- Already existing and to which the operator is given access.

This interpretation establishes the general principles for the recognition and measurement of the rights and obligations under concession contracts with the characteristics mentioned above.

In the REN Group's electricity and gas business, IFRIC 12 is applicable to the concession contracts granted to REN – Rede Eléctrica Nacional, S.A., REN Gasodutos, S.A., REN Armazenagem, S.A. and REN Atlântico, Terminal de GNL, S.A..

Considering the nature of the REN Group's concessions and the legal framework which covers the concessions, the REN Group decided to consider its concessions based on the Intangible Asset model, the effect of which is to reclassify the tangible fixed assets assigned to the concession, to the intangible fixed assets caption "Assets of the concession". Intangible fixed assets are amortized in accordance with their useful lives over the period of the concession, there being no effect in terms of the Group's profit and loss, in relation to the accounting procedures adopted up to 31 December 2009.

The opening balances at 1 January 2010 include the effect of applying IFRIC 12, the comparative information having been restated. The effect of adopting IFRIC 12 as of 1 January 2010 was as follows:

	Cost			Accumulated depreciation and amortization			
	Cost 31.12.2009	IFRIC 12	Restated cost - 01.01.2010	Accumulated depreciation 31.12.2009	IFRIC 12	Restated accumulated depreciation - 01.01.2010	Restated net book value - 01.01.2010
Tangible Assets							
Land	8,076	(8,076)	-				
Buildings and other constructions	93,971	(93,971)	-	(36,806)	36,806	-	-
Transmission and electronic equipment	5,267,179	(5,267,076)	103	(2,203,033)	2,202,988	(45)	58
Transport equipment	7,919	(7,420)	500	(3,509)	3,291	(218)	282
Tools	4,079	(4,079)	-	(3,326)	3,326	-	-
Office equipment	36,513	(33,403)	3,111	(28,604)	25,879	(2,725)	386
Others	754	(754)	-	(299)	299	-	-
Assets in progress	308,962	(308,803)	159	-	-	-	159
	5,727,453	**(5,723,582)**	**3,872**	**(2,275,577)**	**2,272,589**	**(2,988)**	**884**
Intangible assets							
Concession assets	-	5,414,778	5,414,778	-	(2,272,589)	(2,272,589)	3,142,189
Concession assets in progress	-	308,803	308,803	-	-	-	308,803
	-	**5,723,582**	**5,723,582**	-	**(2,272,589)**	**(2,272,589)**	**3,450,992**

4 Segment reporting

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

At 30 June 2010 the REN Group was organized in two main business segments: Electricity and Gas and two secondary segments: telecommunications and management of the electricity derivatives market. The Electricity segment includes the transmission of very high tension electricity and overall management of the public electricity supply system. The Gas segment includes the transport of very high pressure gas and overall management of the national natural gas supply system, as well as operation of the LNG re-gasification terminal and 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 columns "Others" include the operations of REN SGPS and REN Serviços.

The results by segment for the half year ended 30 June 2009 were as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Others	Total
Total sales and services rendered	237,316	74,770	1,830	2,513	-	316,429
Inter-segment sales and services rendered	(57,609)	(450)	(309)	(713)	-	(59,081)
Sales and services rendered	**179,707**	**74,320**	**1,521**	**1,800**	-	**257,348**
Operating result by segment	107,327	36,027	1,284	(185)	(10,837)	133,616
Financial costs	(20,191)	(8,134)	-	(18)	(9,922)	(38,265)
Financial income	294	1,909	15	30	7,927	10,175
Profit before income tax						105,526
Income tax expense						(29,451)
Net profit for the period						**76,075**
Other expenses:						
Depreciation	46,134	22,573	6	220	138	69,071

The results by segment for the period ended 30 June 2010 are as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Unallocated	Group
Total sales and services rendered	435,988	91,033	2,993	1,963	-	531,978
Inter-segment sales and services rendered	(157,614)	(24)	(355)	(576)	-	(158,569)
Sales and services rendered	278,374	91,009	2,638	1,387	-	373,408
Operating result by segment	81,291	55,709	1,807	(474)	(15,523)	122,810
Financial costs	(24,139)	(4,571)		(2)	(9,808)	(38,520)
Financial income	154	581	11	9	2,171	2,926
Profit before income tax						87,217
Income tax expense						(30,660)
Net profit for the period						**56,557**
Other expenses:						
Depreciation	59,737	23,914	6	97	48	83,802

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

Assets and liabilities by segment at 31 December 2009 as well as capital expenditure for the period then ended were as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Others	Group
Assets	2,724,454	1,309,886	4,604	109,074	135,032	4,283,050
Investment in associates	-	11,063	-	-	-	11,063
Total assets	2,724,454	1,320,949	4,604	109,074	135,032	4,294,113
Liabilities	797,121	356,082	767	104,384	2,039,161	3,297,515
Capital expenditure - tangible assets	-	-	-	391	8	399
Capital expenditure - intangible assets	355,258	110,650	-	-	-	465,908
Capital expenditure - total	**355,258**	**110,650**	**-**	**391**	**8**	**466,307**

Assets and liabilities by segment at 30 June 2010 as well as capital expenditure for the period then ended were as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Others	Group
Assets	2,659,841	1,316,772	4,166	54,793	157,508	4,193,080
Investment in associates	0	35,293				35,293
Total assets	2,659,841	1,352,065	4,166	54,793	157,508	4,228,373
Liabilities	637,097	362,503	1,644	50,102	2,220,732	3,272,079
Capital expenditure - tangible assets	-	-	971	216	58	1,245
Capital expenditure - intangible assets	88,805	33,890	-	-	-	122,695
	88,805	**33,890**	**971**	**216**	**58**	**123,940**

Assets by segment consist mainly of assets of the concession, classified under the caption other intangible fixed assets and trade and other receivables. Liabilities by segment include operating liabilities, except for the holding company's borrowings and borrowings contracted for non-operating activities at 30 June 2010, included under the column "Others".

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

5 Tangible fixed assets and intangible fixed assets

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

Changes in tangible and intangible fixed assets - June 2009 (restated Note 3.1)

	January 2009			Changes					June 2009		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals and write-offs	Cost	Accumulated depreciation	Net book value
Tangible Assets											
Land	-	-	-	-	-	-	-	-	-	-	-
Buildings and other constructions	-	-	-	-	-	-	-	-	-	-	-
Transmission and electronic equipment	103	(32)	71	-	-	-	(6)	-	103	(39)	64
Transport equipment	490	(141)	348	-	(39)	-	(51)	27	451	(166)	285
Tools	-	-	-	-	-	-	-	-	-	-	-
Office equipment	2,874	(2,453)	422	90	-	-	(212)	-	2,964	(2,665)	299
Fixed assets in progress	-	-	-	-	-	-	-	-	-	-	-
	3,467	**(2,626)**	**841**	**90**	**(39)**	**-**	**(270)**	**27**	**3,518**	**(2,869)**	**648**

	January 2009			Changes					June 2009		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals and write-offs	Cost	Accumulated depreciation	Net book value
Intangible Assets											
Concession Assets	4,455,591	(1,516,128)	2,939,464	943	(19,763)	136,009	(69,044)	(166)	4,572,781	(1,585,338)	2,987,443
Concession assets in progress	235,619	-	235,619	179,888	(245)	(136,009)	-	-	279,253	-	279,253
Goodwill	3,774	-	3,774	-	-	-	-	-	3,774	-	3,774
	4,694,984	**(1,516,128)**	**3,178,857**	**180,831**	**(20,008)**	**-**	**(69,044)**	**(166)**	**4,855,807**	**(1,585,338)**	**3,270,470**

The changes in tangible and intangible fixed assets in the period from 1 January 2010 to 30 June 2010 were as follows:

Changes in tangible and intangible fixed assets - June 2010

	December 2009- Restated			Changes					June 2010		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals and write-offs	Cost	Accumulated depreciation	Net book value
Tangible Assets											
Land	-	-	-	-	-	-	-	-	-	-	-
Buildings and other constructions	-	-	-	-	-	-	-	-	-	-	-
Transmission and electronic equipment	103	(45)	58	-	-	-	(6)	-	103	(51)	51
Transport equipment	500	(218)	282	137	-	-	(61)	-	637	(279)	358
Tools	-	-	-	-	-	-	-	-	-	-	-
Office equipment	3,111	(2,725)	386	23	-	-	(90)	-	3,134	(2,815)	319
Assets in progress	159	-	159	1,084	-	-	-	-	1,242	-	1,242
	3,872	**(2,988)**	**884**	**1,244**	**-**	**-**	**(157)**	**-**	**5,116**	**(3,145)**	**1,971**

	December 2009- Restated			Changes					June 2010		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals and write-offs	Cost	Accumulated depreciation	Net book value
Intangible Assets											
Concession Assets	5,414,778	(2,272,589)	3,142,189	275	(532)	97,417	(83,900)	499	5,511,938	(2,355,990)	3,155,949
Concession assets in progress	308,803	-	308,803	122,420	-	(97,417)	-	-	333,807	-	333,807
Goodwill	3,774	-	3,774	-	-	-	-	-	3,774	-	3,774
	5,727,355	**(2,272,589)**	**3,454,766**	**122,696**	**(532)**	**-**	**(83,900)**	**499**	**5,849,520**	**(2,355,990)**	**3,493,529**

The balances of the accounts at 31 December 2009 were restated as a result of the adoption of IFRIC 12 – Note 3.

The increase in the tangible fixed assets caption "Fixed assets in progress" refers essentially to development of the telecommunications system in the Ermesinde Datacenter of the company Rentelecom.

The increase in intangible fixed assets for the period ended 30 June 2009 compared with the period ended 30 June 2010 refers essentially to the realization of the Group's conceded assets investment plan.

Depreciation of fixed assets was recorded in full in the Statement of Profit and Loss caption "Depreciation", except for the amount of 256 thousand euros (30 June 2009: 243 thousand euros) that was capitalized in fixed assets in progress.

Financial costs capitalized in intangible fixed assets in progress amounted to 5 585 thousand euros (4 362 thousand euros at 30 June 2009).

6 Deferred taxes

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

	Period ended	
	30.06.2010	30.06.2009
Impact on the statement of profit and loss		
Deferred tax assets	7,085	6,753
Deferred tax liabilities	(7,482)	(20,292)
	(397)	(13,539)
Impact on equity		
Deferred tax assets	2,560	12,522
Deferred tax liabilities	(7,365)	-
	(4,805)	12,522
Net impact of deferred taxes	**(5,202)**	**(1,017)**

The changes in deferred taxes by nature are as follows:

Evolution of deferred tax assets - June 2009

	Provisions	Loss carried forward	Pensions	Investment properties	Available-for-sale financial assets	Others	Total
At 1 January 2009	**15,588**	**23**	**11,977**	**11,580**	**960**	**6,019**	**46,147**
Period ended 30 June							
Credit/debit to equity	-	-	-	11,355	1,167	-	12,522
Credit to the statement of profit and loss	(9,382)	(23)	(585)	-	(960)	(897)	(11,847)
Charged to the statement of profit and loss	-	-	-	(4,795)	-	23,395	18,600
Change in the period	**(9,382)**	**(23)**	**(585)**	**6,560**	**207**	**22,498**	**19,275**
At 30 June 2009	**6,206**	**-**	**11,392**	**18,140**	**1,167**	**28,517**	**65,422**

Evolution of deferred tax assets - June 2010

	Provisions	Loss carried forward	Pensions	Available-for-sale financial assets	Tariff deviations	Derivative financial instruments	Others	Total
At 1 January 2010	**1,402**	**1,051**	**18,509**	**496**	**14,243**	**-**	**1,925**	**37,627**
Period ended 30 June								
Credit/debit to equity	-	-	-	2,939	-	1,878	(2,257)	2,560
Credit to the statement of profit and loss	(261)	-	-	-	-	223	166	128
Charged to the statement of profit and loss	108	-	612	-	6,153	-	84	6,957
Change in the period	**(153)**	**-**	**612**	**2,939**	**6,153**	**2,101**	**(2,007)**	**9,645**
At 30 June 2010	**1,249**	**1,051**	**19,121**	**3,435**	**20,396**	**2,101**	**(82)**	**47,272**

Deferred tax assets at 30 June 2010 refer mainly to employee pension plan liabilities and tariff deviations to be refunded in subsequent years.

Evolution of deferred tax liabilities - June 2009

	Agent	Transmission equipment	Revaluation	Others	Total
At 1 January 2009	**32,987**	**23,066**	**36,048**	**232**	**92,333**
Period ended 30 June					
Credited/charged to equity	-	-	-	-	-
Charged to the statement of profit and loss	9,704	2,121	-	9,573	21,398
Credit to the statement of profit and loss	-	-	(1,106)	-	(1,106)
Change in the period	**9,704**	**2,121**	**(1,106)**	**9,573**	**20,292**
At 30 June 2009	**42,691**	**25,187**	**34,942**	**9,805**	**112,625**

Evolution of deferred tax liabilities – June 2010

	Tariff deviations	Revaluation	Derivative financial instruments	Others	Total
At 1 January 2010	**47,973**	**33,613**	**-**	**-**	**81,586**
Period ended 30 June					
Credited/charged to equity	-	3,171	4,194	-	7,365
Charged to the statement of profit and loss	8,369	-	445	-	8,814
Credit to the statement of profit and loss	-	(1,332)	-	-	(1,332)
Change in the period	**8,369**	**1,839**	**4,638**	**-**	**14,847**
At 30 June 2010	**56,343**	**35,452**	**4,638**	**-**	**96,433**

7 Available for sale financial assets

This caption refers to the following participations:

	% owned	Entity	30.06.2010	31.12.2009
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	39,853	52,551
Enagás	1.00%	REN SGPS	29,587	36,835
Total			**70,474**	**90,419**

The changes recognized in this caption were as follows:

	OMEL	REE	ENAGAS	Total
At 1 January 2009	1,033	48,733	37,157	86,923
Acquisitions	-	-	-	-
Fair value adjustments	-	3,818	(322)	3,496
Disposals	-	-	-	-
At 31 December 2009	**1,033**	**52,551**	**36,835**	**90,419**
At 1 January 2010	1,033	52,551	36,835	90,419
Fair value adjustments	-	(12,698)	(7,248)	(19,946)
At 30 June 2010	**1,033**	**39,853**	**29,587**	**70,474**

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 June 2010 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 June 2010.

The adjustments to fair value of the available-for-sale financial assets are reflected in the equity caption, fair value reserve.

	Fair value adjustments
Fair value adjustment	(19,945)
Effect of deferred taxes	2,938
Net adjustment in equity	**(17,007)**

8 Trade and other receivables

Trade and other receivables at 30 June 2010 and 31 December 2009 are made up as follows:

	30.06.2010			31.12.2009		
	Current	Non current	Total	Current	Non current	Total
Trade receivables (i)	155,414	2,820	158,234	236,893	4,083	240,976
Impairment of trade	(844)	-	(844)	(823)	-	(823)
Trade receivables net	154,570	2,820	157,390	236,070	4,083	240,153
Tariff deviations	67,682	126,680	194,362	157,958	23,073	181,031
Loans to joint ventures (ii)	16,966	16,966	33,932	16,966	16,966	33,932
Dividends receivable from joint	9,531	-	9,531	-	-	-
State and Other Public Entities	-	-	-	15,533	-	15,533
	-	-	-	-	-	-
Trade and other receivables	**248,749**	**146,466**	**395,215**	**426,527**	**44,122**	**470,649**

i) The most significant amount in trade receivables is the receivable from EDP in the amount of 64 285 thousand euros (65 495 thousand euros at 31 December 2009).

ii) The loans to joint ventures, refers to a loan to Sociedade Gasoduto Campo-Maior-Leiria-Braga acquired in the gas unbundling transaction. The loan bears interest at the highest of the average cost of the borrowings of REN Gasodutos and Enagás.

9 Share Capital

At 30 June 2010 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 June 2010 REN SGPS had the following treasury shares:

	Number of shares	Proportion	Amount
Treasury shares			
At 31 December 2009	3,881,374	0.7268%	(10,728)
Acquisitions in the period	-	-	-
At 30 June 2010	**3,881,374**	**0.7268%**	**(10,728)**

10 Borrowings

The segregation of borrowings between current and non-current at 30 June 2010 and 31 December 2009 was as follows:

	30.06.2010			31.12.2009		
	Current	Non current	Total	Current	Non current	Total
Commercial Paper	92,000	512,000	604,000	400,000	155,000	555,000
Bonds	-	922,899	922,899	-	922,899	922,899
Bank borrowings	40,503	692,480	732,983	40,503	630,209	670,712
Bank overdrafts	15,095	-	15,095	45,312	-	45,312
Finance lease	884	2,651	3,535	1,415	2,558	3,973
	148,481	2,130,030	2,278,511	487,230	1,710,666	2,197,896
Accrued interest	39,380	571	39,951	12,819	654	13,473
Prepaid interest	(900)	-	(900)	(2,593)	-	(2,593)
	186,961	**2,130,601**	**2,317,562**	**497,456**	**1,711,320**	**2,208,776**

The increase in the caption non-current borrowings at 30 June 2010 in relation to 31 December 2009 is due basically to extension of the period of some commercial paper programs, as well as the use of funds under medium and long term bank loans. .

11 Derivative financial instruments

The REN Group had the following derivative financial instruments at 30 June 2010 and 31 December 2009:

Swaps:

Derivatives designated as cash flow hedges	December 2009				
		Assets (Eur)		Liabilities (Eur)	
	Notional	Current	Non current	Current	Non current
Interest rate swaps	384.000.000 EUR	-	-	-	(6,066)
Interest rate and currency swaps	10.000.000.000 JPY	-	-	-	(4,083)
Total derivatives designated as cash flow hedges		-	-	-	(10,149)

Derivatives designated as cash flow hedges	June 2010				
		Assets (Eur)		Liabilities (Eur)	
	Notional	Current	Non current	Current	Non current
Interest rate swaps	384.000.000 EUR	-	-	-	-
Interest rate and currency swaps	10.000.000.000 JPY	-	14,438	-	(6,475)
Total derivatives designated as cash flow hedges		**-**	**14,438**	**-**	**(6,475)**

Cash flow hedges

The Group hedges part of its future payments of interest on borrowings, bonds issued and commercial paper through designation of interest rate swaps on which it pays a fixed rate and receives a variable rate with a notional value 384,000 thousand euros (384,000 thousand euros at 31 December 2009). This is the hedging of the interest rate risk on payments of interest at variable rates on recognized financial liabilities. The risk covered is the indexer of the variable rate to which the borrowing interest coupons relate. The object of this hedging is to transform loans at variable interest rates to fixed rates, the credit risk not being hedged. The fair value of the interest rate swaps at 30 June 2010 is 6 475 thousand euros negative (6 066 thousand euros negative at 31 December 2009).

In addition, REN hedges its exposure to cash flow risk on its issuance of 10,000 million JPY resulting from exchange risk, through a cross currency swap with the main characteristics 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 cover 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 hedged risks becoming recorded in the statement of profit and loss. The credit risk is not hedged. The fair value of the cross currency swap at 30 June 2010 is 14 438 thousand euros (4 083 thousand euros negative at 31 December 2009).

Futures:

REN – Redes Energéticas Nacionais, SGPS, S.A., through its subsidiary REN Trading, S.A., has carried out some financial operations in the energy, coal and CO2 emission licence futures market, through entering into standard contracts with International Swaps and Derivatives Association Inc. ("ISDA") as well as through participation in futures trading exchanges.

REN SGPS and REN Trading entered into an agreement under which REN Trading manages the financial derivative contracts on account and for the benefit of REN SGPS, therefore ensuring a clear and transparent separation between these businesses, on a previously defined basis, continuously monitored as being of low exposure to risk.

This financial derivatives contract in the futures market does not imply any physical liquidation of the underlying assets, being an activity of a purely financial nature, merely the financial management of assets, not being confused with regulated activities of the Commercial Agent.

The fair value of the futures at 30 June 2010 was as follows:

	Current assets	Current liabilities
Fair vale at 31 December 2009	-	-
Financial contracts in the energy market for 2010	391	-
Financial contracts in the energy market for 2011	865	-
CO2 licences	278	-
Carbon financial contracts	-	(770)
Fair vale at 30 June 2010	**1,533**	**(770)**

12 Liability for retirement benefits and others

REN – Rede Eléctrica Nacional, S.A. grants supplementary retirement and survivor pensions (hereinafter referred to as pension plan), provides its retirees and pensioners with a health care plan on a similar basis to that of its serving personnel, and grants other benefits such as long service bonuses, retirement bonuses and a death grant. The companies in the gas business grant their employees life insurance plans. There have been no changes, in relation to the preceding year, in the benefits granted to the employees.

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

	30.06.2010	31.12.2009
Liability on the Balance sheet		
Pension plan	35,882	40,327
Medical assistance and other benefits	29,965	29,438
Life insurance plan	86	81
	65,933	**69,846**

The amount recognized in employee compensation and other benefits expense is as follows:

	30.06.2010	30.06.2009
Charges to the statement of profit and loss		
Pension plan	(1,415)	(1,378)
Medical assistance and other benefits	(526)	(170)
Life insurance plan	(6)	-
	(1,947)	**(1,548)**

The amounts reported as of 30 June 2010 result from projection of the actuarial valuation as of 31 December 2009 for the period of six months ended 30 June 2010, considering the estimated increase in salaries for 2010.

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

Annual discount rate	5.17%
Expected percentage of serving employees eligible for early retirement (more than 60 years of age)	10.00%
Expected percentage of serving employees eligible for early retirement (less than 60 years of age)	
In 2009	45.00%
In 2010	45.00%
In subsquent years	5.00%
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 heath costs (over 8 years)	4.50%
Annual growth rate of heath costs (after the 8 year period)	4.00%
Management costs (per employee/year)	£150
Growth rate of the management costs - up to 2007	4.50%
Growth rate of the management costs - after 2007	2.70%
Rate of return on assets	5.45%
Mortality table	TV 88/90

13 Provisions for other risks and charges

The changes in provisions during the periods were as follows:

Changes in provisions

	30.06.2010	31.12.2009
At 1 January	5,288	58,824
Increases	6,235	981
Decreases	(789)	(54,517)
At 30 June	**10,734**	**5,288**
Current provision	6,427	981
Non-current provision	4,307	4,307
	10,734	**5,288**

The caption provisions at 30 June 2010 corresponds essentially to: (i) estimate of the payments to be made by REN resulting from litigation in process for damage caused to third parties (4 307 thousand euros); (ii) provision of 6 235 thousand euros to cover the contingency relating to litigation with Amorim Energia over dividends received from GALP Energia in 2006, which was recorded in 2010 following notification of the decision of the Arbitration Court of the International Chamber of Commerce (ICC) of Paris on 16 March 2010 and corresponding addendum of 8 July 2010, requiring REN to pay 20.3 M€, equivalent to half of the amount claimed by Amorim Energia, plus interest. REN believes, based on a legal analysis of the arbitration decision, that the provision recorded is adequate to cover the risk resulting from this process.

14 Income tax

Income tax for the period ended 30 June 2010 includes current tax and deferred tax, as follows:

	30.06.2010	30.06.2009
Current income tax	30,263	15,912
Deferred income tax	397	13,539
Income tax	**30,660**	**29,451**

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

	30.06.2010	30.06.2009
Consolidated profit before income tax	87,217	105,527
Tax rate	26.5%	26.5%
	23,113	27,965
Municipal surcharge - 2.5%	2,083	
	25,196	27,965
Effect of adjusting the rate of the state surcharge on deferred tax assets and liabilities	2,713	-
Non deductible costs	29,366	14,678
Non taxable income	(26,828)	(13,420)
Autonomous taxation	213	229
Income Tax	30,660	29,451
Current income tax	30,263	15,912
Deferred income tax	397	13,539
Income tax	30,660	29,451
Effective tax rate	**35.2%**	**27.9%**

The calculation of income tax for the period was updated in accordance with Law 12-A/2010 of 30 June that defined that the state surcharge corresponds to application of an additional rate of 2.5% over the part of the profit of companies exceeding 2 million euros.

In addition, REN updated the calculation of its deferred tax assets and liabilities based on this new nominal tax rate. The significant increase in the effective tax rate at 30 June 2010 compared to the corresponding previous period is due to updating the opening balances of deferred tax assets and liabilities at 1 January 2010.

Rates of current tax

	30.06.2010	30.06.2009
Tax rates	25.00%	25.00%
Municipal surcharge	1.50%	1.50%
State surcharge	2.50%	0.00%
	29.00%	**26.50%**

15 Earnings per share

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

		30.06.2010	30.06.2009
Consolidated net profit used to calculate earnings per share	(1)	56,557	76,075
Number of ordinary shares outstanding during the period (Note 10)	(2)	534,000,000	534,000,000
Effect of treasury shares		3,881,374	3,159,594
	(3)	530,118,626	530,840,406
Basic earnings per share (euro per share)	(1)/(3)	0.11	0.14

16 Dividends per share

Dividends granted during the period ended 30 June 2010 refer to net profit for the year 2009, 88.5 million euros having been paid (0.167 euros per share).

17 Guarantees given

At 30 June 2010 and 2009 the Group had guarantees given to the following entities:

Beneficiary	Purpose	Beginning	2010	2009
European Community	To comply with the contractual requirements of the loan contract	16-12-2003	691	691
Viseu Municipal Court	Guarantee relating to expropriation of 63 plots for the Bodiosa substation	22-10-2004	206	206
Braga and C. Branco Municipal Courts	Guarantee relating to expropriation of plots for the Pedralva and C. Branco substations	15-02-2006	800	800
Municipal Council of Silves	Guarantee for works in Tunes	04-05-2006	352	352
Anadia Municipal Courts	Guarantee for the expropriation of 111 plots for the Paraimo substation	26-04-2005	432	432
Gondomar Municipal Court	Prestação de caução no âmbito do processo 1037/2001	09-11-2005	150	150
Tribunal da Comarca de Penela e Ansião	Guarantee for the expropriation of 83 plots for the Penela substation	30-06-2006	703	703
Vieira do Minho Municipal Court	Guarantee for the expropriation of 29 plots for the Frades substation	03-08-2006	558	558
Torres Vedras Municipal Court	Guarantee for the expropriation of of 11 plots for the Carvoeira substation	13-12-2006	297	297
Macedo de Cavaleiros Municipal Court	Guarantee for the expropriation of plots for for the Olmos substation	14-02-2007	190	190
OMEL - Operador del Mercado Español de Electricidad	To guarantee payments resulting from participation as purchaser in the Spanish market	12-01-2001	-	30,000
MEFF	To guarantee payments resulting from participation as purchaser in the Spanish market	-	-	5,000
Direcção Geral de Geologia e Energia	Concession of the gas transport operations	26-09-2006	20,000	20,000
Municipal Council of Seixal	To guarantee processes in progress	-	3,853	3,853
EIB	To guarantee loans	-	392,132	357,026
Loures Financial Services	To guarantee processes in progress	-		887
Lisbon Financial Services	To guarantee a process in progress	-	1,080	1,080
Tabua Municipal Court	Expropriation of plots of land	-	171	171
Vila Pouca de Aguiar Municipal Court	Expropriation of plots of land	-	81	81
OMEL - Operador del Mercado Español de Electricidad	To guarantee payments resulting from trading participation as purchaser in the Spanish market	26-06-2007	2,000	2,000
Lisbon Municipal Court	To guarantee processes in progress	10-12-2008	115	115
Armamar Municipal Court	Expropriation of plots of land	03-11-2008	732	732
Ministry of the Economy and Innovation	To guarantee settlement of executing debt nº 7873/2006	30-12-2008	1	1
Fortia	Financial contracts under the ISDA contract (International Swaps and Derivatives Association, Inc.)	17-06-2009	2,000	2,000
Mogadouro Municipal Court	To guarantee coverage of the cost of acquiring land to expand the Mogadouro substation	30-07-2009	18	-
Tavira Municipal Court	To guarantee expropriation of 38 plots of land in the parish of Cacho, municipality of Tavira to build the Tavira substation	24-09-2009	163	-
NORSCUT - Concessionária de Auto-estradas, SA	To guarantee prompt payment of liabilities assumed by REN in the contract ceding utilization	08-01-2010	200	-
EP - Estradas de Portugal - Delegação Regional do Porto	Installation of gas infrastructures by drilling - Natural Gas Transport Network Leça Industrial branch	15-07-2009	5	-
EP - Estradas de Portugal - Delegação Regional De Santarém	Natural Gas Transport Network - CCC Pego - connection to the Thermoelectric plant of Tejo Energia (Pego). Crossing over EN118 - Km 142.295	25-08-2009	5	-
EUROSCUT NORTE - Sociedade Concessionária da SCUT do Norte Litoral, S.A.	Ensure compliance with the obligations assumed resulting from the contract relating to the installation of a gas pipeline in the concede area of EUROSCUT NORTE.	25-01-2010	250	-
			427,184	427,323

18 Transactions with related parties

At 30 June 2010 the REN Group was listed in Euronext – Lisbon, having as reference shareholders, with recorded transactions, the following entities: EDP and Caixa Geral de Depósitos.

The following are related entities:

EDP Group

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

CGD Group

- Caixa Geral de Depósitos, S.A.
- Caixa BI

Joint-ventures

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

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

18.1 Sale of products and services

	30.06.2010	30.06.2009
Sale of goods		
Electricity - EDP	726,989	463,948
	726,989	**463,948**
Services rendered		
Other services - EDP	1,399	1,396
	1,399	**1,396**

The amounts shown as sales refer to energy recognized in “Trade and other receivables” due to the role of REN as agent in the purchase and sale of electricity.

18.2 Purchase of products and services

	30.06.2010	30.06.2009
Purchase of goods		
Electricity - EDP	(370,421)	(180,164)
	(370,421)	**(180,164)**
Purchase of services		
Other services - EDP	(3,048)	(1,720)
Interest on Commercial paper - CGD	(1,076)	-
Borrowing fees - CGD	(319)	-
	(4,442)	**(1,720)**

The amounts shown as goods purchased are recognized in the caption "Trade and other receivables", as a result of the intermediation role of REN in the purchase and sale of electricity.

18.3 Remuneration of the Board of Directors

Remuneration of the Board of Directors of REN in the period ended 30 June 2010 amounted to 1 447 thousand Euros (1 516 thousand Euros in the period ended 30 June 2009) as follows:

	30.06.2010	30.06.2009
Salaries and other short term benefits	1,447	1,516
	1,447	**1,516**

18.4 Balances with related parties

Balances resulting from transactions with related parties at 30 June 2010 and 2009 were as follows:

	30.06.2010	30.06.2009
Related parties - debtors		
EDP - Trade receivables	64,285	53,823
	64,285	**53,823**
Related parties - creditors		
EDP - Trade payables	(5,455)	(11,321)
EDP - Other payables	-	-
CGD - Borrowings (Commercial paper)	(200,000)	-
CGD - Finance lease	(82)	-
	(205,536)	**(11,321)**

18.5 Transactions and balances with joint-ventures

Transactions and balances with joint ventures at 30 June 2010 and 2009 were as follows:

	30.06.2010	30.06.2009
Sale of goods and services		
Services rendered		
Braga-Tuy gas pipeline	179	179
Campo Maior - Leiria - Braga gas pipeline	10,582	10,582
	10,761	**10,761**
Purchase of goods and services		
Services purchased		
Braga-Tuy gas pipeline	427	428
Campo Maior - Leiria - Braga gas pipeline	2,665	2,667
	3,093	**3,095**
Financial income		
Interest income		
Campo Maior - Leiria - Braga gas pipeline	288	549
	288	**549**

	30.06.2010	30.06.2009
Debtors		
Braga-Tuy gas pipeline	179	179
Campo Maior - Leiria - Braga gas pipeline	10,582	1,769
	10,761	**1,948**
Creditors		
Braga-Tuy gas pipeline	662	36
Campo Maior - Leiria - Braga gas pipeline	4,666	2,116
	5,328	**2,152**

19 Interest in Joint ventures

The increase in the caption interest in joint ventures in the six month period ended 30 June 2010 includes 28 716 thousand euros recorded by corresponding entry to the liability caption “Trade and other payables”.

20 Guarantee deposits

The increase/decrease in the amount of guarantees is due to changes in the value of open positions on the stock exchange, plus monthly remuneration on the guarantees.

21 Other operating cots

The increase in this caption relates to an increase on the surcharges on Purchasing Power Agreements (PPA) amounting to 124 thousand euros in the six month period ended 30 June 2010 (43.9 thousand euros in the six month period ended 30 June 2009).

22 Other matters

Disagreement with Amorim Energia BV

In December 2007, as duly informed to the market, REN – Redes Energéticas Nacionais, SGPS, S.A. (REN) was notified of an arbitration process being judged by the International Chamber of Commerce ("ICC") brought against it by Amorim Energia B.V. regarding a matter relating to the "Shareholders Agreement relating to GALP ENERGIA, SGPS, S.A." signed on 29 December 2005, between REN, AMORIM and ENI PORTUGAL INVESTMENT, S.p.A. ("Shareholder Agreement"), especially with respect to dividends distributed by Galp Energia, SGPS, SA relating to profit for 2005.

In 2006 REN and Amorim Energia BV had a disagreement as to whom the amount corresponding to the Dividends belonged, and on 15 June 2006 the Arbitration Court, especially called for the purpose by agreement between the parties, issued its decision, with one contrary vote, considering the action brought about by Amorim BV as unfounded and definitively recognizing REN's right to maintain the Dividends.

In the second arbitration, carried out by the ICC, Amorim Energia B.V., based largely on different facts, requested that REN be required to pay indemnity in the amount of the Dividends.

On 16 March 2010 REN was notified of the arbitration decision, with one vote in disagreement, which condemned it to pay 20 334 883.91 euros to Amorim Energia B.V., equivalent to half of the amount requested by the latter and corresponding to half of the amount of the Dividends, plus accrued interest.

Following the request for clarification made by REN, on 8 July 2010 the Arbitration Court notified the Company of an addendum to the Judgement.

After analysis of the arbitration decision and its fundamentals, as well as the related addendum, it was considered that there are possibilities of reacting, which at this time enable the Company to believe, based on known facts, that there is still a significant possibility of REN's position prevailing, without prejudice to the payment, in escrow, of the amount the Company was condemned to pay.

Therefore, REN believes, based on a legal analysis of the arbitration decision and related addendum, that the provision of 6 235 thousand euros recorded in the period ended 30 June 2010 is sufficient considering the risk involving the process.

23 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

Rui Manuel Janes Cartaxo (President)

Aníbal Durães dos Santos (Executive Administrator)

João Caetano Carreira Faria Conceição (Executive Administrator)

João Nuno de Oliveira Jorge Palma (Executive Administrator)

João Manuel de Castro Plácido Pires (Executive Administrator)

Luís Maria Atienza Serna (Administrator)

Gonçalo José Zambrano de Oliveira (Administrator)

Manuel Carlos Mello Champalimaud (Administrator)

José Isidoro de Oliveira Carvalho Netto (Administrator)

Filipe Maurício de Botton (Administrator)

José Luís Alvim Marinho (President of the Audit Committee)

José Frederico Vieira Jordão (Member of the Audit Committee)

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

Lisbon, 23 July 2010

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[1]:

"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 2010 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 (Chairman)
Aníbal Durães dos Santos (Executive Director)
João Caetano Carreira Faria Conceição (Executive Director)
João Nuno de Oliveira Jorge Palma (Executive Director)
João Manuel de Castro Plácido Pires (Executive Director)
Luís Maria Atienza Serna (Director)
Gonçalo José Zambrano de Oliveira (Director)
Manuel Carlos Mello Champalimaud (Director)
José Isidoro D'Oliveira Carvalho Neto (Director)
Filipe Maurício de Botton (Director)
José Luís Alvim Marinho (Director/Chairman of the Audit Committee)
José Frederico Vieira Jordão (Director/Member of the Audit Committee)
Fernando António Portela Rocha de Andrade (Director/Member of the Audit Committee)

Lisbon, June 23th 2010

[1] The original of the referred individual statements are available, for consultation, in the Company's head Office.

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

With reference to June 30, 2010, the major shareholders that held holdings in REN – Redes Energéticas Nacionais, SGPS, S.A. ("REN")'s share capital were the following:

	No. Shares	% Capital	% Vote
Capitalpor – Participações Portuguesas, SGPS, S.A.	245,645,340	46.00%	46.00%
Parpública – Participações Públicas (SGPS), S.A.	20,826,000	3.9%	3.9%
Caixa Geral de Depósitos, S.A.	6,348,457	1.2%	1.2%
EDP – Energias de Portugal, S.A.	26,700,000	5.00%	5.00%
Gestfin, SGPS, S.A.	28,126,479	5.27%	5.27%
Logoenergia, SGPS, S.A.	45,045,306	8.44%	8.44%
Oliren, SGPS, S.A.	26,700,000	5.00%	5.00%
Red Eléctrica de España, S.A.	26,700,000	5.00%	5.00%

It is clarified that, according to item a) of no. 1 of article 20, and item a) of article 21 of the Portuguese Securities Code ("Securities Code"), are attributable to the Portuguese State the following shareholdings and corresponding voting rights:

- Given that Parpública – Participações Públicas (SGPS), S.A. ("Parpública") is 100% held by the Portuguese State, the voting rights inherent to the shareholding held by Parpública in REN's share capital, which corresponds to 266,471,340 shares held directly and indirectly, representing 49.90% of the share capital and corresponding voting rights;

- With regard to the abovementioned, the votes inherent to Capitalpor - Participações Portuguesas, SGPS, S.A. ("Capitalpor")'s shareholding, since the share capital of Capitalpor is 100% held by Parpública; and,

- Given that Caixa Geral de Depósitos, S.A. ("CGD") is 100% held by the Portuguese State, the voting rights, directly and indirectly, inherent to CGD's shareholding, which corresponds to a total of 6,348,457 shares (5,868,660-class B-non listed shares, 339,316-class A-listed shares,139,545 shares own by Fundo de Pensões Pessoal CGD and 936 shares own by Companhia de Seguros Fidelidade-Mundial, S.A.[1]), representing 1.2% of the share capital and corresponding voting rights.

Consequently, the voting rights attributable to the Portuguese State, considering Parpública's and CGD's shareholdings, represent overall, 51.03% of the voting rights inherent to REN's share capital.

Thus, in accordance with article 20 of the Securities Code, with reference to June 30, 2010, held qualifying shareholdings representing, at least, 2% of REN's share capital, the following entities:

	No. Shares	% Capital	% Vote
Portuguese State	272,819,797	51.09%	51.09%
EDP – Energias de Portugal, S.A.[2]	26,700,000	5.00%	5.00%
Gestfin, SGPS, S.A.[3]	28,126,479	5.27%	5.27%
Logoenergia, SGPS, S.A.[4]	45,045,306	8.44%	8.44%
Oliren, SGPS, S.A.	26,700,000	5.00%	5.00%
Red Eléctrica de España, S.A.	26,700,000	5.00%	5.00%

[1] Caixa Geral de Depósitos S..A. holds 100% of Caixa Seguros, SGPS, S.A.share capital and voting rights, and Caixa Seguros S.A. holds 100% of Companhia de Seguros Fidelidade-Mundial, S.A. share capital and voting rights.
[2] EDP - Energias de Portugal, S.A. holds 18,690,000 shares, directly, and 8,010,000 shares indirectly through EDP Pension Fund, which is company of the EDP Group.
[3] Gestfin, SGPS, S.A. holds 27,877,179 shares, directly, and 249,300 shares, indirectly, being that 69,300 shares are held on behalf of Mr. Manuel Champalimaud, Chairman of the Board of Directors of that company, and 180,000 held on behalf of Gestmin, SGPS, S.A., company in which exercises the function of Chairman of the Board of Directors.
[4] Logoenergia SGPS, S.A. holds 39,123,185 shares directly and 5,922,121 shares indirectly, being that 5,809,991 shares are held through Logoinvest SGPS, S.A., which is a company of Logoenergia SGPS, S.A. group, 111,160 shares are held on behalf of Mr. Filipe Maurício de Botton or in accordance with article 447 of the Portuguese Company's Code, as Member of the Board of Directors of that company, and 970 shares held on behalf of Mr. Alexandre Relvas, or in accordance with article 447 of the Portuguese Company's Code, as Chairman of the Board of Directors of that company.

4.3. Shares held by the members of the Corporate Bodies as of June 30th 2010

	30.06.2010 No. of shares[1]
Officials of the General Meeting	
José Manuel Ribeiro Sérvulo Correia (Chairman)	0 (Zero)
Duarte Vieira Pestana de Vasconcelos (Vice-Chairman)	0 (Zero)
Company Secretary	
Pedro Jorge Cabral da Silva Nunes	2,830
Audit Committee	
José Luís Alvim Marinho	0 (zero)
José Frederico Vieira Jordão	0 (zero)
Fernando António Portela Rocha de Andrade	0 (zero)
Board of Directors	
Rui Manuel Janes Cartaxo	19.162[2]
Aníbal Durães dos Santos	10,250[3]
João Caetano Faria Carreira Conceição	500
João Nuno de Oliveira Jorge Palma	18.700[4]
João Manuel de Castro Plácido Pires	0
Luís Maria Atienza Serna	26,700,000[5]
Gonçalo José Zambrano de Oliveira	26,700,000[6]
Manuel Carlos Mello Champalimaud	28.126.479[7]
José Isidoro d' Oliveira Carvalho Netto	970[8]
Filipe Maurício de Botton	45,044,336[9]

[1] It comprises the shares of the members of REN's management and supervisory bodies, as well as, if applicable, of (i) the not judicially separated spouse, regardless of the matrimonial property regime; (ii) descendants who are minors; (iii) persons in whose name the shares or bonds are registered, having been acquired on behalf of the persons mentioned in no.1 and in paragraphs a) and b) of no. 4 of article 447 of the Portuguese Companies Code; and (iv) those pertaining to a company in which the persons mentioned in no.1 and in paragraphs a) and b) of the said number are partners with unlimited liability, exercise the management or one of the offices mentioned in no.1 or hold, individually or together with persons mentioned in paragraphs a), b) and c) of the said number, at least half of the company's share capital or votes corresponding thereto.

[2] It comprises 18,672 shares held directly and 490 shares held by the spouse.

[3] It comprises 10,000 shares held directly and 250 shares held by the spouse.

[4] It comprises 18,400 shares held directly and 300 shares held by the spouse.

[5] It corresponds to the shares held by the shareholder Red Eléctrica de España, S.A., which are ascribable for the purposes of article 447 of the Portuguese Companies Code, pursuant to being Chairman of the Management body of that company.

[6] It corresponds to the shares held by the shareholder Oliren, SGPS, S.A., which are ascribable for the purposes of article 447 of the Portuguese Companies Code, pursuant to being Chairman of management body of that company.

[7] It comprises 69,300 shares held directly, 27,877,179 shares held by the shareholder Gestfin, SGPS, S.A. and 180,000 shares held by the shareholder Gestmin, SGPS, S.A., which are ascribable for the purposes of article 447 of the Portuguese Companies Code, pursuant to being Chairman of the Management body of both companies.

[8] It comprises 490 shares held directly and 480 shares held by the spouse.

[10] It comprises 109,190 shares held directly, 1,970 shares held by the spouse and minor descendants and 39,123,185 shares held by the shareholder Logoenergia, SGPS, S.A., 5,809,991 held by the shareholder Logoinvest, SGPS, S.A. which are ascribable for the purposes of article 447 of the Portuguese Companies Code, pursuant to being Director and Chairman of the Board of Directors of those companies.

During the first half of 2010, the following members of the Corporate Bodies performed the following trade operations of shares of REN:

	No. of shares[1] acquired	Date	Counterparty paid per share [2]
Board of Directors			
Manuel Carlos Mello Champalimaud	35,500	Mar 9, 2010	€ 2.971
Gestfin SGPS, S.A.[3]	178,500	Apr 22, 2010	2.784
Gestfin SGPS, S.A.	4,770	Apr 28, 2010	2.55
Gestfin SGPS, S.A.	50,000	May 07, 2010	2.532
Gestfin SGPS, S.A.	75,000	May 21, 2010	2.578
Gestmin SGPS, S.A.[4]	180,000	May 27, 2010	2.513
Gestfin SGPS, S.A.	50,000	Jun 01, 2010	2.595
Gestfin SGPS, S.A.	47,264	Jun 09, 2010	2.586

	No. of shares [1] sold	Date	Counterparty paid per share [2]
Board of Directors			
Manuel Carlos Mello Champalimaud	180,000	May 27, 2010	€ 2.513

[1] It comprises the list of shares covered by article 447(1) and (2) of the Portuguese Companies Code in relation to reach of the persons mentioned in no.1 of that article, referring the facts listed in the said numbers and in no.3 of said article 447 of the Portuguese Companies Code.

[2] Acquisition price or average price in case of several acquisitions.

[3] A company controlled by Mr. Manuel Carlos de Melo Champalimaud, Member of the Board of Directors of REN SGPS, S.A.

[4] A company controlled by Mr. Manuel Carlos de Melo Champalimaud, Member of the Board of Directors of REN SGPS, S.A.

4.4. Limited review prepared by an auditor registered with the Securities Market Commission (CMVM)

REPORT ON THE HALF YEAR CONSOLIDATED INFORMATION

(Translation of a report originally issued in Portuguese – see Note 23)

(Amounts expressed in thousands of Euros – tEuros)

Introduction

1. Under the terms of the Stock Exchange 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 2010, included in the: Directors' Report; Consolidated Statement of Financial Position (that reflects total assets of 4,228,373 thousand Euros and equity of 956,294 thousand Euros, including a consolidated net profit of 56,557 thousand Euros), Consolidated Statements of Profit and Loss, 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, to conform to International Financial Reporting Standards as endorsed 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 endorsed by the European Union, and that it is complete, true, timely, clear, objective and licit as required by the Portuguese 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 Portuguese Securities Market Code, and to issue a professional and independent moderate assurance report on that consolidated financial information, based on our examination.

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 circumstances 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 Portuguese 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.

Opinião

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 2010, referred to in paragraph 1 above, is not exempt from material distortions that affect its conformity with International Financial Reporting Standards as endorsed by the European Union for purposes of interim financial reporting (IAS 34), applied, except as explained in paragraph 9 below, on a consistent basis between the years 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.

Impais

9. As explained in Note 3.1 of the Notes, on 1 January 2010 the Company adopted IFRIC 12 – Concession Agreement Services, for the first time, having restated the financial information for the periods ended 30 June 2009 and 31 December 2009, presented for comparative purposes.

Lisbon, 23 Jul. 2010

DELOITTE & ASSOCIADOS, SROC S.A.

Representes bê Jorge Carlos Batalha Duarte Catulo

4.5. Auditors Report in respect of the Consolidated Financial Information

REPORT AND OPINION OF THE AUDIT COMMITTEE

CONSOLIDATED ACCOUNTS

Within the scope of the responsibilities attributed, the Audit Committee, during the 1st semester of 2010, accompanied the activity of REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A. ("REN") and its participated companies, ensured compliance with the law, regulations and articles of association, oversaw the fulfillment of the accounting policies and practices and inspected the process of preparation and disclosure of the financial information, the legal review of the accounts, 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 condensed consolidated financial statements of REN and subsidiaries for the half year ended 30 June 2010, which comprise the consolidated Management Report, the condensed consolidated Statement of financial position (that reflects a total of 4,228,373 tEuros and shareholders' equity of 956,294 tEuros and a net profit for the period attributable to the shareholders of 56,557 tEuros), the condensed consolidated statements of profit and loss, other comprehensive income, changes in equity and cash flows for the half year then ended and the corresponding selected condensed notes.

The Audit Committee also examined and agreed with the Legal Certification of the Accounts and the Audit Report on the REN's 2010 first half consolidated financial information prepared by the Statutory Auditor and by the External Auditor.

In light of the above, the Audit Committee is of the opinion that the 2010 First Half Financial Statements and the Consolidated Management Report, are in accordance with the applicable accounting, legal and statutory provisions and it therefore recommends that its approval at the Shareholders' General Meeting.

Lisbon, July 23rd 2010

José Luis Alvim (Chairman)

José Frederico Jordão (Member)

Fernando António Portela Rocha de Andrade (Member)

4.7. 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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