



## **Report and accounts for the first quarter of 2010**

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

*Unofficial Translation*

*This is an unofficial translation of the announcement made 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.*

## **REN Group Consolidated Report**

**March 31<sup>st</sup> 2010**

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

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## 1 Directors' Report

### 1.1. Highlights

- REN's new Board of Directors was elected on March 15th at the General Shareholders Meeting;
- On the same date, a dividend of €0.167 was approved by shareholders, corresponding at the time to a dividend yield of 5.6%;
- The regulator (ERSE) made its proposal to the Tariff Council concerning the new regulatory framework for the gas business, which will last for the next three years (Jul10-Jun13). For the first time, the proposal includes incentives to OPEX savings;
- REN has set up a program to streamline its OPEX and CAPEX costs in response to the new regulatory framework;
- The first equipment contracts for the new interconnection between Portugal (Algarve) and Spain (Andalucía) were approved by the Board;
- The International Chamber of Commerce decided that REN must pay to Amorim Energia B.V. €20.3M corresponding to half the amount of the 2005 dividends from GALP Energia. REN is evaluating further actions.

### 1.2. Main financial data

The main financial indicators at 31 March 2010 are as follows:

(€M)	1Q09	1Q10	Δ%
EBITDA	87.9	101.8	15.7%
Net financial income	-11.6	-17.2	48.3%
Income before income tax	42.6	36.7	-14.0%
Net profit	31.8	25.0	-21.3%
Total capex	47.1	52.7	11.9%
	Dec-09	Mar-10	
Net debt (end of period)	2 139	2 182	2.0%

Net income, accumulated up to March 2010 was €25.0M, a decrease of 21.3%, when compared to the same period in 2009. The negative variation of net income was the effect of the constitution in March 2009, of a provision of €6.2M to cover the contingency associated with the disagreement with Amorim Energia under the dividends received from GALP Energia in 2006. REN was notified of the sentence of the arbitration Court under the International Chamber of Commerce ("ICC") in Paris, condemning it to pay €20.3M, equivalent to half the

amount claimed by Amorim Energia, plus interest. Based on legal analysis of the arbitration sentence, REN understands there is a relevant probability of ultimately enforce its position and decided to make a provision equal to 25% of the value contained in the above "CCI."

It is also important to report that the first quarter of 2009 benefited from a financial gain of €5.8M before tax due to the ending of a swap agreement.

In March 2010 EBITDA reached €101.8M, which represents an increase of 15.7%, in comparison with the same period of 2009, mainly due to the increase of regulated asset base in the electricity segment occurred during 2009

### 1.3. Statement of profit and loss

The following table shows the profit and loss statement for the half year ended 31 March 2010 compared to the same period of 2009:

(€M)	1Q09	1Q10	Δ%
<b>Operational revenues</b>	<b>151.8</b>	<b>194.5</b>	<b>28.1%</b>
Sales and services provided	140.5	185.5	32.0%
Other	11.3	8.9	-20.8%
<b>Operational cost</b>	<b>-97.6</b>	<b>-140.6</b>	<b>44.1%</b>
External supplies and services	-17.2	-15.3	-10.8%
Personnel	-11.7	-11.5	-1.2%
Depreciation	-33.7	-41.6	23.7%
PPA's costs	-22.0	-62.0	182.2%
(Provisions) / reversions	-8.4	-6.2	-25.7%
Other operational costs	-4.7	-3.9	-17.9%
<b>EBIT</b>	<b>54.3</b>	<b>53.9</b>	<b>-0.7%</b>
<b>Net financial income</b>	<b>-11.6</b>	<b>-17.2</b>	<b>48.4%</b>
Financial costs	-18.9	-19.0	0.7%
Financial income	6.0	0.4	-93.3%
Investment income - Dividends	1.2	1.4	11.4%
<b>Income before taxes</b>	<b>42.6</b>	<b>36.7</b>	<b>-14.0%</b>
<b>Income tax expense</b>	<b>-10.8</b>	<b>-11.6</b>	<b>7.3%</b>
<b>Net income</b>	<b>31.8</b>	<b>25.0</b>	<b>-21.3%</b>

## 1.4. EBITDA analysis

(€M)	1Q09	1Q10	Var.%
Return on RAB (Electricity)	25.3	29.4	15.9%
Land remuneration	2.6	-0.3	-113.2%
Incentive to fully depreciated assets in use		1.3	
Return on RAB (Gas)	18.4	19.1	3.8%
Other operational revenues	13.0	13.2	1.0%
Recovery of PPA's costs	22.0	62.0	182.2%
Recovery of OPEX (Electricity)	15.0	16.8	11.6%
Recovery of depreciation (Electricity)	25.0	27.1	8.1%
Recovery of OPEX (Gas)	7.5	8.2	9.7%
Recovery of depreciation (Gas)	7.5	10.2	37.2%
Tariff smoothing effect (Gas)	1.9	5.9	211.0%
Tariff deviations (Electricity & Gas)	10.3	0.0	
Commercial gains	1.1	0.6	-39.2%
Commercial gains	2.2	1.1	-51.5%
<b>Total revenues</b>	<b>151.8</b>	<b>194.5</b>	<b>28.1%</b>
Personnel plus External supplies & services	17.2	15.3	-10.8%
of which:			
Expenditures on the use of pipelines	5.4	5.4	0.0%
Other external supplies & services	11.8	9.9	-15.7%
Personnel	11.7	11.5	-1.2%
Depreciations	33.7	41.6	23.7%
Remaining PPA's costs	22.0	62.0	182.2%
Provisions	8.4	6.2	-25.7%
Other operational costs	4.7	3.9	-17.9%
<b>Operational costs</b>	<b>97.6</b>	<b>140.6</b>	<b>44.1%</b>
<b>Operational income</b>	<b>54.2</b>	<b>53.9</b>	<b>-0.7%</b>
Depreciations	33.7	41.6	23.7%
Provision for legal dispute with Amorim Energia		6.2	
<b>EBITDA</b>	<b>87.9</b>	<b>101.8</b>	<b>15.7%</b>

The increase of 15.7% in EBITDA in the first quarter of 2010, is due mostly to the entries in to operation during 2009, mainly in the electricity segment.

Some items of operating income are the direct compensation of operating costs with similar amounts, and subject to pass-through. This is the case of the recovery of OPEX costs which remained under the system of accepted costs, as well as the additional costs with the powerhouses of Tapada do Outeiro's and Pego's PPA.

Regarding the operational costs of the electricity transmission function, which became subject to the methodology of reference costs, the company earned in the period a surplus of €2.6M between allowed revenues (corresponding to the reference costs set by ERSE) and the incurred costs (1.6 M € in the same period of 2009).

Operating costs for personnel and external supplies and service decreased 6.9% when compared to the same period of 2009.

### 1.5. Average RAB and Capex

(€M)	1Q09	1Q10	Δ%
<b>Total Average RAB</b>	<b>2 632.5</b>	<b>2 842.4</b>	<b>8.0%</b>
Electricity	1 342.6	1 532.0	14.1%
Hydro land	369.3	354.5	-4.0%
Gas	920.6	955.9	3.8%
<b>Capex</b>	<b>47.1</b>	<b>52.7</b>	<b>11.9%</b>
Electricity	41.0	35.7	-13.0%
Gas	6.1	17.0	145.7%

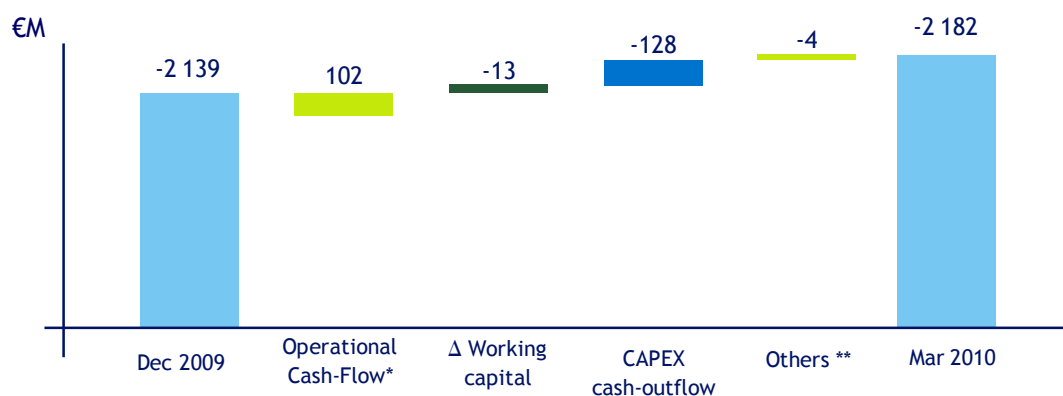
The investment made in the first quarter of 2010 stood at €52.7M, an increase of 11.9% over the same period of 2009.

Total average RAB grew by 8% quarter on quarter. Although in the first quarter of 2010, entries into operation have been insignificant, it is expected an increase by the end of the semester.

### 1.6. Net debt

The Group's net debt amounted, on March 31, 2010, to €2 182M, €43M higher than at the end of December 2009.

The average cost of debt in the Group during the first quarter stood at 3.89%, 0.7% less than what was recorded in the same quarter of 2009.



\* - Operational cash - flow = Operational income + Depreciation + Provisions;

\*\* - "Others" include net financial income.

## 2 Condensed consolidated financial statements as of 31 March 2010

### Condensed consolidated statement of financial position

(Amounts expressed in thousands of Euros - tEuros)

	Note	Period ended	
		31.03.2010	31.12.2009
<b>ASSETS</b>			
<b>Non-current</b>			
Tangible fixe assets	5	3,462,847	3,451,876
Goodwill		3,774	3,774
Participation in joint ventures		4,110	11,063
Deferred tax assets	6	40,948	37,627
Assets held for sale	7	94,254	90,419
Other financial investments		7,276	7,276
Trade and other receivables	8	67,501	44,122
		<b>3,680,709</b>	<b>3,646,157</b>
<b>Current</b>			
Inventories		25,848	23,789
Trade and other receivables	8	350,537	426,527
Income tax receivable		11,518	25,115
Guarantee deposits received		102,420	102,637
Derivative financial instruments		-	-
Cash and cash equivalents		67,540	69,888
		<b>557,863</b>	<b>647,955</b>
<b>Total assets</b>		<b>4,238,572</b>	<b>4,294,113</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the shareholders</b>			
Capital	9	534,000	534,000
Treasury shares	9	(10,728)	(10,728)
Other reserves		219,574	161,638
Retained earnings		166,679	177,067
Profit for the period attributable to the shareholders		25,045	134,107
		<b>934,571</b>	<b>996,085</b>
Minority interest		514	514
<b>Total equity</b>		<b>935,085</b>	<b>996,599</b>
<b>LIABILITIES</b>			
<b>Non-current</b>			
Loans	10	1,831,498	1,711,320
Deferred tax liabilities	6	83,521	81,586
Liability for retirement and others	11	67,909	69,846
Derivative financial instruments		12,479	10,149
Provisions for other risks and charges	12	4,307	4,307
Trade and other payables		396,834	399,508
		<b>2,396,548</b>	<b>2,276,716</b>
<b>Current liabilities</b>			
Loans	10	418,224	497,456
Provisions for other risks and charges	12	7,216	981
Trade and other payables	12	379,078	419,726
Income tax		-	-
Guarantee deposits payable		102,420	102,637
		<b>906,939</b>	<b>1,020,799</b>
<b>Total liabilities</b>		<b>3,303,487</b>	<b>3,297,515</b>
<b>Total equity and liabilities</b>		<b>4,238,572</b>	<b>4,294,113</b>

The Notes on pages 13 to 36 form an integral part of these condensed consolidated financial statements.



## Condensed consolidated statement of profit and loss

(Amounts expressed in thousands of Euros - tEuros)

	Note	Period ended	
		31.03.2010	31.03.2009
Sales of goods		471	35
Services rendered		185,069	140,484
Other operating income		6,365	8,888
Gains/(loss) on joint ventures		2,577	2,407
<b>Operating revenue</b>		<b>194,483</b>	<b>151,815</b>
Cost of sales		(204)	(58)
External supplies and services		(15,327)	(17,174)
Personnel costs		(11,531)	(11,666)
Depreciation		(41,648)	(33,663)
Provisions for risks and charges		(6,235)	(8,392)
Impairment of trade receivables		-	-
Other operating costs		(65,668)	(26,612)
<b>Total</b>		<b>(140,613)</b>	<b>(97,566)</b>
<b>Operating profit</b>		<b>53,869</b>	<b>54,249</b>
Finance costs		(18,981)	(18,858)
Gain on associated companies		1,368	1,228
Finance income		401	6,028
<b>Profit before income taxes</b>		<b>36,658</b>	<b>42,647</b>
Income tax	13	(11,613)	(10,820)
<b>Profit for the period</b>		<b>25,046</b>	<b>31,827</b>
<b>Attributable to:</b>			
Shareholders		25,045	31,829
Minority interest		0	(2)
		<b>25,046</b>	<b>31,827</b>
<b>Profit per share attributable to the shareholders during the period (expressed in euro per share)</b>			
- basic		0.05	0.06
- diluted		0.05	0.06

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## Condensed consolidated statement of other comprehensive income

(Amounts expressed in thousands of Euros - tEuros)

	Period ended	
	31.03.2010	31.03.2009
Profit for the period	25,046	31,827
Other income:		
Gains on derivative financial instruments	(962)	-
Actuarial gain/loss - gross		-
Gains / (losses ) on assets held for sale - gross	3,835	(20,612)
Other variations		-
Tax effect on items recorded directly in equity	(253)	2,731
<b>Other comprehensive income for the period</b>	<b>27,666</b>	<b>13,946</b>
<b>Attributable to:</b>		
Shareholders	27,666	13,948
Minority interest	0	(2)
	<b>27,666</b>	<b>13,946</b>

The Notes on pages 13 to 36 form an integral part of these condensed consolidated financial statements.

## Condensed consolidated statement of changes in equity

(Amounts expressed in thousands of Euros - tEuros)

	Atributable to shareholders										
	Note	Share capital	Treasury shares	Legal reserve	value reserve	Hedge reserve	Other reserves	Retained earnings	for the period	Minority interest	Total
At 31 December 2008		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		-	-	-	(17,881)	-	-	-	31,829	(2)	13,946
Acquisition treasury shares		-	(828)	-	-	-	-	-	-	-	(828)
Distribution of dividends		-	-	-	-	-	-	(88,102)	-	-	(88,102)
Transfer to other reserves		-	-	-	-	-	-	127,405	(127,405)	-	-
At 31 de March 2009		534,000	(7,447)	67,221	(24,160)	-	103,218	231,459	31,829	572	936,692
	Atributable to shareholders										
	Note	Share capital	Treasury shares	Legal reserve	value reserve	Hedge reserve	Other reserves	Retained earnings	for the period	Minority interest	Total
At 31 December 2009		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		-	-	-	3,327	(707)	-	-	25,045	-	27,665
Acquisition treasury shares		-	-	-	-	-	-	-	-	-	-
Distribution of dividends		-	-	-	-	-	-	(89,178)	-	-	(89,178)
Transfer to other reserves		-	-	7,224	-	-	48,091	78,792	(134,107)	-	-
At 31 de March 2010		534,000	(10,728)	74,445	80	(6,260)	151,309	166,681	25,045	514	935,085

The Notes on pages 13 to 36 form an integral part of these condensed consolidated financial statements.

# Condensed consolidated statement of cash flows

(Amounts expressed in thousands of Euros - tEuros)

	Periodo ended	
	31.03.2010	31.03.2009
<b>Operating activities</b>		
Received from customers	575,725	458,834
Paid to suppliers	(461,597)	(395,836)
Paid to employees	(12,952)	(11,059)
Payment of income tax	231	(645)
Other payments and receipts from operating activities	2,285	-
<b>Net cash from operating activities</b>	<b>103,692</b>	<b>51,294</b>
<b>Cash flow from investing activities</b>		
Receipts relating to:		
Financial investments	-	51
Tangible fixed assets	-	-
Investment subsidies	-	-
Interests and similar income	206	382
Dividends	692	1,228
Payments relating to:		
Investments	-	(828)
Tangible fixed assets	(127,685)	(58,664)
<b>Net cash used in investing activities</b>	<b>(126,787)</b>	<b>(57,831)</b>
<b>Financing activities</b>		
Receipts relating to:		
Loans obtained	3,599,489	3,453,663
Interest and similar income	7	6,028
Payments relating to:		
Loans obtained	(3,551,853)	(3,401,401)
Interest and similar income	(4,276)	(19,747)
Purchase of treasury shares	-	-
Dividends	-	-
<b>Net cash from financing activities</b>	<b>43,367</b>	<b>38,543</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>20,272</b>	<b>32,006</b>
Cash and cash equivalents at de beginning of the period	24,576	60,407
<b>Cash and cash equivalents at de end of the period</b>	<b>44,849</b>	<b>92,413</b>
<b>Breakdown of cash and cash equivalents:</b>		
Cash	-	23
Bank overdrafts	(22,692)	(25,324)
Bank deposits	67,540	110,241
Other treasury applications	-	7,473
	<b>44,849</b>	<b>92,413</b>

The Notes on pages 13 to 36 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 (“SEP”).

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 SEP;

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, utilisation 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 April 2010. 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 31 March 2010 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 2009.

The financial statements are presented in thousands of Euros.

IFRIC 12 states as providers of services concession should apply IFRS in accounting for the investment obligations assumed and the rights granted under the signature of the concession contracts. This interpretation applies to activities undertaken by Group REN.

The Group is considering its adoption, it is not expected a significant impact under there application on Group financial statements.

## 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 2009, as explained in the notes to the consolidated financial statements for 2009, the accounting policies were applied on a basis consistent for the periods presented.

#### 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 result in new segments in relation to those reported earlier.

At 31 March 2010 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 31 March 2009 are as follows:

Thousands of Euros	Market				Unallocated	Group
	Electricity	Gas	Telecom.	Elect. Operat.		
Total gross sales	132,327	37,348	1,019	1,238	5,426	177,358
Inter-segment gross sales	(30,696)	(221)	(139)	(356)	(5,426)	(36,838)
<b>Sales and services provided</b>	<b>101,631</b>	<b>37,127</b>	<b>880</b>	<b>882</b>	<b>-</b>	<b>140,520</b>
Operating profit / segment result	39,564	18,585	758	(253)	(4,405)	54,249
Finance cost	(1,819)	1,451	-	(13)	(18,477)	(18,858)
Finance income	94	3,119		16	4,027	7,256
Share in JV profit		0				0
<b>Profit before income tax</b>						<b>42,647</b>
Income tax expense						(10,820)
<b>Profit for the period</b>						<b>31,827</b>
<b>Other expenses:</b>						
Depreciation	22,292	11,198	3	149	21	33,663

The results by segment for the period ended 31 March 2010 are as follows:



Thousands of Euros	Market					
	Electricity	Gas	Telecom.	Elect.Operat.	Unallocated	Group
Total gross sales	213,469	44,882	1,582	896	6,326	267,156
Inter-segment gross sales	(74,837)	(19)	(160)	(273)	(6,326)	(81,615)
<b>Sales and services provided</b>	<b>138,632</b>	<b>44,863</b>	<b>1,422</b>	<b>623</b>	<b>-</b>	<b>185,540</b>
Operating profit / segment result	38,408	25,279	1,106	(212)	(10,712)	53,869
Finance cost	14,023	3,039	-	1	1,918	18,981
Finance income	91	160	-	4	1,515	1,770
<b>Profit before income tax</b>						<b>36,658</b>
Income tax expense						(11,613)
<b>Profit for the period</b>						<b>25,045</b>
<b>Other expenses:</b>						
Depreciation	29,776	11,797	3	50	22	41,648
Provisions	-	-	-	-	6235	6,235

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 31 March 2009 are as follows:

Thousands of Euros	Market					
	Electricity	Gas	Telecom.	Elect.Operat.	Unallocated	Group
Assets	2,472,273	1,228,752	5,024	95,061	88,044	3,889,154
Investment in Associates		3,438				3,438
<b>Total assets</b>	<b>2,472,273</b>		<b>5,024</b>	<b>95,061</b>	<b>88,044</b>	<b>3,892,592</b>
<b>Liabilities</b>	<b>609,982</b>	<b>342,036</b>	<b>146</b>	<b>89,579</b>	<b>1,914,158</b>	<b>2,955,901</b>
<b>Capital expenditure</b>	<b>40,925</b>	<b>6,153</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>47,079</b>

Assets and liabilities by segment, as well as investments in fixed assets for the period ended 31 March 2010 are as follows:

Thousands of Euros	Market					
	Electricity	Gas	Telecom.	Elect.Operat.	Unallocated	Group
Assets	2,670,537	1,323,828	4,749	108,946	126,402	4,234,462
Investment in Associates		4,110				4,110
<b>Total assets</b>	<b>2,670,537</b>		<b>4,749</b>	<b>108,946</b>	<b>126,402</b>	<b>4,238,572</b>
<b>Liabilities</b>	<b>650,328</b>	<b>348,772</b>	<b>1,511</b>	<b>104,241</b>	<b>2,198,635</b>	<b>3,303,487</b>
<b>Capital expenditure</b>	<b>35,656</b>	<b>17,027</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>52,686</b>

Assets by segment consist essentially of the concession assets classified in the heading 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 31 March 2010 and loans not obtained to finance the operating activities at 31 March 2010, 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 31 December 2008 to 31 March 2009 were as follows:

### Evolution of tangible fixed assets - March 2009

Thousands of Euros								
	Land	Buildings and other constructions	Transmission and electronic equipment	Transport equipment	Tools	Office furniture and fittings	Constructions in progress	Total
<b>31 December 2008</b>								
Acquisition 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)
<b>Net book value</b>	<b>3,791</b>	<b>62,939</b>	<b>2,530,367</b>	<b>4,103</b>	<b>749</b>	<b>9,674</b>	<b>235,619</b>	<b>2,847,242</b>
Additions	-	-	3	91	104	90	46,790	47,078
Disposals	-	-	(1)	(253)	-	-	-	(255)
Transfers and write-offs	3,381	(3,580)	14,422	-	2	(267)	(10,737)	3,221
Depreciation charge	-	(664)	(31,731)	(303)	(62)	(1,052)	-	(33,813)
Depreciation on disposals	-	-	-	190	-	-	-	190
Depreciation on transfers/ write-offs	-	-	-	-	-	-	-	-
<b>Closing net book value</b>	<b>7,172</b>	<b>58,695</b>	<b>2,513,059</b>	<b>3,828</b>	<b>794</b>	<b>8,444</b>	<b>271,672</b>	<b>2,863,665</b>
<b>At 31 March 2009</b>								
Acquisition cost	7,172	93,727	3,997,492	7,398	3,794	34,785	271,672	4,416,041
Accumulated depreciation	-	(35,032)	(1,484,432)	(3,570)	(3,001)	(26,341)	-	(1,552,376)
<b>Net book value</b>	<b>7,172</b>	<b>58,695</b>	<b>2,513,059</b>	<b>3,828</b>	<b>794</b>	<b>8,444</b>	<b>271,672</b>	<b>2,863,665</b>

The changes in tangible fixed assets in the period from 31 December 2009 to 31 March 2010 were as follows:

### Evolution of tangible fixed assets -March 2010

Thousands of Euros	Land	Buildings and other constructions	Transmission and electronic equipment	Transport equipment	Tools	Office furniture and fittings	Contructions in progress	Total
<b>31 December 2009</b>								
Acquisition cost	8,076	93,971	5,267,179	7,919	4,079	37,268	308,962	5,727,454
Accumulated depreciation		(36,806)	(2,203,033)	(3,509)	(3,326)	(28,903)	-	(2,275,577)
<b>Net book value</b>	<b>8,076</b>	<b>57,164</b>	<b>3,064,146</b>	<b>4,410</b>	<b>753</b>	<b>8,365</b>	<b>308,962</b>	<b>3,451,877</b>
Additions	-	-	-	96	29	37	52,612	52,774
Disposals	-	-	-	(145)	-	(1)	-	(146)
Transfers and write-offs	-	-	8,725	-	-	84	(8,809)	-
Depreciation expense	-	(684)	(39,736)	(388)	(85)	(885)	-	(41,778)
Depreciation on disposals	-	-	-	121	-	1	-	122
Depreciation on transfers/ write-offs	-	-	-	-	-	-	-	-
<b>Closing net book value</b>	<b>8,076</b>	<b>56,480</b>	<b>3,033,135</b>	<b>4,094</b>	<b>697</b>	<b>7,601</b>	<b>352,765</b>	<b>3,462,847</b>
<b>At 31 March 2010</b>								
Acquisition cost	8,076	93,971	5,275,904	7,870	4,108	37,388	352,765	5,780,082
Accumulated depreciation	-	(37,490)	(2,242,769)	(3,776)	(3,411)	(29,787)	-	(2,317,233)
<b>Net book value</b>	<b>8,076</b>	<b>56,480</b>	<b>3,033,135</b>	<b>4,094</b>	<b>697</b>	<b>7,601</b>	<b>352,765</b>	<b>3,462,847</b>

The increase in tangible fixed assets in the period ended 31 March 2010 compared to the period ended 31 March 2009 is due essentially to realisation of the Group's investment plan.

Depreciation of tangible fixed assets was recorded in full in the statement of profit and loss heading "Depreciation" except for the amount of 130 thousand Euros ( 125 thousand Euros at 31 March 2009) that was capitalised in fixed assets in progress.

Financial costs capitalised in fixed assets in progress amounted to 2 602 thousand Euros (2 238 thousand Euros at 31 March 2009).

## 6. Deferred taxes

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

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
Impact on statement of profit and loss		
Deferred tax assets	(3,562)	(10,174)
Deferred tax liabilities	1,923	11,082
	<u>(1,638)</u>	<u>908</u>
Impact on equity		
Deferred tax assets	(241)	(2,730)
Deferred tax liabilities	(12)	-
	<u>(253)</u>	<u>(2,730)</u>
<b>Net impact of deferred tax</b>	<b><u>(1,891)</u></b>	<b><u>(1,823)</u></b>

The changes in deferred taxes by nature are as follows:

### Evolution of deferred tax assets - March 2009

Thousands of Euros	Provisions	Tax losses	Pensions	Investment property	Assets held for sale	Others	Total
At 1 January 2009	15,588	23	11,977	11,580	960	6,019	46,147
Charged/(credited) to equity	-	-		-	2,730	-	2,730
Reversed to statement of profit and loss	(1,117)	-	(108)	(440)	-	-	(1,665)
Charged to statement of profit and loss	2,224	-	-	-	-	9,615	11,839
<b>Movement of the period</b>	<b>1,107</b>	<b>-</b>	<b>(108)</b>	<b>(440)</b>	<b>2,730</b>	<b>9,615</b>	<b>12,904</b>
<b>At 31 March 2009</b>	<b>16,695</b>	<b>23</b>	<b>11,869</b>	<b>11,140</b>	<b>3,690</b>	<b>15,634</b>	<b>59,051</b>

## Evolution of deferred tax assets - March 2010

Thousands of Euros	Provisions	Tax losses	Pensions	Investment property	Assets held for sale	Tariff deviation	Others	Total
At 1 January 2010	1,402	1,051	18,509		496	14,243	1,926	37,627
Charged/(credited) to equity					(496)		255	(241)
Reversed to statement of profit and loss	(260)	-	(513)	-	-	4,088	(13)	3,302
Charged to statement of profit and loss							260	260
<b>Movement of the period</b>	<b>(260)</b>	<b>-</b>	<b>(513)</b>	<b>-</b>	<b>(496)</b>	<b>4,088</b>	<b>502</b>	<b>3,321</b>
At 31 March 2010	1,141	1,051	17,996	-	-	18,331	2,428	40,948

Deferred tax assets in 31 March relate mainly to liabilities for benefit plans attributed to employees and tariff deviations to be delivered to tariffs in subsequent years.

## Evolution of deferred tax liabilities - March 2009

Thousands of Euros	Agent	Transmission equipment	Investment property	Revaluation previous GAAP	Assets held for sale	Others	Total
At 1 January 2009	32,987	23,066	-	36,048	-	232	92,333
Reversed to statement of profit and loss	5,418	1,214	-	-	-	5,074	11,706
Charged to statement of profit and loss				(624)	-	-	(624)
<b>Movement of the period</b>	<b>5,418</b>	<b>1,214</b>	<b>-</b>	<b>(624)</b>	<b>-</b>	<b>5,074</b>	<b>11,082</b>
At 31 March 2009	38,405	24,280	-	35,424	-	5,306	103,415

## Evolution of deferred tax liabilities - March 2010

Thousands of Euros	Agent	Transmission equipment	Investment property	Revaluation previous GAAP	Assets held for sale	Others	Total
At 1 January 2010			47,973	33,613			81,586
Charged/(credited) to equity	-			-	12		12
Reversed to statement of profit and loss	-		2,532	(609)			1,923
Charged to statement of profit and loss							-
<b>Movement of the period</b>	<b>-</b>	<b>-</b>	<b>2,532</b>	<b>(609)</b>	<b>12</b>	<b>-</b>	<b>1,935</b>
At 31 March 2010	-	-	50,505	33,004	12	-	83,521

## 7. Available for sale financial assets

This heading refers to the following participations:

Thousands of Euros	<u>% owned</u>	<u>Owner</u>	<u>31.03.2010</u>	<u>31.12.2009</u>
OMEL - Operador del Mercado Ibérico de Energía (Polo Español)	10.00%	OMIP	1,033	1,033
Red Eléctrica de España	1.00%	REN, SGPS	54,392	52,551
ENAGAS	1.00%	REN, SGPS	38,829	36,835
<b>Total</b>			<b>94,254</b>	<b>90,419</b>

The changes in this heading were as follows:

Thousands of Euros	<u>OMEL</u>	<u>REE</u>	<u>ENAGAS</u>	<u>Total</u>
<b>At 31 December 2008</b>	1,033	48,733	31,157	80,923
Acquisitions	-	-	-	-
Fair value adjustment	-	(8,934)	(5,677)	(14,611)
<b>At 31 March 2009</b>	<b>1,033</b>	<b>39,799</b>	<b>25,480</b>	<b>66,312</b>
<b>At 31 December 2009</b>	1,033	52,551	36,835	90,419
Acquisitions	-	-	-	-
Fair value adjustment	-	1,841	1,994	3,835
<b>At 31 March 2010</b>	<b>1,033</b>	<b>54,392</b>	<b>38,829</b>	<b>94,254</b>

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 31 March 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 31 March 2010.

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

Thousands of Euros	<u>Fair value adjustment</u>
Gross fair value adjustment	3,835
Deferred income tax	(508)
<b>Net fair value adjustment in equity</b>	<b>3,327</b>

## 8. Trade and other receivables

The heading trade and other receivables at 31 March 2010 are made up as follows:

Thousands of Euros	31.03.2010			31.12.2009		
	current	Non current	Total	Current	Non current	Total
Trade and other receivables (i)	172,967	-	172,967	236,893	4,083	240,976
Trade receivables impairment	(823)	-	(823)	(823)	-	(823)
Trade receivables net	172,144	-	172,144	236,070	4,083	240,153
Tarrif deviations	140,050	50,534	190,584	157,958	23,073	181,031
Loans to "joint ventures" (ii)	26,497	16,967	43,464	16,966	16,966	33,932
Tax receivable	11,846	-	11,846	15,533	-	15,533
<b>Trade and other receivables</b>	<b>350,537</b>	<b>67,501</b>	<b>418,039</b>	<b>426,527</b>	<b>44,122</b>	<b>470,649</b>

i) In the composition of the balances of accounts receivable is particularly relevant the amount of EDP debt which amounts to 68,750 thousand euros (52,974 thousand in December 2009).

ii) Loans to joint ventures refer to a loan made to the Gas Company Campo Maior - Leiria - Braga, acquired under de gas unbundling transaction. The loan bears interest at the higher of the average borrowing between REN Gasodutos e Enagas.

## 9. Capital

At 31 March 2010 REN's capital was fully subscribed for and paid up, being made up of 534,000,000 shares of 1 euro each.

Thousands of Euros	Number of shares	Share Capital
	534,000,000	534,000
<b>Share capital</b>	<b>534,000,000</b>	<b>534,000</b>

At 31 March 2010 REN SGPS had the following treasury shares:

Thousands of Euros	Number of shares	Proportion	Amount
<b>Treasury shares</b>			
As of 31 December 2009	3,881,374	0.7268%	(10,728)
<b>As of 31 March 2010</b>	<b>3,881,374</b>	<b>0.7268%</b>	<b>(10,728)</b>



## 10. Loans

### Current and non-current loans are made up as follows

The distribution of loans at 31 March 2010 between current and non-current and by nature is as follows:

Thousands of Euros	31.03.2010			31.12.2009		
	Current	Non current	Total	Current	Non current	Total
Commercial Paper	328,000	200,000	528,000	400,000	155,000	555,000
Stock Loan	-	922,899	922,899	-	922,899	922,899
Bank Borrowings	40,503	705,208	745,711	40,503	630,209	670,712
Bank overdrafts	25,114	-	25,114	45,312	-	45,312
	393,617	1,828,107	2,221,724	485,815	1,708,108	2,193,923
Finance Lease	926	2,778	3,704	1,415	2,558	3,973
Interest accrual	23,681	613	24,294	10,226	654	10,880
	<b>418,224</b>	<b>1,831,498</b>	<b>2,249,722</b>	<b>497,456</b>	<b>1,711,320</b>	<b>2,208,776</b>

Evolution of loans during the reporting period:

Thousands of Euros	31.03.2010
At 1 January	2,208,775
Additions	3,599,489
Reimbursements	(3,558,542)
At 31 March	<b>2,249,722</b>

## 11. 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:

Thousands of Euros	31.03.2010	31.12.2009
<b>Liability per balance sheet</b>		
Pension Plan	39,801	40,327
Healthcare and others	28,024	29,438
Life assurance plan	84	81
	<b>67,909</b>	<b>69,846</b>

The amounts recognised as personnel costs were as follows:

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
<b>Charged to statement of profit and loss</b>		
Pension Plan	710	442
Healthcare and others	264	509
Life assurance plan	3	3
	<u>977</u>	<u>954</u>

The amounts reported at 31 March 2010 result from the projection of the actuarial valuation as of 31 December 2009 for the three month period ended 31 March 2010, considering the estimated increase in salaries for the year 2010.

The assumptions used in the actuarial calculations were as follows:

	<u>31.03.2010</u>	<u>31.12.2009</u>
Annual discount rate	5.17%	5.17%
Expected percentage of the active employees eligible for early retirement ( more 60 years and 36 years in service)	10.00%	10.00%
Expected percentage of serving employees eligible for early retirement ( between 55 and 60 years of age)		
In 2009 (Change in actuarial assumptions)	45.00%	45.00%
In 2010 (Change in actuarial assumptions)	45.00%	45.00%
In following years (Change in actuarial assumptions)	5.00%	5.00%
Annual salary growth rate	3.30%	3.30%
Annual pension growth rate	2.25%	2.25%
Annual growth rate of Social security pensions	2.00%	2.00%
Inflation rate	2.00%	2.00%
Annual growth rate of health costs (over 8 years)	4.50%	4.50%
Annual growth rate of health costs (after the 8 year period)	4.00%	4.00%
Medical assistance commission (by employee/year)	150 €	150 €
Growth rate of medical assistance commission - up to 2007	4.50%	4.50%
Growth rate of medical assistance commission - after 2007	2.70%	2.70%
Rate of return on assets	5.45%	5.45%
Mortality table	TV 88/90	TV 88/90

## 12. Provisions for other risks and charges

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

Thousands of Euros	<u>31.03.2010</u>	<u>31.12.2009</u>
<b>Beginning balance</b>	5,288	58,824
Increases	6,235	981
Decreases	-	(54,517)
<b>Ending balance</b>	<u>11,523</u>	<u>5,288</u>
Current provision	7,216	981
Non-current provision	4,307	4,307
	<u>11,523</u>	<u>5,288</u>

The amounts in balance at the year 2010 refer to allocations for estimating probable payments to be made by REN arising from legal proceedings for damages caused to third parties (4307 thousand EUR), and the establishment of a provision (6 235 thousand euros) to cover the contingency associated with the disagreement with Amorim Energia under dividends received from GALP Energia in 2006. REN was notified of the sentence of the Arbitration Court within the framework of the International Chamber of Commerce ("ICC") in Paris, condemning it to pay € 20.3 M, equivalent to half the amount claimed by Amorim Energia, plus interest. Based on legal analysis of the arbitration sentence, REN understands there is a relevant probability of ultimately enforce its position and decided to make a provision equal to 25% of the value contained in the above .

## 13. Income tax

Income tax for the period ended 31 March 2010 includes current and deferred tax as follows:

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
Current income tax	13,251	149,906
Deferred income tax	(1,638)	(105,354)
<b>Income tax</b>	<u>11,613</u>	<u>44,552</u>

### 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:

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
Consolidated profit before income tax	36,658	42,647
Tax rate	<u>26.5%</u>	<u>26.5%</u>
	<u>9,714</u>	<u>11,301</u>
Non deductible costs	2,694	10,435
Non taxable income	(915)	(11,022)
Autonomous taxation	<u>120</u>	<u>106</u>
Income tax	<u>11,614</u>	<u>10,820</u>
Current income tax	13,251	9,914
Deferred income tax	<u>(1,638)</u>	<u>906</u>
Income tax	<u>11,613</u>	<u>10,820</u>
Effective tax rate	<b>31.7%</b>	<b>25.4%</b>

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

	<u>31.03.2010</u>	<u>31.03.2009</u>
Income tax rate	25.00%	25.00%
Municipal surcharge	<u>1.50%</u>	<u>1.50%</u>
	<b><u>26.50%</u></b>	<b><u>26.50%</u></b>

## 14. Earnings per share

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

Thousands of Euros		<u>31.03.2010</u>	<u>31.03.2009</u>
Consolidated net profit used to calculate earnings per share	(1)	<u>25,045</u>	<u>31,829</u>
Number of ordinary shares outstanding during the period (Note 20)	(2)	534,000,000	534,000,000
Effect of treasury shares		3,881,374	477,322
	(3)	<u>530,118,626</u>	<u>533,522,678</u>
Basic earnings per share (euro per share)	(1)/(3)	0.05	0.06

## 15. Dividends per share

Dividends paid during the period ended March 31, 2010, refer to net profit in fiscal year 2009 and amounted to 89 million euros (0.167 euros per share).

## 16. Guarantees given

At 31 March 2010 the Group had bank guarantees given to the following entities:

Thousands of Euros				
Beneficiary	Subject	Beginning	2010	2009
European Community	To comply with the contractual requirements of the loan contract	16-12-2003	692	692
Municipality of Viseu Court	Guarantee relating to the expropriation of 63 lots for the Bodiosa substation	22-10-2004	206	206
Braga and C. Branco Municipality Courts	Guarantee relating to the expropriation of lots 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
Municipality of Anadia Court	Guarantee for the expropriation of 111 lots for the Paraimo substation	26-04-2005	432	432
Gondomar Council Court	Guarantee given relating to process 1037/2001	09-11-2005	150	150
Penela e Ansião Council Court	Guarantee given for the expropriation of 83 lots for the Penela substation	30-06-2006	703	703
Vieira do Minho Council Court	Guarantee given for the expropriation of 29 lots for the Frades substation	3-08-2006	558	558
Torres Vedras Council Court	Guarantee given for the expropriation of 11 lots for the Carvoeira substation	13-12-2006	297	297
Macedo de Cavaleiros Council Court	Guarantee given for the expropriation for the Olmos substation	14-02-2007	190	190
Direcção Geral de Geologia e Energia	Concession of the gas transport operation	26-09-2006	20,000	20,000
Municipal Council of Seixal	Guarantee of the process in progress	-	3,853	3,853
EIB	In guarantee of loans	-	332,024	332,024
Loures Tax Department	Guarantee of the process in progress	-	-	-
Lisbon Tax Department	Guarantee of the process in progress	-	1,080	1,080
Tabua Council Court	Expropriation of plots of land	-	171	171
Vila Pouca de Aguiar Council Court	Expropriation of plots of land	-	81	81
OMEL - Operador del Mercado Español de Electricidad	Guarantee of payments resulting from intervention in Trading as buyer in the Spanish market	26-06-2007	2,000	2,000
Lisbon Municipality Judge	Guarantee of the process in progress	10-12-2008	115	115
Armamar Council Court	Expropriation of plots of land	03-11-2008	732	732
Ministry of the Economy and Innovation	Guarantee of the settlement executing debt nº 7873/2006	30-12-2008	1	1
Fortis	Financial contracts under the ISDA contract (International Swaps and Derivatives Association, Inc.)	17-06-2009	2,000	2,000
EP - Estradas de Portugal - Delegação Regional do Porto	Installation of RNT Natural Gas perforating infrastructures - Ramal Industrial de Leça	15-07-2009	5	5
Mogadouro Municipality Judge	Guarantee payment of the costs of acquiring land for expansion of the Mogadouro substation	30-07-2009	18	18
EP - Estradas de Portugal - Branch Regional de Santarém	RNTGN - CCC Pego - connection of the Tagus Thermoelectric Plant Energia (Pego). Crossing over EN 118 - km 142.295	25-08-2009	5	5
Tavira Municipality Judge	Guarantee the expropriation of 38 plots of land located in the Parish of Cachpo, Municipality of Tavira, for installation Tavira substation	24-09-2009	163	163
			<b>366,626</b>	<b>366,626</b>

## 17. Transactions with related parties

At 31 March 2010 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.
- 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 entities:

### 18. Sale of products and services

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
<b>Sale and Services rendered</b>		
Electricity - EDP	442,562	242,934
Other services - EDP	833	1,111
	<u>443,395</u>	<u>244,045</u>

The amounts presented as sales of products are recognized in "Trade and other receivables, due to intermediation role of REN in the purchase and sale of electricity.

### 19. Purchase of products and services

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
<b>Purchase of products</b>		
Electricity from EDP	251,749	58,935
	<u>251,749</u>	<u>58,935</u>
<b>Purchase of services</b>		
Other services - EDP	1,260	183
Interest on Commercial paper - CGD	274	10
Commission on borrowings - CGD	75	
Other interest - CGD	2	
	<u>1,611</u>	<u>193</u>

Data presented as purchases are recorded in "Trade and other payables, due to the intermediation an intermediary role of REN in the purchase and sale of electricity.

### 20. Remuneration of the Board of Directors

Remuneration granted to the Board of Directors of REN during the period ended 31 March 2010 amounted to 393 thousand Euros (399 thousand Euros at 31 March 2009), as follows:

Thousands of Euros	<u>31.03.2009</u>	<u>31.03.2010</u>
Remuneration and other short term benefits	393	399
	<u>393</u>	<u>399</u>

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

## 21. Balances with related parties

The balances resulting from transactions with related parties at 31 March 2010 were as follows:

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
<b>Related parties - debtors</b>		
EDP - Trade receivables	66,565	52,910
EDP - Other receivables	<u>2,185</u>	<u>64</u>
	<b><u>68,750</u></b>	<b><u>52,974</u></b>
<b>Related parties - creditors</b>		
EDP - Trade payables	4,837	6,275
EDP - Other payables	2,256	
CGD - Borrowings (Commercial paper)	<u>100,000</u>	
	<b><u>107,093</u></b>	<b><u>6,275</u></b>

## 22. Transactions and balances with joint-ventures

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
<b>Services rendered</b>		
Gasoduto Braga- Tuy	89	89
Gasoduto Campo Maior - Leiria - Braga	<u>5,291</u>	<u>5,291</u>
	<b><u>5,380</u></b>	<b><u>5,380</u></b>
	<u>31.03.2010</u>	<u>31.03.2009</u>
<b>Purchase of services</b>		
Gasoduto Braga- Tuy	214	194
Gasoduto Campo Maior - Leiria - Braga	<u>1,333</u>	<u>1,185</u>
	<b><u>1,547</u></b>	<b><u>1,379</u></b>
<b>Financial costs</b>		
Gasoduto Campo Maior - Leiria - Braga	<u>145</u>	<u>330</u>

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.

Thousands of Euros	<u>31.03.2010</u>	<u>31.03.2009</u>
<b>Related parties - debtors</b>		
Gasoduto Braga- Tuy	62	179
Gasoduto Campo Maior - Leiria - Braga	<u>4,233</u>	<u>6,349</u>
	<b><u>4,295</u></b>	<b><u>6,528</u></b>
	<u>31.03.2010</u>	<u>31.03.2009</u>
<b>Related parties - creditors</b>		
Gasoduto Braga- Tuy	72	247
Gasoduto Campo Maior - Leiria - Braga	<u>362</u>	<u>1,085</u>
	<b><u>434</u></b>	<b><u>1,332</u></b>
<b>Current loans</b>		
Gasoduto Campo Maior - Leiria - Braga	<u>33,932</u>	<u>41,863</u>



## 23. Main legal processes in progress

### Dispute with Amorim Energia B.V.

During 2006 there was a dispute between REN and Amorim Energia B.V. in relation to which company was entitled to the Dividends amount and, in 15 June 2006, the Court of Arbitration constituted for that effect by agreement between the parties, issued its ruling (with one dissenting vote) overruling Amorim Energia's petition and definitely recognising REN's right to keep the Dividends.

In December 2007, and as informed to the market in due course, REN - Redes Energéticas Nacionais, SGPS, S.A. ("REN") was notified of arbitration proceedings before the International Chamber of Commerce (ICC) submitted by Amorim Energia B.V. against REN, regarding 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. ("Shareholders Agreement") and, in particular, regarding the dividends distributed by Galp Energia SGPS SA referring to 2005 profits ("Dividends").

In these second arbitration proceedings, before the ICC, Amorim Energia B.V., based on facts allegedly different, requested from REN the payment of compensation on an amount equal to the Dividends.

On 16 March 2010, REN was notified of the arbitration ruling which, with one dissenting vote, ordered REN to pay 20,334,883.91 Euros to Amorim Energia N.V., which corresponds to half of the amount petitioned and half of the Dividends amount, accrued of the corresponding interest.

Further to the analysis of the arbitration ruling and of its grounds, REN considers that there is the possibility to react to this decision, which, on the present date, allows to consider that, based on the available data, there is still a material probability that, in the end, REN's position will prevail, without prejudice of the conditional payment on the amount which REN was ordered to pay, which may eventually be made.

## 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 (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 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 April 21<sup>th</sup> 2010

## 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:

#### Investor Relations Office

Ana Fernandes - Director  
[ana.fernandes@ren.pt](mailto:ana.fernandes@ren.pt)

Fernando Torrão  
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Telma Mendes  
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REN - Redes Energéticas Nacionais, SGPS, S.A.  
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Telefax: 21 001 31 50

E-mail: [ir@ren.pt](mailto:ir@ren.pt)

#### Communication and Image Office

Artur Manuel Anjos Lourenço - Director Coordenador  
[artur.lourenco@ren.pt](mailto:artur.lourenco@ren.pt)

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