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

Consolidated Financial Statements
31 March 2015

(Translation of consolidated financial statements originally issued in Portuguese – Note 31)

Consolidated financial statements

31 March 2015

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

Index

1. ECONOMIC AND FINANCIAL PERFORMANCE

1.1 1ST QUARTER RESULTS

MAIN INDICATORS

In the 1st quarter of 2015, EBITDA stood at 138.3M€, an increase of 9.4% (+11.8M€) when compared to the same period of the previous year. This increase was mainly driven by the capital gains with the sale of REN's stake in Enagás (+20.1M€), partially compensated by the negative effect in the group revenues of the changes in the new regulatory period of the electricity sector.

Financial results grew 16.5% (+4.8M€), reflecting the significant reduction in the group average cost of debt, which decreased from 4.8% to 4.1%. Net debt remained unchanged when compared to the same period of 2014, at 2,371.7M€.

As a result, net income grew 49.8% (+13.1M€) to 39.4M€. Despite this positive evolution, recurrent net income decreased 8.8% (-2.9M€), affected by the decrease in electricity regulated revenues.

Capex decreased 1.1M€ (-12.0%), reaching 8.4M€, explained by the reduction in Natural Gas. Transfers to RAB stood at 0.6M€, decreasing 5.6M€ (-90.0%) when compared to the 1st quarter of 2014. On the other hand, average RAB grew 10.7M€ (+0.3%), to 3,512.4M€.

Main indicators [Million euros]	**March 2015**	**March 2014**	**Var.%**
EBITDA	138.3	126.5	9.4%
Financial income	-24.5	-29.3	16.5%
Net income	39.4	26.3	49.8%
Recurrent net profit	30.3	33.3	-8.8%
Capex total	8.4	9.5	-12.0%
Transfers to RAB (at historical costs)[1]	0.6	6.2	-90.0%
Average RAB (at reference costs)	3,512.4	3,501.7	0.3%
Net debt	2,371.7	2,366.6	0.2%
Average debt cost	4.1%	4.8%	-0.7 p.p.

[1] Includes direct acquisitions RAB related

OPERATIONAL RESULTS – EBITDA

EBITDA stood at 138.3M€, an increase of 11.8 M€ (+9.4%) when compared to the first quarter of 2014.

This result was positively influenced by:

- **Capital gains with the sale of the stake in Enagás (+20.1M€);**
- **The increase of 2.4M€ in the remuneration of fully depreciated assets,** which resulted from changes in electricity regulation introduced by the new regulatory period. The main change in the calculation of this particular incentive was the significant improve in the parameter associated with the asset life extension, which more than compensated the negative effect of the decrease in the rate of returns;
- **The positive evolution in recovery of depreciations (+1.6M€; +3.6%),** consistent with the increase in the regulated asset base.

On the other hand, EBITDA was negatively influenced by:

- **The decrease of 11.1M€ (-24.7%)in the remuneration of electricity regulated assets**, reflecting the decrease in the base rate of return from 7.87% to 6.00%, and in the rate of return for premium assets from 9.37% to 6.75%. The main changes introduced with the new regulatory period concerning the remuneration of electricity regulated assets were: i) in the RoR indexer, which is now the arithmetic average of the daily quotation of the Portuguese Republic 10 year sovereign bonds, and in the starting point for the base RoR which was set at 6.4% (compared to 9.0% in the previous period) ii) and the reduction in the premium rate for efficient investments from 1.5% to 0.75%;
- **Decrease of 1.7M€ (-6.9%) in the group Revenues from Opex,** of which -2.2M€ resulted from changes in the opex remuneration parameters of the Electricity Transmission activity, driven by the reference values assumed in the new regulatory period.

EBITDA [Million euros]	March 2015	March 2014	Var.%
1) Revenues of assets	**109.9**	**117.6**	**-6.5%**
Return on RAB	54.0	66.7	-19.1%
Smoothing differences and neutrality effect (gas)	-0.9	-2.0	52.9%
Hydro land remuneration	0.1	0.0	69.0%
Lease revenues from hydro protection zone	0.2	0.2	-1.2%
Remuneration of fully depreciated assets	4.6	2.2	110.6%
Recovery of depreciation (net from subsidies)	47.6	46.0	3.6%
Subsidies depreciation	4.5	4.4	0.6%
2) Revenues from Opex	**22.6**	**24.2**	**-6.9%**
3) Other revenues	**25.2**	**3.0**	**731.8%**
4) Own works (capitalised in investment)	**3.7**	**4.6**	**-20.4%**
5) Earnings on Construction (excl. own works) – Concession assets	**4.7**	**4.9**	**-4.3%**
6) OPEX	**23.1**	**23.0**	**0.5%**
Personnel costs	12.5	13.1	-4.4%
External costs	10.5	9.8	7.1%
7) Construction costs – Concession assets	**4.7**	**4.9**	**-4.3%**
8) Provisions/ (reversal)	**0.0**	**0.0**	**n.m**
9) Impairment of receivable debts/ (reversal)	**0.0**	**0.0**	**n.m**
10) EBITDA (1+2+3+4+5-6-7-8-9)	**138.3**	**126.5**	**9.4%**

NET INCOME

In the 1st quarter of 2015, Net Income stood at 39.4M€, an increase of 49.8% (+13.1M€) as compared to the first quarter of the previous year. This evolution was driven not only by the positive contribute of operational results (+11.8M€), but also by the good performance of financial results, which increased 4.8M€ (+16.5%), strongly influenced by the significant reduction in the average cost of debt (which decreased from 4.8% to 4.1%).

When adjusted for non-recurring items, Recurrent Net Income decreased by 8.8% (-2.9M€), driven essentially by the changes in electricity regulation which had a negative impact in electricity regulated revenues. Non-recurring items considered in the first quarter of both 2015 and 2014 were the following:

i) In 2015: i) cost of carry of European Investment Bank escrow account of 1.0M€ (0.7M€ after taxes); ii) Energy sector extraordinary levy, as established in 2015 State budget law (6.4M€), and iii) capital gains with the sale of the group's stake in Enagas (-20.1M€; -16.1M€ after taxes);

ii) In 2014: i) cost of carry of European Investment Bank escrow account of 1.1M€ (0.7M€ after taxes), and ii) Energy sector extraordinary levy, as established in 2015 State budget law (6.2M€).

Net income [Million euros]	**March 2015**	**March 2014**	**Var.%**
EBITDA	**138.3**	**126.5**	**9.4%**
Depreciations	51.9	50.4	3.0%
Financial income	-24.5	-29.3	16.5%
Income tax expenses	16.2	14.2	13.7%
Energy sector levy	6.4	6.2	2.3%
Net income	**39.4**	**26.3**	**49.8%**
Non-recurring items	-9.0	7.0	n.m.
Recurrent Net Income	**30.3**	**33.3**	**-8.8%**

1.2 AVERAGE RAB AND INVESTMENT

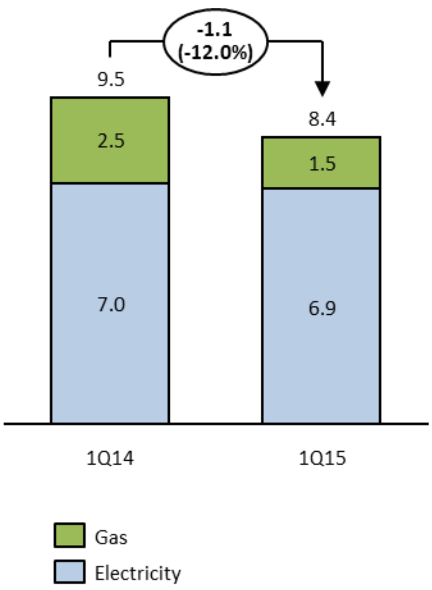
CAPEX AND AVERAGE RAB

In the 1st quarter of 2015, capex stood at 8.4M€, a reduction of 1.1M€ (-12.0%) when compared to the same period of 2014. This decrease was influenced by the reduction of 1.0M€ in Natural Gas capex, which compares to the investment in the underground storage cavity REN-C6 in the first quarter of 2014. For the first quarter of 2015, we highlight the investment in the electricity sector of 3.4M€ in the creation of an injector in Fafe substation.

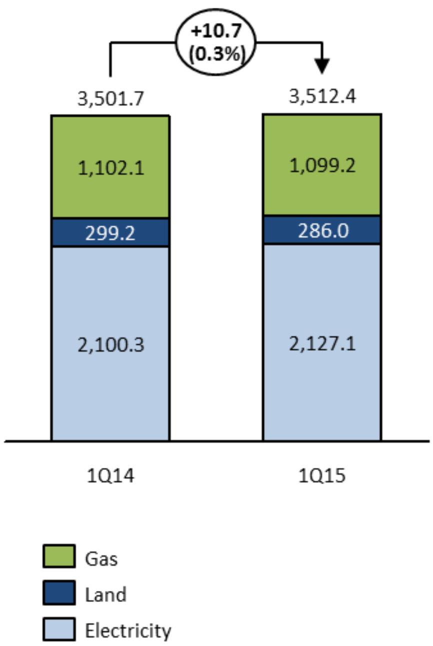
Similarly, transfers to RAB decreased 5.6M€ (-90.0%) to 0.6M€, of which -5.0M€ in Electricity, explained by the transfers in the 1st quarter of 2014 of the Feira Substation overcost (4.5M€) and the conclusion of the 4th phase of the remodeling of Vermoim Substation 220kV park, and -0.5M€ in Natural Gas.

Average RAB grew 10.7M€ (+0.3%) to 3,512.4M€ when compared to the first quarter of 2014. In Electricity, the regulated assets base increased 13.6M€ (+1.3%), resulting from an 65.9M€ growth in assets with premium and a reduction of 52.3M€ in assets without premium. On the other hand, the average RAB in Natural Gas decreased 2.9M€ (-0.3%).

INVESTMENT (M€)



AVERAGE RAB (M€)



CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2015

2. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position as of 31 March 2015 and 31 December 2014

(Amounts expressed in thousands of Euros – tEuros)

	Notes	Mar 2015	Dec 2014
ASSETS			
Non-current assets			
Property, plant and equipment	5	629	682
Goodwill		3,774	3,774
Intangible assets	5	3,794,694	3,838,228
Investments in associates and joint ventures	6	12,788	12,575
Available-for-sale financial assets	9	147,868	144,443
Derivative financial instruments	11	27,601	21,970
Other financial assets	8	93,466	93,482
Trade and other receivables	10	110,282	86,182
Deferred tax assets	7	65,822	65,982
		4,256,925	**4,267,320**
Current assets			
Inventories		1,613	1,779
Trade and other receivables	10	285,523	459,785
Available-for-sale financial assets	9	-	62,530
Current income tax recoverable	7	10,219	10,219
Other financial assets	8	8,864	8,864
Cash and cash equivalents	12	151,171	114,258
		457,390	**657,435**
Total assets	4	**4,714,315**	**4,924,755**
EQUITY			
Shareholders equity:			
Share capital	13	534,000	534,000
Own shares	13	(10,728)	(10,728)
Reserves	13	299,188	315,621
Retained earnings		296,673	183,896
Net profit for the period		39,390	112,777
Total equity		**1,158,524**	**1,135,567**
LIABILITIES			
Non- current liabilities			
Borrowings	14	2,300,504	2,207,514
Liability for retirement benefits and others	15	125,573	126,617
Derivative financial instruments	11	20,488	24,581
Provisions	16	4,947	4,947
Trade and other payables	17	336,226	328,228
Deferred tax liabilities	7	86,635	92,270
		2,874,375	**2,784,157**
Current liabilities			
Borrowings	14	303,018	396,952
Provisions	16	2,242	2,369
Trade and other payables	17	358,790	605,710
Income tax payable	7	17,366	-
		681,417	**1,005,031**
Total liabilities	4	**3,555,791**	**3,789,188**
Total equity and liabilities		**4,714,315**	**4,924,755**

The accompanying notes form an integral part of the consolidated statement of financial position as of 31 March 2015.

THE ACCOUNTANT THE BOARD OF DIRECTORS

Consolidated statements of profit and loss for the three month periods ended 31 March 2015 and 2014

(Amounts expressed in thousands of Euros - tEuros)

	Notes	Mar 2015	Mar 2014
Sales	4 and 18	62	21
Services rendered	4 and 18	132,004	139,996
Revenue from construction of concession assets	4 and 19	8,370	9,524
Gains from associates and joint ventures	6	212	36
Other operating income	20	25,315	5,296
Operating income		**165,964**	**154,874**
Cost of goods sold		(105)	(54)
Cost with construction of concession assets	19	(4,693)	(4,901)
External supplies and services	21	(7,125)	(6,683)
Personnel costs	22	(12,531)	(13,058)
Depreciation and amortizations	5	(51,926)	(50,417)
Impairments	-	-	(28)
Other expenses	23	(3,321)	(3,162)
Operating costs		**(79,701)**	**(78,302)**
Operating results		**86,263**	**76,572**
Financial costs	24	(27,969)	(32,529)
Financial income	24	3,621	2,685
Financial results		**(24,348)**	**(29,844)**
Profit before income taxes		**61,915**	**46,728**
Income tax	7	(16,166)	(14,217)
Energy sector extraordinary contribution	25	(6,360)	(6,217)
Net Profit for the period		**39,390**	**26,293**
Attributable to:			
Equity holders of the Company		39,390	26,293
Non-controlled interest		-	-
Consolidated profit for the period		**39,390**	**26,293**
Earnings per share (expressed in euro per share)	26	0.07	0.05

The accompanying notes form an integral part of the consolidated statement of profit and loss for the three month period ended 31 March 2015.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of comprehensive income for the three month periods ended 31 March 2015 and 2014

(Amounts expressed in thousands of Euros – tEuros)

	Notes	Mar 2015	Mar 2014
Net Profit for the year		**39,390**	**26,293**
Other income and cost recorded in equity:		-	-
Items that will be reclassified subsequently to profit or loss:			
Increase/(decrease) in hedging reserves - derivative financial instruments	11	(4,572)	(967)
Tax effect on hedging reserves	7 and 11	960	222
Gain/(loss) in fair value reserve - available-for-sale assets	9	4,173	21,569
Tax effect on fair value reserves	7 and 9	(876)	(4,961)
Reclassification adjustments:			
Gain/(loss) in fair value reserve - available-for-sale assets	9	(20,083)	-
Tax effect on fair value reserves	7 and 9	3,966	-
Comprehensive income for the year		**22,957**	**42,157**
Attributable to:			
Shareholders of the company		22,957	42,157
Non-controlling interests		-	-
		22,957	**42,157**

The accompanying notes form an integral part of the consolidated statement of comprehensive income for the three month period ended 31 March 2015.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of changes in equity for the three month periods ended 31 March 2015 and 2014

(Amounts expressed in thousands of Euros – tEuros)

	Attributable to shareholders								
Changes in the period	**Share capital**	**Own shares**	**Legal Reserve**	**Fair Value reserve (Note 9)**	**Hedging reserves (Note 11)**	**Other reserves**	**Retained earnings**	**Profit for the period**	**Total**
At 1 January 2014	**534,000**	**(10,728)**	**91,492**	**20,886**	**(17,989)**	**177,245**	**163,356**	**121,303**	**1,079,566**
Net profit of the period and other comprehensive income	-	-	-	16,608	(744)	-	-	26,293	42,157
Transfer to other reserves	-	-	-	-	-	-	121,303	(121,303)	-
At 31 March 2014	**534,000**	**(10,728)**	**91,492**	**37,494**	**(18,733)**	**177,245**	**284,659**	**26,293**	**1,121,722**
At 1 January 2015	**534,000**	**(10,728)**	**97,295**	**60,313**	**(19,468)**	**177,482**	**183,896**	**112,777**	**1,135,567**
Net profit of the period and other comprehensive income	-	-	-	(12,821)	(3,612)	-	-	39,390	22,957
Transfer to other reserves	-	-	-	-	-	-	112,777	(112,777)	-
At 31 March 2015	**534,000**	**(10,728)**	**97,295**	**47,492**	**(23,080)**	**177,482**	**296,674**	**39,390**	**1,158,524**

The accompanying notes form an integral part of the consolidated statement of changes in equity for the three month period ended 31 March 2015.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of cash flow for the three month periods ended 31 March 2015 and 2014

(Amounts expressed in thousands of Euros – tEuros)

	Notes	Mar 2015	Mar 2014
Cash flow from operating activities:			
Cash receipts from customers		632,332 (a)	1,060,148
Cash paid to suppliers		(495,572) (a)	(860,736)
Cash paid to employees		(14,151)	(14,060)
Income tax received/(paid)		(299)	(1,223)
Other receipts/(payments) relating to operating activities		(41,101)	(21,246)
Net flows from operating activities (1)		**81,208**	**162,884**
Cash flow from investing activities:			
Receipts related to:			
Other financial assets		-	5,000
Grants related to assets		-	177
Available-for-sale	9	63,278	-
Interests and other similar income		8	4,287
Dividends		1,127	980
Payments related to:			
Other financial assets		-	(57,172)
Available-for-sale		-	(100)
Property, plant and equipment		(2)	(1)
Intangible assets		(69,061)	(40,638)
Net cash used in investing activities (2)		**(4,651)**	**(87,467)**
Cash flow from financing activities:			
Receipts related to:			
Borrowings		842,000	1,723,000
Interests and other similar income		21	65
Payments related to:			
Borrowings		(846,955)	(1,876,222)
Interests and other similar expense		(33,559)	(34,611)
Net cash (used in)/from financing activities (3)		**(38,492)**	**(187,768)**
Net (decrease)/increase in cash and cash equivalents (1)+(2)+(3)		38,065	(112,351)
Cash and cash equivalents at de beginning of the year	12	112,599	167,126
Cash and cash equivalents at the end of the period	12	150,665	54,775
Detail of cash and cash equivalents			
Cash	12	22	21
Bank overdrafts	12	(506)	(64)
Bank deposits	12	151,149	54,817
		150,665	**54,775**

(a) These amounts include payments and receipts relating to activities in which the Group acts as agent, income and costs being reversed in the consolidated statement of profit and loss.

The accompanying notes form an integral part of the consolidated statement of cash flow for the three month period ended 31 March 2015.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2015

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

1 GENERAL INFORMATION

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

Up to 26 September 2006 the REN Group's operations were concentrated on the electricity business through REN – Rede Eléctrica Nacional, S.A.. On 26 September 2006, as a result of the unbundling transaction of the natural gas business, the Group underwent a significant change with the purchase of assets and financial participations relating to the transport, storage and 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 the transfer of the electricity business to a new company formed on 26 September 2006, named REN – Serviços de Rede, S.A., changed its name to REN – Rede Eléctrica Nacional, S.A..

The Group presently has two main business areas, Electricity and Gas, and a secondary business, in the area of Telecommunications.

The Electricity business includes the following companies:

a) REN – Rede Eléctrica Nacional, S.A., founded on 26 September 2006, the activities of which are carried out under a concession contract for a period of 50 years as from 2007 and establishes the global management of the Public Electricity Supply System (PES);

b) REN Trading, S.A., founded on 13 June 2007, the main function of which is the management of power purchase agreements ("PPA") from Turbogás, S.A. and Tejo Energia, S.A., which did not terminate on 30 June 2007, date of the entry into force of the new Maintenance of Contractual Equilibrium Contracts (Contratos para a Manutenção do Equilíbrio Contratual – CMEC). The operations of this company include the trading of electricity produced and of the installed production capacity, with national and international distributors;

c) Enondas, Energia das Ondas, S.A. was founded on 14 October 2010, its capital being fully held by REN - Redes Energéticas Nacionais, SGPS, S.A., its main activity being management of the concession to operate a pilot area for the production of electricity from sea waves.

The Gas business includes the following companies:

a) REN Gás, S.A., was founded on 29 March 2011, with the corporate objectives of promoting, developing and carrying out projects and developments in the natural gas sector, as well as defining the overall strategy and coordination of the companies in which has participations.

b) REN Gasodutos, S.A. was founded on 26 September 2006, the capital of which was paid up through integration into the company of the gas transport infrastructures (network, connections, and compression);

c) REN Armazenagem, S.A. was founded on 26 September 2006, the capital of which was paid up through integration into the company of the underground gas storage assets;

d) REN Atlântico, Terminal de GNL, S.A., acquired under the acquisition of the gas business, previously designated “SGNL – Sociedade Portuguesa de Gás Natural Liquefeito”. The operations of this company consist of the supply, reception, storage and re-gasification of natural liquefied gas through the GNL marine terminal, being responsible for the construction, utilisation and maintenance of the necessary infrastructures.

The operations of these companies mentioned in points b) to d) are carried out under three concession contracts granted separately for periods of 40 years as from 2006.

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

REN SGPS also has the wholly owned subsidiary REN – Serviços, S.A., which has the objective of rendering services in the energetic areas and general services on the support of the business development, for related companies and third parties, receiving remuneration for these services, as well as the management of participations the company has in other companies.

On 10 May 2013 was incorporated REN Finance, B.V., wolly owned by REN SGPS, based in Netherlands, whose object is to participate, finance, collaborate and lead the management of related companies.

Additionally on 24 May 2013, together with China Electric Power Research Institute, Entity of the State Grid Group, was incorporated the Centro de Investigação em Energia REN – State Grid, S.A. ("Centro de Investigação") under a Joint Venture in which the Group holds 1,500,000 shares representing 50% of the share capital.

The objective of this company is to implement a Center for Research and Development in Portugal, dedicated to the research, development, innovation and demonstration in the areas of electricity transmission and systems management, the rendering of advisory services and education and training services as part of these activities, as well as performing all related activities and complementary services to its object.

As of 31 March 2015 REN has also:

a) 40% interests in the share capital of OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A. ("OMIP SGPS"), having as its corporate object the management of participations in other companies as an indirect way of exercising economic activities. The company became the shareholder of OMIP – Operador do Mercado Ibérico de Energia (Portuguese Pole), which function is the management of the derivatives market in MIBEL and Omiclear – Sociedade de Compensação de Mercados de Energia, S.A. a company owned by the OMIP and which has the corporate object of clearing futures and options operations;

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

c) One participation of 1% in the share capital of Red Electrica Corporation, S.A. ("REE"), entity responsible for managing the electric network in Spain;

d) One participation representing 5.45% of the share capital in Medgrid, SAS; and 7.5% participation in Hidroeléctrica de Cahora Bassa, S.A. ("HCB").

1.1 Companies included in the consolidation

The following companies were included in the consolidation perimeter as of 31 March 2015 and 31 December 2014:

Designation / adress	Activity	Mar 2015 % owned Group	Mar 2015 % owned Individual	Dec 2014 % owned Group	Dec 2014 % owned Individual
Parent company:					
REN - Redes Energéticas Nacionais, SGPS, S.A.	Holding company	-	-	-	-
Subsidiaries:					
Electricity segment:					
REN - Rede Electrica Nacional, S.A. Av. Estados Unidos da América, 55 - Lisboa	National electricity transmission network operator (high and very high tension)	100%	100%	100%	100%
REN Trading, S.A. Av. Estados Unidos da América, 55 - Lisboa	Purchase and sale, import and export of electricity and natural gas	100%	100%	100%	100%
Enondas-Energia das Ondas, S.A. Mata do Urso - Guarda Norte - Carriço- Pombal	Management of the concession to operate a pilot area for the production of electric energy from ocean waves	100%	100%	100%	100%
Telecommunications segment:					
RENTELECOM - Comunicações S.A. Av. Estados Unidos da América, 55 - Lisboa	Telecommunications network operation	100%	100%	100%	100%
Other segments:					
REN - Serviços, S.A. Av. Estados Unidos da América, 55 - Lisboa	Back office and management of participations	100%	100%	100%	100%
REN Finance, B.V. De Cuserstraat, 83, 1081 CN Amsterdam, The Netherlands	Participate, finance, collaborate, conduct management of companies related to REN Group.	100%	100%	100%	100%
Natural gas segment:					
REN Atlântico , Terminal de GNL, S.A. Terminal de GNL - Sines	Liquified Natural Gas Terminal maintenance and regasification operation	100%	100%	100%	100%
Owned by REN Serviços, S.A.:					
REN Gás, S.A. Av. Estados Unidos da América, 55 -12º - Lisboa	Management of projects and ventures in the natural gas sector	100%	-	100%	-
Owned by REN Gas, S.A.:					
REN - Armazenagem, S.A. Mata do Urso - Guarda Norte - Carriço- Pombal	Underground storage developement, maintenance and operation	100%	-	100%	-
REN - Gasodutos, S.A. Estrada Nacional 116, km 32,25 - Vila de Rei - Bucelas	National Natural Gas Transport operator and natural gas overall manager	100%	-	100%	-

There were no changes in the consolidation perimeter in 2015 with respect to what was reported on 31 December 2014.

1.2. Approval of the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors at a meeting held on 7 May 2015. The Board of Directors believes that the consolidated financial statements fairly present the financial position of the companies included in the consolidation, the consolidated results of their operations, their consolidated comprehensive income, the consolidated changes in their equity and their consolidated cash flows in accordance with the International Financial Reporting Standards for interim financial statements as endorsed by the European Union (IAS 34).

2 BASIS OF PRESENTATION

The consolidated financial statements for the three month period ended 31 March 2015 were prepared in accordance with International Financial Reporting Standards (IFRS) for interim financial reporting as endorsed by the European Union (IAS 34), therefore do not include all information required for annual financial statements so should be read in conjunction with the annual financial statements issued for the year ended 31 December 2014.

The consolidated financial statements are presented in thousands of Euros – tEuros, rounded to the nearest thousand.

3 MAIN ACCOUNTING POLICIES

The consolidated financial statements were prepared for interim financial reporting purposes (IAS 34), on a going concern basis from the books and accounting records of the companies included in the consolidation, maintained in accordance with the accounting standards in force in Portugal, adjusted in the consolidation process so that the financial statements are presented in accordance with International Financial Reporting Standards as endorsed by the European Union in force for the years beginning as from 1 January 2015.

Such standards include International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (“IASB”), International Accounting Standards (IAS), issued by the International Accounting Standards Committee (“IASC”) and respective SIC and IFRIC interpretations, issued by the International Financial Reporting Interpretation Committee (“IFRIC”) and Standard Interpretation Committee (“SIC”), that have been endorsed by the European Union. The standards and interpretations are hereinafter referred generically to as IFRS.

The accounting policies used to prepare these consolidated financial statements are consistent in all material respects, with the policies used to prepare the consolidated financial statements for the year ended 31 December 2014, as explained in the notes to the consolidated financial statements for 2014. These policies were applied consistently in the presented periods.

Adoption of new standards, interpretations, amendments and revisions

The following standards, interpretations, amendments and revisions have been endorsed by the European Union with mandatory application in the economic exercises beginning on or after 1 January 2015:

- Annual improvements to IFRS (2010-2012 cycle) (amendment) - Cyclically are introduced improvements which aim to clarify and simplify the application of international standards. The amendments of the 2010-2012 cycle focused on the review, namely of, IAS 16 (clarifies the accounting treatment to apply when the entity adopts the revaluation method in the subsequent measurement of property, plant and equipment), IFRS 3 (clarification of some aspects in the record of a contingent payment included in a business combination) and IFRS 8 (introduces new disclosure requirements: (i) management judgment for aggregation of operating segments, and (ii) reconciliation of segment assets and the assets of the company).
  From this amendment no significant impacts occurred on the consolidated financial statements of REN.

- Annual improvements to IFRS (2011-2013 cycle) (amendment) - As part of the cyclical review carried out for the period 2011-2013 the following standards have been changed: IAS 40 (clarifies the need to apply separately IFRS 3 and IAS 40 to determine whether the acquisition of an investment property is an acquisition of an asset or group of assets or a business combination); IFRS 3 (excludes from the scope of IFRS 3 the initial accounting for a Joint Agreement under IFRS 11 in its own financial statements); and IFRS 13 (clarifies that the exception to the fair value measurement set out in paragraph 48 should be applied to all financial assets, financial liabilities and other contracts covered by IAS 39, either fulfil or not the financial asset and financial liability definitions contained in IAS 32).
  From this amendment no significant impacts occurred on the consolidated financial statements of REN.

- IAS 19 "Employee Benefits" (amendment) - This amendment clarifies the circumstances under which employee contributions for post-employment benefit plans reduce the costs with short-term benefits.

  From this amendment no significant impacts occurred on the consolidated financial statements of REN.

Standards and interpretations, amended or revised not endorsed by the European Union

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

Standard	Applicable for financial years beginning on or after	Resume
IFRS 9 - Financial instruments	01-jan-18	This standard sets out requirements for the classification and mensuration of financial instruments and for the aplication of hedge accounting.
Amendments to IFRS 10 - Consolidated financial statements, IFRS 12 - Disclosure of investments in other entities and IAS 28 - Investments in associates and join ventures	01-jan-16	These amendments include the clarification of several aspects related to the application of the exception consolidation by investment entities.
Amendments to IAS 1 - Presentation of financial statements	01-jan-16	This amendment is part of an extensive project to reform the principles and requirements of presentation and disclosure of financial reporting (disclosure initiative), in which this review consists the first step. Consequently, this amendment changes a set of disclosures contained in IAS 1
IFRS 14 - Regulatory deferral accounts	01-jan-16	IFRS 14 establish the requirements for reporting by entities adopting IFRS for the first time the normative applicable to regulatory items, allowing the continuation of previous generally accepted accounting principle for the recognition, measurement , impairment, and derecognition of regulatory deferral balances. IFRS requires the presentation of regulatory deferral balances recognized separately from other assets and liabilities as well as expenses and income.
IFRS 15-Revenue from Contracts with Customers	01-jan-17	This standard intended to replace the revenue standards (IAS 11 and IAS 18) and clarifies the principles of revenue recognition, consistently making its application to various transactions and economic activities.
Amends to IAS 16 - Property, plant and equipment and IAS 41 - Agriculture	01-jan-16	This amendment intends to change measurement of bearer plants. Under the proposal, bearer plants would be in the scope of IAS 16 allowing the use of the cost method instead of fair value. Nevertheless, the produce growing on bearer plants would continue to be measured at fair value less costs to sell under IAS 41.
Amends to IAS 16 - Property, plant and equipment and IAS 38 - Intangible assets	01-jan-16	The amendments clarify which methods of depreciation and amortization of tangible fixed assets and intangible assets that are allowed.
Amends to IFRS 11 - Joint arrangements	01-jan-16	This amendment require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 Business Combinations) (i) apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11, and (ii) disclose the information required by IFRS 3 and other IFRSs for business combinations.
Annual improvements to IFRS (2012 - 2014 cycle)	01-jan-16	These improvements involve the revision of several standards, including IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits, and IAS 34 Interim Financial Reporting
Amends to IFRS 10 - Consolidated financial statements and IAS 28 - Investments in associates and joint ventures	01-jan-16	The amendments results from an inconsistency between the requirements in IFRS 10 and IAS 28 (2011) in recognition of the gain from sale of a subsidiary (with loss of control) to an acquirer which is simultaneously an associated company or joint venture of the investor. This amendment establish that the gain should, on one hand, be recognized in full when the assets transferred meet the definition of a Business, under IFRS 3, and on the other hand, recognize only the partial gain resulting from the sale or contribution of assets that do not constitute a business.
Amends to IAS 27 - Separated financial statements	01-jan-16	This amendment aims to reestablish the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in a separated financial statements of na entity that presents consolidated financial statements.

These standards were not yet endorsed by the European Union and, as such, were not adopted by the group in the period ended 31 March 2015.

4 SEGMENT REPORTING

The REN Group is organised in two main business segments, Electricity and Gas, and one secondary segment. The electricity segment includes the transmission of electricity in very high voltage, overall management of the public electricity system and management of the power purchase agreements (PPA) not terminated at 30 June 2007 and the pilot zone for electricity production from sea waves. The gas segment includes high pressure gas transmission and overall management of the national natural gas supply system, as well as the operation of regasification at the LNG Terminal and the underground storage of natural gas.

Although the activities of the LNG Terminal and underground storage can be seen as separate from the transport of gas and overall management of the national natural gas supply system, since these operations provide complementary services to same users, it was considered that it is subject to the same risks and benefits.

The telecommunications segment is presented separately although it does not qualify for disclosure.

Management of external loans are centrally managed by REN SGPS, S.A. for which the Company choose to present the assets and liabilities separate from its eliminations that are undertaken in the consolidation process, as used by the main responsible operating decision maker.

The results by segment for the three month period ended 31 March 2015 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Sales and services provided	**88,397**	**42,156**	**1,272**	**9,880**	**(9,638)**	**132,066**
Inter-segments	150	111	15	9,362	(9,638)	-
Revenues from exernal customers	88,247	42,044	1,257	518	-	132,066
Revenue from construction of concession assets	6,872	1,498	-	-	-	8,370
Cost with construction of concession assets	(3,773)	(920)	-	-	-	(4,693)
Gains/(losses) from associates and joint ventures	-	-	-	212	-	212
External supplies and services	(8,739)	(5,729)	(420)	(5,040)	12,803	(7,125)
Employee compensation and benefit expense	(5,451)	(1,866)	(65)	(5,149)	-	(12,531)
Other expenses and operating income	4,007	394	(2)	20,654	(3,164)	21,889
Operating cash flow	81,314	35,533	785	20,558	-	138,190
Non reimbursursable expenses						
Depreciation and amortizations	(37,661)	(14,208)	(3)	(55)	-	(51,926)
Financial results						
Financial income	33	3,478	22	44,619	(44,530)	3,621
Financial costs	(18,378)	(8,606)	-	(45,515)	44,530	(27,969)
Profit before income tax	**25,309**	**16,196**	**804**	**19,607**	**-**	**61,915**
Income tax expense	(7,318)	(4,572)	(207)	(4,069)	-	(16,166)
Extraordinary contribution on energy sector	(4,550)	(1,810)	-	-	-	(6,360)
Profit for the year	**13,442**	**9,813**	**597**	**15,538**	**-**	**39,390**

Results by segment for the three month period ended 31 March 2014 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Sales and services provided	**97,645**	**41,335**	**1,272**	**9,359**	**(9,594)**	**140,017**
Inter-segments	241	-	37	9,317	(9,594)	-
Revenues from exernal customers	97,404	41,335	1,236	42	-	140,017
Revenue from construction of concession assets	7,008	2,516	-	-	-	9,524
Cost with construction of concession assets	(3,244)	(1,657)	-	-	-	(4,901)
Gains/(losses) from associates and joint ventures	-	-	-	36	-	36
External supplies and services	(8,663)	(5,740)	(495)	(4,150)	12,365	(6,683)
Employee compensation and benefit expense	(5,944)	(1,927)	(54)	(5,133)	-	(13,058)
Other expenses and operating income	4,192	456	(3)	151	(2,770)	2,025
Operating cash flow	90,994	34,983	720	263	-	126,961
Non reimbursursable expenses						
Depreciation and amortizations	(36,479)	(13,865)	(3)	(69)	-	(50,417)
Impairments	22	5	-	-	-	28
Financial results						
Financial income	466	3,927	41	43,240	(44,988)	2,685
Financial costs	(19,376)	(9,227)	(1)	(48,914)	44,988	(32,529)
Profit before income tax	**35,627**	**15,824**	**757**	**(5,480)**	**-**	**46,728**
Income tax expense	(11,001)	(4,380)	(187)	1,350	-	(14,217)
Extraordinary contribution on energy sector	(4,485)	(1,733)	-	-	-	(6,217)
Profit for the year	**20,141**	**9,711**	**571**	**(4,130)**	**-**	**26,293**

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

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

Assets and liabilities by segment as well as capital expenditures for the three month period ended 31 March 2015 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Segment assets						
Group investments held	-	541,656	-	1,530,136	(2,071,792)	-
Property, plant and equipment and intangible assets	2,619,913	1,174,810	10	591	-	3,795,324
Other assets	386,281	439,010	7,477	4,233,987	(4,147,764)	918,991
Total assets	**3,006,193**	**2,155,476**	**7,487**	**5,764,715**	**(6,219,557)**	**4,714,315**
Total liabilities	**2,390,087**	**935,011**	**3,176**	**4,375,281**	**(4,147,764)**	**3,555,791**
Capital expenditure - total	**6,896**	**1,482**	-	-	-	**8,378**
Capital expenditure - property, plant and equipment (note 5)	8	-	-	-	-	8
Capital expenditure - intangible assets (note 5)	6,888	1,482	-	-	-	8,370
Investments in associates	-	-	-	10,884	-	10,884
Investments in joint ventures	-	-	-	1,903	-	1,903

Assets and liabilities by segment as well as capital expenditures for the year ended 31 December 2014 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Segment assets						
Group investments held	-	533,578	-	1,474,138	(2,007,716)	-
Property, plant and equipment and intangible assets	2,650,718	1,187,541	13	638	-	3,838,910
Other assets	511,054	441,173	6,357	4,001,118	(3,873,857)	1,085,844
Total assets	**3,161,773**	**2,162,292**	**6,370**	**5,475,894**	**(5,881,573)**	**4,924,755**
Total liabilities	**2,559,108**	**959,718**	**2,655**	**4,141,563**	**(3,873,857)**	**3,789,188**
Capital expenditure - total	**137,411**	**25,776**	-	**64**	-	**163,251**
Capital expenditure - property, plant and equipment (note 8)	1	-	-	64	-	65
Capital expenditure - intangible assets (note 8)	137,410	25,776	-	-	-	163,186
Investments in associates	-	-	-	10,828	-	10,828
Investments in joint ventures	-	-	-	1,747	-	1,747

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

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

5 TANGIBLE AND INTANGIBLE ASSETS

During the three month period ended 31 March 2015, the changes in tangible and intangible assets in the period were as follows:

	1 January 2015			Changes					31 March 2015		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals, write-offs and other reclassifications	Cost	Accumulated depreciation	Net book value
Property, plant and equipment											
Transmission and electronic equipment	103	(100)	2	-	-	-	(1)	-	103	(101)	1
Transport equipment	1,330	(746)	585	-	(112)	-	(49)	112	1,218	(682)	536
Office equipment	257	(162)	95	8	-	-	(11)	-	265	(172)	92
	1,690	(1,008)	682	8	(112)	-	(61)	112	1,585	(956)	629

	1 January 2015			Changes					31 March 2015		
	Cost	Accumulated amortization	Net book value	Additions	Disposals and write-offs	Transfers	Amortization charge	Amortization - disposals, write-offs and other reclassifications	Cost	Accumulated amortization	Net book value
Intangible assets											
Concession assets	6,982,322	(3,197,824)	3,784,498	148	(533)	651	(51,866)	495	6,982,587	(3,249,195)	3,733,392
Concession assets in progress	53,730	-	53,730	8,223	-	(651)	-	-	61,303	-	61,303
	7,036,052	(3,197,824)	3,838,228	8,370	(533)	-	(51,866)	495	7,043,890	(3,249,195)	3,794,694
Total of property, plant and equipment and intangible assets	**7,037,742**	**(3,198,832)**	**3,838,910**	**8,378**	**(646)**	**-**	**(51,926)**	**607**	**7,045,475**	**(3,250,151)**	**3,795,324**

During the year ended 31 December 2014, the changes in tangible and intangible assets in the year were as follows:

	1 January 2014			Changes					31 December 2014		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals, write-offs and other reclassifications	Cost	Accumulated depreciation	Net book value
Property, plant and equipment											
Transmission and electronic equipment	103	(96)	6	-	-	-	(4)	-	103	(100)	2
Transport equipment	1,386	(579)	806	57	(112)	-	(233)	67	1,330	(746)	585
Office equipment	231	(131)	100	7	(3)	22	(34)	3	257	(162)	95
Property, plant and equipment in progress	21	-	21	1	-	(22)	-	-	-	-	-
	1,740	(806)	934	65	(115)	-	(272)	70	1,690	(1,008)	682
	1 January 2014			**Changes**					**31 December 2014**		
	Cost	Accumulated amortization	Net book value	Additions	Disposals and write-offs	Transfers	Amortization charge	Amortization - disposals, write-offs and other reclassifications	Cost	Accumulated amortization	Net book value
Intangible assets											
Concession assets	6,789,675	(2,997,317)	3,792,358	3,883	(1,870)	190,634	(202,357)	1,849	6,982,322	(3,197,824)	3,784,498
Concession assets in progress	85,062	-	85,062	159,303	-	(190,634)	-	-	53,730	-	53,730
	6,874,737	(2,997,317)	3,877,420	163,186	(1,870)	-	(202,357)	1,849	7,036,052	(3,197,824)	3,838,228
Total of property, plant and equipment and intangible assets	**6,876,477**	**(2,998,123)**	**3,878,354**	**163,251**	**(1,985)**	**-**	**(202,628)**	**1,919**	**7,037,742**	**(3,198,832)**	**3,838,910**

The additions registered in three month period ended 31 March 2015 refer essentially to rights over the investments on construction/renovation and expansion of electrical and gas transportation grid.

The main additions verified in the periods ended 31 March 2015 and 31 December 2014 are made up as follows:

	Mar 2015	Dec 2014
Electricity segment		
Power line construction (220 KV)	660	11,046
Power line construction (400 KV)	860	37,003
Other power line constructions	183	12,930
Construction of new substations	676	20,779
Substation Expansion	3,325	40,806
Other renovations in substations	289	5,185
Improvements to telecommunications and information system	802	5,290
Pilot zone construction - wave energy	50	299
Improvements in buildings related to concession	43	1,106
Other assets	-	2,966
Gas segment		
Expansion and improvements to gas transmission network	810	6,987
Construction project of cavity underground storage of natural gas in Pombal	498	16,842
Construction project and operating upgrade - LNG facilities	174	1,947
Others segment		
Other assets	8	65
Total of additions	**8,378**	**163,251**

The main transfers during the periods ended 31 March 2015 and 31 December 2014 are made up as follows:

	Mar 2015	Dec 2014
Electricity segment		
Power line construction (220 KV)	-	11,033
Power line construction (400 KV)	-	36,841
Other power line constructions	-	12,255
Construction of new substations	-	19,421
Substation Expansion	27	50,662
Other renovations in substations	384	4,251
Improvements to telecommunications and information system	218	7,775
Other assets under concession	-	1,135
Other assets	1	22
Gas segment		
Expansion and improvements to natural gas transmission network	21	7,260
Construction project of cavity underground storage of natural gas in Pombal	-	38,166
Construction project and operating upgrade - LNG facilities	-	1,835
Total of transfer	**651**	**190,656**

The intangible assets in progress at 31 March 2015 and 31 December 2014 are as follows:

	Mar 2015	Dec 2014
Electricity segment		
Power line construction (150KV/220KV e 400KV)	18,836	17,132
Substation Expansion	12,036	13,078
New substations projects	16,003	11,359
Other projects	2,611	1,889
Improvements in buildings related to concession	2,395	2,353
Gas segment		
Expansion and improvements to natural gas transmission network	6,849	6,018
Construction project of cavity underground storage of natural gas in Pombal	2,096	1,598
Construction project and operating upgrade - LNG facilities	477	303
Total of assets in progress	**61,303**	**53,730**

Financial costs capitalized in intangible assets in progress in the period ended 31 March 2015 amounted to 522 thousand Euros (964 thousand Euros as of 31 March 2014), while overhead and management costs capitalized amounted to 3,156 thousand Euros (3,660 thousand Euros as of 31 March 2014) (Note 19).

As of 31 March 2015 and 31 December 2014, the net book value of the intangible assets financed through lease contracts was as follows:

	Mar 2015	Dec 2014
Cost	4,597	4,656
Accumulated depreciation and amortization	(1,358)	(1,149)
Net book value	**3,239**	**3,507**

6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

At 31 March 2015 and 31 December 2014, the financial information regarding the financial interest held is as follows:

			Financial information									Capital owned		
			31 March 2015											
Company	Activity	Head office	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Net profit/(loss)	Other comprehensive	Total comprehensive	%	Carrying amount	Group share of profit / (loss)
Equity method:													
Associate:													
OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A.	Holding company	Lisbon	787	29,482	331	2,019	260	135	-	135	40	10,884	56
Joint venture													
Centro de Investigação em Energia REN - STATE GRID, S.A.	Research & Development	Lisbon	8,335	33	4,548	12	753	313	-	313	50	1,903	156
												12,788	**212**

		Financial information								Capital owned		
		31 December 2014										
Activity	Head office	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Revenues	Net profit/(loss)	Other comprehensive	Total comprehensive	%	Carrying amount	Group share of profit / (loss)
Holding company	Lisbon	436	29,349	259	1,667	1,086	546	-	546	40	10,829	218
Research & Development	Lisbon	8,873	36	5,401	13	2,229	405	-	405	50	1,747	202
											12,575	**421**

Associates

The changes in the caption “Investments in associates” during the period ended 31 March 2015 was as follows:

Investments in associates	
At 1 January 2014	**10,610**
Effect of aplying the equity method	218
At 31 December 2014	**10,829**
Effect of aplying the equity method	56
At 31 March 2015	**10,884**

Joint ventures

The movement in the caption “Investments in joint ventures” during the period ended 31 March 2015 was as follows:

Investments	
At 1 January 2014	**1,545**
Effect of aplying the equity method (Note 19)	202
At 31 December 2014	**1,747**
Effect of aplying the equity method (Note 19)	156
At 31 March 2015	**1,903**

Following a joint agreement for a technology partnership between REN – Redes Energéticas Nacionais and the State Grid International Development (SGID), it was incorporated in May 2013 a R&D center in Portugal, dedicated to power systems designated – Centro de Investigação em Energia REN – STATE GRID, S.A. ("Centro de Investigação") jointly controlled by the two entities.

This Entity aims to become a platform for international knowledge, a catalyst for innovative solutions and tools, applied to the planning and operation of transmission power.

At 31 March 2015 and 31 December 2014, the financial information regarding the joint venture held is as follows:

	Financial information 31 March 2015						
	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciations and amortizations	Financial income	Financial costs	Income tax-(cost)/income
Joint venture							
Centro de Investigação em Energia REN - STATE GRID, S.A.	8,192	6	12	(3)	7	(1)	(91)

	Financial information 31 December 2014						
	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciations and amortizations	Financial income	Financial costs	Income tax-(cost)/income
Joint venture							
Centro de Investigação em Energia REN - STATE GRID, S.A.	3,695	6	13	(9)	47	(3)	(128)

7 INCOME TAX

REN is taxed based on the special regime for the taxation of group of companies (“RETGS”), which includes all companies located in Portugal that REN detains directly or indirectly at least 75% of the share capital, which should give more than 50% of voting rights, and comply with the conditions of the article 69º of the Corporate Income Tax law.

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

The Company’s Board of Directors understands that possible corrections to the tax returns resulting from tax reviews /inspections carried out by the tax authorities will not have a significant effect on the financial statements as of 31 March 2015.

In 2015, in accordance with Law n. 82-B/2014, December 31, the Group is taxed at a Corporate Income Tax rate of 21%, increased by a municipal surcharge up the maximum of 1.5% over the taxable profit and (i) a state surcharge of an additional 3.0% of taxable profit between 1,500 thousand Euros and 7,500 thousand Euros,(ii) an additional 5.0% of taxable profit between 7,500 thousand Euros and 35,000 thousand Euros and (iii) 7.0% over the taxable profit in excess of 35,000 thousand Euros.

The tax rate used in the valuation of temporary taxable and deductible differences as of 31 March 2015, were calculated using the average tax rate expected in accordance with future perspective of taxable profits of the Company recoverable in the next periods.

Income tax registered in the three months period ended on 31 March 2015 and 31 December 2014 is detailed as follows:

	Mar 2015	Mar 2014
Current income tax	17,530	12,026
Adjustaments of income tax from previous year	59	(126)
Deferred tax	(1,424)	2,318
Income tax	**16,166**	**14,217**

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

	Mar 2015	Mar 2014
Consolidated profit before income tax	**61,915**	**46,728**
Permanent differences:		
Positive net worth variation	-	(2)
Non deductible costs	45	549
Non taxable income	(3,406)	(299)
Timing differences:		
Tariff deviations	1,315	(10,185)
Provisions and impairments	-	(140)
Revaluations	1,296	905
Pension, helthcare assistence and life insurance plans	(1,044)	(548)
Others	626	-
Taxable income	60,747	37,007
Tax rate	12,795	8,543
State surcharge tax- taxable income	3,761	2,472
Municipal surcharge	846	841
Autonomous taxation	128	170
Current income tax	17,530	12,026
Deferred tax	(1,424)	2,318
Deferred tax	(1,424)	2,318
Adjustments of estimated tax in previous years	59	(126)
Income tax	**16,166**	**14,217**
Effective tax rate	**26.11%**	**30.43%**

Income tax

The caption "Income tax" payable and receivable as of 31 March 2015 and 31 December 2014 is detailed as follows:

	Mar 2015	Dec 2014
Income tax:		
Corporate income tax - estimated tax	-	(46,859)
Corporate income tax - payments on account	-	53,301
Income withholding tax by third parties	-	3,837
Income tax related to previous years	-	(60)
Income tax receivable from previous year	10,219	-
Income tax receivable	**10,219**	**10,219**
Corporate income tax - estimated tax	17,530	-
Corporate income tax - payments on account	(55)	-
Income withholding tax by third parties	(110)	-
Income tax payable	**17,366**	**-**

Deferred taxes

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

	Mar 2015	Dec 2014
Impact on the statement of profit and loss		
Deferred tax assets	(1,121)	38
Deferred tax liabilities	2,545	(7,990)
	1,424	(7,952)
Impact on equity		
Deferred tax assets	960	(1,856)
Deferred tax liabilities	3,090	(10,323)
	4,050	(12,179)
Net impact of deferred taxes	**5,474**	**(20,131)**

The changes in deferred tax by nature was as follows:

Change in deferred tax assets - March 2015

	Provisions /Impairments	Pensions	Tariff deviations	Derivative financial instruments	Others	Total
At 1 January 2015	**1,818**	**36,715**	**22,275**	**5,175**	**-**	**65,982**
Increase/decrease through reserves	-	-	-	960	-	960
Reversal through profit and loss	-	(303)	(999)	-	-	(1,302)
Increase through profit and loss	-	-	-	-	182	182
Change in the period	-	(303)	(999)	960	182	(160)
At 31 March 2015	**1,818**	**36,412**	**21,276**	**6,135**	**182**	**65,822**

Change in deferred tax assets - December 2014

	Provisions /Impairments	Pensions	Tariff deviations	Derivative financial instruments	Others	Total
At 1 January 2014	**1,749**	**39,128**	**21,548**	**5,373**	**2**	**67,800**
Increase/decrease through reserves	-	(1,658)	-	(198)	-	(1,856)
Reversal through profit and loss	(48)	(755)	-	-	(2)	(806)
Increase through profit and loss	117	-	727	-	-	844
Change in the period	69	(2,413)	727	(198)	(2)	(1,818)
At 31 December 2014	**1,818**	**36,715**	**22,275**	**5,175**	**-**	**65,982**

Deferred tax assets at 31 March 2015 correspond mostly to liabilities for benefit plans granted to employees and tariff deviations liabilities to be settled in subsequent years.

Evolution of deferred tax liabilities - March 2015

	Tariff deviations	Revaluation	Fair value of Available-for-sale financial assets	Total
At 1 January 2015	**54,246**	**26,659**	**11,365**	**92,270**
Increase/decrease through equity	-	-	(3,090)	(3,090)
Reversal trough profit and loss	(2,174)	(371)	-	(2,545)
Change in the period	(2,174)	(371)	(3,090)	(5,634)
At 31 March 2015	**52,072**	**26,288**	**8,275**	**86,635**

Evolution of deferred tax liabilities - December 2014

	Tariff deviations	Revaluation	Fair value of Available-for-sale financial assets	Total
At 1 January 2014	**44,666**	**28,486**	**805**	**73,956**
Increase/decrease through equity	-	(237)	10,560	10,323
Reversal trough profit and loss	9,581	-	-	9,581
Increase through profit and loss	-	(1,591)	-	(1,591)
Change in the period	9,581	(1,828)	10,560	18,313
At 31 December 2014	**54,246**	**26,659**	**11,365**	**92,270**

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

The legal documents that establish these revaluations were the following:

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

8 FINANCIAL ASSETS AND LIABILITIES

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

March 2015

	Notes	Credits and other receivables	Fair value - hedging derivative financial instruments	Fair value - Negotiable derivatives	Available-for-sale	Fair value - through profit and loss	Other financial assets/liabilities	Total carrying amount	Fair value
Assets									
Cash and cash equivalents	12	-	-	-	-	-	151,171	151,171	151,171
Trade and other receivables	10	395,805	-	-	-	-	-	395,805	395,805
Other financial assets		-	-	-	-	2,893	99,437	102,330	102,330
Available-for-sale financial assets	9	-	-	-	147,868	-	-	147,868	147,868
Income tax receivable	7	10,219	-	-	-	-	-	10,219	10,219
Derivative financial instruments	11	-	27,601	-	-	-	-	27,601	27,601
Total financial assets		**406,024**	**27,601**	**-**	**147,868**	**2,893**	**250,608**	**834,995**	**834,995**
Liabilities									
Borrowings	14	-	-	-	-	-	2,603,523	2,603,523	2,665,295
Trade and other payables	17	-	-	-	-	-	382,295	382,295	382,295
Income tax payable	7	-	-	-	-	-	17,366	17,366	17,366
Drivative financial instruments	11	-	19,892	596	-	-	-	20,488	20,488
Total financial liabilities		**-**	**19,892**	**596**	**-**	**-**	**3,003,183**	**3,023,671**	**3,085,443**

December 2014

	Notes	Credits and other receivables	Fair value - hedging derivative financial instruments	Fair value - Negotiable derivatives	Available-for-sale	Fair value - through profit and loss	Other financial assets/liabilities	Total carrying amount	Fair value
Assets									
Cash and cash equivalents	12	-	-	-	-	-	114,258	114,258	114,258
Trade and other receivables	10	545,967	-	-	-	-	-	545,967	545,967
Other financial assets		-	-	-	-	2,910	99,436	102,346	102,346
Available-for-sale financial assets	9	-	-	-	206,973	-	-	206,973	206,973
Income tax receivable	7	10,219	-	-	-	-	-	10,219	10,219
Derivative financial instruments	11	-	21,970	-	-	-	-	21,970	21,970
Total financial assets		**556,186**	**21,970**	**-**	**206,973**	**2,910**	**213,694**	**1,001,734**	**1,001,734**
Liabilities									
Borrowings	14	-	-	-	-	-	2,604,466	2,604,466	2,730,714
Trade and other payables	17	-	-	-	-	-	618,679	618,679	618,679
Income tax payable	7	-	-	-	-	-	-	-	-
Drivative financial instruments	11	-	24,581	-	-	-	-	24,581	24,581
Total financial liabilities		**-**	**24,581**	**-**	**-**	**-**	**3,223,145**	**3,247,726**	**3,373,974**

The caption “Fair value through profit and loss”, in the amount of 2,893 thousand Euros corresponds to the Group’s investment in the closed fund “Luso Carbon Fund” with a maturity of 10 years.

The caption "Other Financial Assets" includes a pledge bank deposit given to the EIB of 99,435 thousand Euros (at 31 December 2014 was 99,435 thousand Euros).

Loans obtained, as mentioned in Note 3.6, from the consolidated financial statements for the year ended 2014, are measured, initially at fair value and subsequently at amortized cost, except for those which it has been contracted derivative fair value hedges (Note 11) which are measured at fair value. Nevertheless, REN proceeds to the disclosure of the fair value of the caption Borrowings, based on a set of relevant observable data, which fall within Level 2 of the fair value hierarchy.

The fair value of borrowings and derivatives are calculated by the method of discounted cash flows, using the curve of interest rate on the date of the statement of financial position in accordance with the characteristics of each loan.

The range of market rates used to calculate the fair value ranges between -0.050 % and 0.761% (maturities of one day and fifteen years, respectively).

The fair value of borrowings contracted by the Group at 31 March 2015 is 2,665,295 thousand Euros (at 31 December 2014 was 2,730,714 thousand Euros), of which 723,727 thousand Euros are recorded partly at amortized cost and includes an element of fair value resulting from movements in interest rates (at 31 December 2014 was 421,906 thousand Euros).

Estimated fair value – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value at 31 March 2015 in accordance with the following hierarchy levels of fair value:

- Level 1: the fair value of financial instruments is based on net market prices as of the date of the balance sheet;
- Level 2: the fair value of financial instruments is not based on active market prices but rather on valuation models; and
- Level 3: the fair value of financial instruments is not based on active market prices, but rather on valuation models, for which the main inputs are not taken from the market.

		Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale financial assets	Shares	102,529	41,572	-	**144,101**
Financial liabilities at fair value	Fair value hedge derivatives	-	27,601	-	**27,601**
Other investments	Treasury funds	2,893	-	-	**2,893**
		105,423	**69,173**	**-**	**174,596**
Liabilities:					
Financial liabilities at fair value	Loans	-	723,727	-	**723,727**
Financial liabilities at fair value	Cash flow hedge derivatives	-	19,892	-	**19,892**
Financial liabilities at fair value through profit and loss	Negotiable derivatives	-	596	-	**596**
		-	**744,215**	**-**	**744,215**

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

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

Financial risk management

Since the last annual report period until 31 March 2015, there were no significant changes in the financial risk management of the Company compared to the risks disclosed in the consolidated financial statements as of 31 December 2014. A description of the risks can be found in Section 4 - Financial Risk Management of the consolidated financial statements for the year ended 2014.

9 ASSETS AVAILABLE FOR SALE

The assets recognised in this caption as of 31 March 2015 and 31 December 2014 correspond to equity interests held on strategic entities for the Group, which can be detailed as follows:

	Head office			Book value	
	City	Country	% owned	Mar 2015	Dec 2014
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	Madrid	Spain	10.00%	3,167	3,167
Red Electrica Corporacion, S.A. ("REE")	Madrid	Spain	1.00%	102,529	99,104
Enagás, S.A.	Madrid	Spain	1.00%	-	62,530
Med Grid SAS	Paris	France	5.45%	600	600
Hidroeléctrica de Cahora Bassa, S.A ("HCB")	Maputo	Mozambique	7.50%	41,572	41,572
				147,868	**206,973**

The changes in this caption were as follows:

	OMEL	Med Grid	HCB	REE	ENAGAS	Total
At 1 January 2014	**3,167**	**500**	**42,205**	**65,654**	**45,360**	**156,886**
Acquisitions	-	100	-	-	-	100
Fair value adjustments	-	-	(633)	33,450	17,170	49,987
At 31 December 2014	3,167	600	41,572	99,104	62,530	206,973
At 1 January 2015	**3,167**	**600**	**41,572**	**99,104**	**62,530**	**206,973**
Acquisitions	-	-	-	-	-	-
Fair value adjustments	-	-	-	3,425	748	4,173
Sales	-	-	-	-	(63,278)	(63,278)
At 31 March 2015	**3,167**	**600**	**41,572**	**102,529**	**-**	**147,868**

Red Eléctrica de España (“REE”) is the transmission system operator of electricity in Spain. REN, SGPS acquired 1% of equity interests in REE as part of the agreement signed by the Portuguese and Spanish Governments. REE is a listed company in Madrid`s index IBEX 35-

Spain and the financial asset was recorded on the statement of financial position at the market price on 31 March 2015.

During the three month period ended at 31 March 2015 REN sold all the shares held in Enagás, representing 1% of its capital at its market price, in the total amount of 63,278 thousand Euros, with a capital gain of 20,083 thousand Euros (Note 20).

Enagás is the transmission system operator of natural gas in Spain, being a listed company in Madrid`s index IBEX-35. The investment was valued at fair value by the Group until its sale based on its share price.

The Group increase holds 5.45% of the share capital in Medgrid S.A.S. This project consists in an international partnership to promote and develop the Mediterranean interconnection electric network, allowing the transportation of clean electricity produced in Africa to Europe.

REN SGPS holds 2.060.661.943 shares which represents 7.5% of Hidroeléctrica de Cahora Bassa S.A. share capital and voting rights, as a result of the conditions established in the agreement signed on 9 April 2012, between REN, Parpublica – Participações Públicas, SGPS, S.A. ("Parpublica"), CEZA – Companhia Eléctrica do Zambeze, S.A. and EDM – Electricidade de Moçambique. This participation was initially recorded at its acquisition cost (38,400 thousand Euros) and subsequently adjusted to its fair value which reflects the price at which the asset would be sold in an orderly transaction.

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

As there are no available market price for the above referred investments (MedGrid and OMEL), and as it is not possible to determine the fair value of the period using comparable transactions, these shares are recorded at its acquisition cost deducted of impairment losses as described in Note 3.6 of the consolidated financial statements for the year ended 2014, being REN understanding that there is no evidence of impairment loss of these investments on 31 March 2015.

The adjustments to fair value of available-for-sale financial assets are recognised in the equity caption "Fair value reserve" that as of 31 March 2015 and 31 December 2014 had the following amounts:

	Fair value reserve (Note 13)
1 January 2014	**20,886**
Changes in fair value	49,987
Tax effect	(10,560)
31 December 2014	**60,313**
1 January 2015	**60,313**
Changes in fair value	4,173
Sale of Enagás	(20,083)
Tax effect	3,090
31 March 2015	**47,492**

10 TRADE AND OTHER RECEIVABLES

Trade and other receivables as of 31 March 2015 and 31 December 2014 are made up as follows:

Trade and other receivables

	Mar 2015			Dec 2014		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	183,548	155	183,703	326,935	155	327,090
Impairment of trade receivables	(844)	-	(844)	(844)	-	(844)
Trade receivables net	182,704	155	182,859	326,090	155	326,246
Tariff deviations	91,462	110,127	201,589	120,538	86,027	206,565
State and Other Public Entities	11,357	-	11,357	13,157	-	13,157
Trade and other receivables	**285,523**	**110,282**	**395,805**	**459,785**	**86,182**	**545,967**

The most significant amounts in trade receivables are the receivables from EDP – Distribuição de Energia, S.A. in the amount of 57,496 thousand Euros (216,736 thousand Euros as of 31 December 2014) and Galp in the amount of 10,671 thousand Euros (19,304 thousand Euros as of 31 December 2014).

As of 31 December 2014, the receivables from EDP - Distribuição de Energia, S.A. includes a billing adjustment related to CMEC invoices issued in the amount of 128,676 thousand Euros, which are also reflected in the trade and other payables caption (Note 17) due to EDP Gestão da Produção de Energia, S.A. invoicing. This transaction consists in a pass-through, being off set in the Group consolidated financial statement of profit and loss.

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

	Mar 2015	Dec 2014
Begining balance	**(844)**	**(822)**
Increases	-	(22)
Ending balance	**(844)**	**(844)**

11 DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 March 2015 and 31 December 2014 the REN Group had the following derivative financial instruments contracted:

		31 March 2015			
		Assets		Liabilities	
	Notional	Current	Non-current	Current	Non-current
Derivatives designated as cash flow hedges					
Interest rate swaps	575,000,000 EUR	-	-	-	18,039
Interest rate and currency swaps	10,000,000,000 JPY	-	-	-	1,853
Derivatives designated as fair value hedges					
Interest rate swaps	700,000,000 EUR	-	27,601	-	-
		-	27,601	-	19,892
Negotiable derivatives	60,000,000 EUR	-	-	-	596
Derivative financial instruments		-	**27,601**	-	**20,488**

		31 December 2014			
		Assets		Liabilities	
	Notional	Current	Non-current	Current	Non-current
Derivatives designated as cash flow hedges					
Interest rate swaps	275,000,000 EUR	-	-	-	14,282
Interest rate and currency swaps	10,000,000,000 JPY	-	-	-	10,300
Derivatives designated as fair value hedges					
Interest rate swaps	400,000,000 EUR	-	21,970	-	-
		-	21,970	-	24,581
Negotiable derivatives		-	-	-	-
Derivative financial instruments		-	**21,970**	-	**24,581**

The valuation of the derivatives financial instruments portfolio is based on fair value valuations made by external specialized entities.

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

The amounts presented above include the amount of interest receivable or payable at 31 March 2015 relating to these derivatives financial instruments, in the total net amount payable of 1,455 thousand Euros (payable amount of 614 thousand Euros at 31 December 2014).

The main features of the derivatives financial instruments contracted associated with financing operations at 31 March 2015 and 31 December 2014 is detailed as follows:

	Reference value	Currency	REN's payments	REN's receipts	Maturity	Fair value at Mar 2015	Fair value at Dec 2014
Cash flow hedge:							
Interest rate swaps	575 000 tEuros	EUR	[0.75%; 2.77%]	[0.0%;0.027%] - floating rates	[Dec-2016; Dec-2024]	(18,039)	(14,282)
Interest rate and currency swaps	10 000 000 tJPY / 72 899 tEuros	EUR/JPY	5.64% (floating rate starting 2019)	2.71%	2024	(1,853)	(10,300)
						(19,892)	**(24,581)**
Fair value hedge:							
Interest rate swaps	700 000 tEuros	EUR	[0,13%;0,58%] - floating rates	[0.61%;1.72%]	[out-2020; fev-2025]	27,601	21,970
						27,601	**21,970**
Trading:							
Interest rate swaps	60 000 tEuros	EUR	floating rates	0.99%	2024	(596)	-
						(596)	**-**
					Total	**7,113**	**(2,611)**

The periodicity of paid and received flows of the derivative financial instruments portfolio is quarterly and half-yearly contracts to the cash flow hedge contracts, semi-annual and annual basis for derivative designated as a fair value hedge and semi-annual for the negotiable derivatives.

The detail of the notional reference of cash flows and fair value hedge derivatives is presented in the following table:

	2015	2016	2017	2018	2019	2020	Following years	Total
Interest rate swap (cash flow hedge)	5,769	205,769	63,462	-	-	-	300,000	575,000
Interest rate and currency swap (cash flow hedge)	-	-	-	-	-	-	72,899	72,899
Interest rate swap (fair value hedge)	-	-	-	-	-	400,000	300,000	700,000
Interest rate swap (trading)	-	-	-	-	-	-	60,000	60,000
Total	**5,769**	**205,769**	**63,462**	**-**	**-**	**400,000**	**732,899**	**1,407,899**

Swaps:

Cash flow hedges

The Group hedges part of its future payments of interests on debt through the contract of interest rate swaps, on which REN pays a fixed rate and receives a variable rate.

During the period ended at 31 March 2015, the Group contracted a forward start swap in order to hedge the interest rates future risk.

The Group hedges part of its future payments of interests on borrowings and bond issues through the interest rate swaps agreements, on which REN pays a fixed rate and receives a variable rate. As of 31 March 2015 the total amount of cash flow hedge is 575,000 thousand Euros (275,000 thousand Euros at 31 December 2014). 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 variable rate indexer to which the borrowing interest coupons relates. The objective of this hedging is to convert loans at variable interest rates to fixed interest rates, the credit risk not being hedged. The fair value of the interest rate swaps at 31 March 2015 was 18,039 thousand Euros negative (14,282 thousand Euros negative at 31 December 2014).

In addition, the Group hedges its exposure to cash flow risk on its bond issue of 10,000 million JPY resulting from foreign exchange rate risk, through a cross currency swap with the main features equivalent to the debt issued. The same hedging instrument is used to hedge the fair value of the exchange rate risk of the bond issue through the forward start swap component which will only start in June 2019. The variations in the fair value of the hedging instrument are also recognized in hedging reserves. As from June 2019 the object will be to hedge exposure to JPY and the interest rate risk, transforming the operation into a fair value hedge, the changes in fair value of the debt issued resulting from the risks covered becoming recognized in the statement of profit and loss. The credit risk is not hedged.

The amounts resulting from the hedging instrument are recognized in the statement of profit and loss when the transaction hedged affects results for the year.

The fair value of the cross currency swap at 31 March 2015 was 1,853 thousand Euros negative (10,300 thousand Euros negative at 31 December 2014).
The underlying exchange variation (borrowing) was negative on the first quarter of 2015, in the amount of 8,693 thousand Euros, and was offset by a similar variation in the hedging instrument in the statement of profit and loss (a negative variation of 1,116 thousand Euros was verified at 31 March 2015).

In the three month period ended 31 Mach 2015 the inefficient component variation recorded in the income statement amounted to 5,519 thousand Euros (4,463 thousand Euros at 31 December 2014).

The amount recorded in reserves relating to the above mentioned cash flow hedges was 29,216 thousand Euros (24,644 thousand Euros in December 2014).

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

	Fair value	Deferred taxes impact	Hedging reserves
1 January 2014	**(23,362)**	**5,373**	**(17,989)**
Changes in fair value and ineffectiveness	(1,282)	(198)	(1,480)
31 December 2014	**(24,644)**	**5,175**	**(19,468)**
1 January 2015	**(24,644)**	**5,175**	**(19,468)**
Changes in fair value and ineffectiveness	(4,572)	960	(3,612)
31 March 2015	**(29,216)**	**6,136**	**(23,080)**

Fair value hedge

The covered risk is related with fair value floating of the debt issues according to the interest rate fluctuations. The objective of this hedging is to convert loans at fixed interest rates to variable interest rates, the credit risk not being hedged.

During the first quarter of 2015, the Group issued debt in the amount of 300,000 thousand Euros at a fixed rate. To manage the fair value floating of this issue debt, the company contracted two swaps on which REN pays a variable rate and receives a fixed rate, with a notional amount of 300,000 thousand Euros. The risk covered is the fixed rate index to debt issued.

The fair value of these interest rate swaps with a notional amount of 700,000 thousand Euros at 31 March 2015 was 27,601 thousand Euros positive (21,970 thousand Euros positive at 31 December 2014).

Changes in the fair value of the debt issued resulting from the interest rate risk are recorded in the income statement to offset changes in the fair value of the hedge instrument recorded in the income statement. On the first quarter, the debt fair value changes related to the interest rates risk recorded in the income statement was 1,821 thousand Euros (negative) (9,864 thousand euros at 31 March 2014), resulting in an inefficient component of 2.481 thousand Euros positive (at 31 March 2014 was 174 thousand Euros negative).

Trading Swap

During the period ended on March 31, 2015, the Group traded a forward start interest rate swap on which it pays a fixed rate and receives a variable rate. This swap will begin in 2019 and will mature in 2024.

Although this swap is not designated as a hedge accounting instrument in accordance with IAS 39, it covers future index variations on the mentioned period.

On March 31, 2015, the trading swap notional amount was 60,000 thousand Euros. This swap hedge the interest rate risk related to future variable interest rate payments of recognized financial liabilities. The covered risk is the variable rate index to which the borrowing interest coupons are related. The objective of this hedge is to convert loans at variable interest rates to a fixed interest rate; the credit risk is not hedged. On March 31, 2015 the forward rate swap fair value was minus 596 thousand Euros.

The changes on the swap fair value are recognized in the income statement of this quarter. During the period ended on March 31, 2015 it was recorded a loss of 596 thousand Euros related to the trading swap fair value.

12 CASH AND CASH EQUIVALENTS

The amounts considered as cash and cash equivalents as of 31 March 2015 and 31 December 2014 are made up as follows:

	Mar 2015	Dec 2014
Cash	22	-
Bank deposits	151,149	114,258
Cash and cash equivalents in the statement of financial position	**151,171**	**114,258**
Bank overdrafts (Note 14)	(506)	(1,659)
Cash and cash equivalents in cash flow statement	**150,665**	**112,599**

13 EQUITY INSTRUMENTS

Share capital

REN's subscribed and paid up share capital as of 31 March 2015 and 31 December 2014 was made up of 534,000,000 shares of 1 Euro each.

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

Own shares

As of 31 March 2015 REN SGPS had the following own shares:

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

No own shares were acquired or sold in the three month period ended 31 March 2015.

In accordance with the Commercial Company Code ("Código das Sociedades Comerciais") REN SGPS must at all times ensure that there are sufficient Equity Reserves to cover the value of own shares, limiting the amount of reserves available for distribution.

Reserves and retained earnings

The caption "Reserves" in the amount of 299,188 thousand Euros includes:

- Legal reserve: The Commercial Company Code in place requires that at least 5% of the net profit must be transferred to this reserve until it has reached 20% of the share capital. The reserve can only be used to cover losses or to increase capital. At 31 March 2015 this caption amounts to 97,295 thousand Euros;

- Fair value reserves: includes changes in the fair value of available for sale financial assets (47,492 thousand Euros positive), as detailed in Note 9;

- Hedging reserve: includes changes in the fair value of hedging derivative financial instruments when cash flow hedge is effective (negative 23,080 thousand Euros) as detailed in Note 11;

- Free reserves: This caption is changed by (i) application of the results of previous years, being available for distribution to shareholders, except for the limitation set by the Companies Code in respect of own shares (free reserves), and (ii) changes in equity of associates registered under the equity method. On March 31, 2015, this caption amounts to 177,482 thousand Euros.

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

14 BORROWINGS

The segregation of borrowings between current and non-current and by nature, as of 31 March 2015 and 31 December 2014 was as follows:

	Mar 2015			Dez 2014		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	80,000	1,521,277	1,601,277	113,500	1,240,762	1,354,262
Bank Borrowings	100,404	758,487	858,891	111,654	747,388	859,042
Commercial Paper	106,000	30,000	136,000	150,000	227,000	377,000
Bank overdrafts (note 12)	506	-	506	1,659	-	1,659
Finance Lease	1,032	1,944	2,976	1,049	2,231	3,280
	287,942	2,311,708	2,599,650	377,862	2,217,381	2,595,243
Accrued interest	20,445	-	20,445	25,787	-	25,787
Prepaid interest	(5,369)	(11,204)	(16,572)	(6,697)	(9,867)	(16,564)
Borrowings	**303,018**	**2,300,504**	**2,603,523**	**396,952**	**2,207,514**	**2,604,466**

At 31 March 2015 borrowings settlement plan was as follows:

	2015	2016	2017	2018	2019	2020	Following years	Total
Debt - Non current	-	381,087	101,647	456,727	111,836	502,372	746,788	2,300,458
Debt - Current	268,440	30,752	-	-	-	-	-	299,192
	267,933	**411,839**	**101,647**	**456,727**	**111,836**	**502,372**	**746,788**	**2,599,650**

Detailed information regarding bond issues as of 31 March 2015 is as follows:

31 March 2015					
Emission date	Maturity	Inicial amount	Outstanding amount	Interest rate	Periodicity of interest payment
'Euro Medium Term Notes' programme emissions					
2009-06-26	2024-06-26	tJPY 10,000,000 (i)	tJPY 10,000,000	Fixed rate (ii)	Semesterly
2012-09-21	2016-09-21	tEUR 300,000	tEUR 300,000	Fixed rate EUR 6.25%	Semesterly
2012-09-28	2015-09-28	tEUR 50,000 (i)	tEUR 50,000	Fixed rate	Annual
2013-01-16	2020-01-16	tEUR 150,000 (i)	tEUR 150,000	Floating rate	Quarterly
2013-01-31	2018-01-31	tEUR 300,000	tEUR 300,000	Fixed rate EUR 4.125%	Annual
2013-10-17	2020-10-16	tEUR 400,000	tEUR 400,000	Fixed rate EUR 4.75% (	Annual
2015-02-12	2025-02-12	tEUR 300,000	tEUR 300,000	Fixed rate EUR 2.50% (	Annual

(i) These emissions correspond to private placements.
(ii) These emissions has interest and currency rate swaps associated

The Group has five active commercial paper programmes, in the amount of 900,000 thousand Euros, of which 764,000 thousand Euros are available. From the total amount of commercial paper programs, 575,000 thousand Euros have subscription guarantee.

On the first quarter, the following changes were made:

- The Group issued debt in the amount of 300,000 thousand Euros at a fixed rate; and
- As part of the financing agreement, signed in 2010 with EIB, to finance projects on the electricity area, was disbursed the second tranche in the amount of 75,000 thousand Euros.

The bank loans are mainly (614,395 thousand Euros) represented by EIB loans.

The Group has also credit lines negotiated and not used in the amount of 80,000 thousand Euros, maturing up to one year, which are automatically renewable periodically (if they are not resigned in the contractually specified period for that purpose).

As a result of the fair value hedge related to the debt emission in the amount of 700,000 thousand Euros (Note 11), fair value changes concerning interest rate risk were recognised directly in statement of profit and loss, in a negative amount of 1,821 thousand Euros negative (9,864 thousand Euros negative as of 31 March 2014).

The REN financial liabilities have the following main types of covenants: *Cross default, Pari Passu, Negative Pledge, Gearing* (ratio of total consolidated equity to the amount of the

Group’s total conceded assets). The Group’s gearing ratio comfortably fulfils the contractually defined limits, being 104% above the minimum level (as of 31 December 2014 it was 97% above such level).

The borrowings from EIB – European Investment Bank include ratings covenants. In the event of ratings below the levels specified, REN can be called to provide a guarantee acceptable to EIB.

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

REN and its subsidiaries are a part of certain financing agreements and debt issues, which include change in control clauses typical in this type of transactions (including, though not so expressed, changes in control as a result of takeover bids) and essential to the realization of such transactions on the appropriate market context. In any case, the practical application of these clauses is limited to considering the legal ownership of shares of REN restrictions.

Leases

The minimum payments of the financial leases and the actual value of the financial leases passive at 31 March 2015 and 31 December 2014 are as follows:

	Mar 2015	Dec 2014
Finance lease liabilities - minimum lease payments		
No later than 1 year	1,086	1,133
Later than 1 year and no later than 5 years	2,025	2,309
	3,111	3,442
Future finance charges on finance leases	(135)	(162)
Present value of finance lease liabilities	**2,976**	**3,280**

	Mar 2015	Dec 2014
The present value of finance lease liabilities is as follows:		
No later than 1 year	1,032	1,049
Later than 1 year and no later than 5 years	1,944	2,231
	2,976	**3,280**

15 POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS

REN – Rede Eléctrica Nacional, S.A. grants supplementary retirement, early-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 (referred to as "other benefits"). The Group also grants their employees life assurance plans.

As of 31 March 2015 and 31 December 2014 the Group had the following amounts recorded relating to liabilities for retirement and other benefits:

	Mar 2015	Dec 2014
Liability on the Balance Sheet		
Pension plan	85,343	86,465
Healthcare plan and other benefits	40,069	39,996
Life assurance plan	161	157
	125,573	**126,617**

During the three month period ended 31 March 2015 and 31 March 2014 the following operating expenses were recorded regarding benefit plans with employees:

	Mar 2015	Mar 2014
Charges to the statement of profit and loss (Note 22)		
Pension plan	1,163	1,429
Healthcare plan and other benefits	347	416
Life assurance plan	4	4
	1,514	**1,848**

The amounts reported to 31 March 2015 result from the projection of the actuarial valuation as of 31 December 2014 for the three month period ended 31 March 2015, considering the estimated increase in salaries for 2015.

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

	Mar 2015	Dec 2014
Annual discount rate	2.00%	2.00%
Expected percentage of serving employees elegíble for early retirement (more than 60 years of age and 36 years in service) - by Collective work agreement	20.00%	20.00%
Expected percentage of serving employees elegíble for early retirement - by Management act	20.00%	20.00%
Rate of salary increase	2.70%	2.70%
Pension increase	1.20%	1.20%
Future increases of Social Security Pension amount	0%	0%
Inflation rate	1.20%	1.20%
Medical trend	3.50%	3.50%
Management costs (per employee/year)	223€	223€
Expenses medical trend	1.20%	1.20%
Retirement age (number of years)	66	66
Mortality table	TV 88/90	TV 88/90

16 PROVISIONS

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

	Mar 2015	Dec 2014
Begining balance	**7,316**	**5,903**
Increases	-	1,449
Reversing	-	-
Utilization (i)	(126)	(35)
Ending balance	**7,190**	**7,316**
Current provision	2,242	2,369
Non-current provision	4,947	4,947
	7,190	**7,316**

As of 31 March 2015 the caption “Provisions” corresponds essentially to estimates of the payments to be made by REN resulting from legal processes in progress for damage caused to third parties and a restructuring provision in the amount of 1,213 thousand Euros, related to the Group’s restructuring plan in course.

17 TRADE AND OTHER PAYABLES

The caption “Trade and other payables” as of 31 March 2015 and 31 December 2014 was made up as follows:

	Mar 2015			Dec 2014		
	Current	Non current	Total		Non current	Total
Trade payables						
Current suppliers (Note 12)	115,736	-	115,736	263,608	-	263,608
Other creditors						
Other creditors (Note 12)	129,530	27,618	157,149	145,500	27,788	173,288
Tariff deviations (Note 12)	41,180	13,784	54,965	55,650	2,975	58,625
Fixed assets suppliers (Note 12)	34,603	-	34,603	99,813	-	99,813
Tax payables (Note 12) (i)	14,056	-	14,056	18,615	-	18,615
Deferred income						
Grants related to assets	17,898	294,824	312,722	17,795	297,465	315,259
Accrued costs						
Holidays and holidays subsidies (Note 12)	5,788	-	5,788	4,729	-	4,729
Trade and other payables	**358,790**	**336,226**	**695,017**	**605,710**	**328,228**	**933,938**

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

As of 31 March 2015 the caption "Other creditors" includes mainly, (i) the amount of 47,187 thousand Euros relating to an amount received by the Portuguese State, on January 3, 2014, to be returned to the National Electric System for the purposes of the tariff deficit reduction and mitigation of the impact of tariff costs to energy policy, in accordance with applicable law; and (ii) the recognition in 2015 of the entire obligation for the extraordinary contribution on energy sector in the amount of 25,440 thousand Euros (Note 25).

As of 31 December 2014, the caption "Current suppliers " includes the correction of the "CMEC" invoiced by EDP – Gestão da Produção de Energia, S.A., in the amount of 128,676 thousand Euros, also reflected under caption "Trade and other receivables "(Note 10) through the invoice issued to EDP – Distribuição de Energia, S.A. This transaction sets a pass-through in the consolidated income statement of REN.

18 SALES AND SERVICES RENDERED

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

	Mar 2015	Mar 2014
Goods:		
Domestic market	62	21
	62	21
Services:		
Electricity transmission and overall systems management	86,892	96,324
Natural gas transmission	30,217	30,811
Regasification	7,859	7,250
Underground gas storage	3,919	3,252
Telecommunications network	1,243	1,236
Trading	1,263	989
Others	611	134
	132,004	139,996
Total sales of goods and services	**132,066**	**140,017**

19 REVENUE AND COSTS FROM CONSTRUCTION ACTIVITIES

As part of the concession contracts treated under IFRIC 12, the construction activity is subcontracted to specialized suppliers. Therefore the Group obtains no margin in the construction of these assets. The detail of the revenue and expenses with the acquisition of concession assets for the three month periods ended 31 March 2015 and 2014 is the following:

	Mar 2015	Mar 2014
Revenue from construction of concession assets		
- Acquisitions	4,693	4,901
- Own work capitalised :		
Financial expenses (Note 5)	522	964
Overhead and management costs (Note 5)	3,156	3,660
	8,370	**9,524**
Cost of construction of concession assets		
- Acquisitions	4,693	4,901
	4,693	**4,901**

20 OTHER OPERATING INCOME

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

	Mar 2015	Mar 2014
Recognition of investment subsidies	4,474	4,447
Supplementary income	312	450
Capital gain from Enagás (Note 9)	20,083	-
Others	445	400
	25,315	**5,296**

21 EXTERNAL SUPPLIES AND SERVICES

The caption "External supplies and services" for the three month periods ended 31 March 2015 and 2014 is made up as follows:

	Mar 2015	Mar 2014
Gas transport subcontracts	890	944
Maintenance costs	817	893
Fees relating to external entities i)	1,949	1,313
Electric energy costs	1,034	981
Insurance costs	817	698
Advertising and communication costs	177	224
Security and surveillance	412	415
Other (less than 400 thousand Euros)	1,029	1,214
External supplies and services	**7,125**	**6,683**

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

22 PERSONNEL COSTS

Personnel costs are made up as follows:

	Mar 2015	Mar 2014
Remuneration		
Board of directors	606	549
Personnel	7,986	8,194
	8,591	8,744
Social charges and other expenses		
Post-employement and other benefits cost (Note 15)	1,514	1,848
Social contribution costs	1,789	1,853
Social support costs	12	8
Other	624	605
	3,940	4,314
Total personnel costs	**12,531**	**13,058**

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

23 OTHER OPERATING COSTS

Other operating costs are made up as follows:

	Mar 2015	Mar 2014
ERSE operating costs i)	2,302	2,249
Taxes	198	280
Donations and contributions	625	594
Others	195	39
	3,321	**3,162**

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

24 FINANCIAL COSTS AND INCOME

Financial costs and income are made up as follows:

	Mar 2015	Mar 2014
Financial costs		
Interest cost	27,129	31,791
Other financial investments	17	203
Other financial costs	823	535
	27,969	**32,529**
Financial income		
Interest income	65	1,376
Derivative financial instruments	3,556	1,310
	3,621	**2,685**

25 ENERGY SECTOR EXTRAORDINARY CONTRIBUTION

Law No. 83-C / 2013 of 31 December introduced a specific contribution of entities operating in the energy field, called Energy Sector Extraordinary Contribution ("ESEC"), which was extended by Law No. 82-B / 2014 of 31 December.

The regime introduced is aimed at financing mechanisms that promote systemic sustainability of the sector through the setting up of a fund with the main objective of reducing the tariff deficit. Are subject to this regime, among others, the entities that are dealers of transport activities or distribution of electricity and natural gas.

The calculation of the amount to be paid in the case of regulated companies is levied on the higher of value of regulated assets and net assets, as of 1 January 2015, on which is applied the rate of 0.85%.

To the extent that it is a present obligation whose facts originating already occurred, with timing and amounts certain or ascertainable, REN recorded liabilities in the amount of 25,440 thousand euros (Note 17), a deferral asset in the amount of 19,080 thousand euros and the related expense for the three months period ended 31 March 2015 in the amount of 6,360 thousand euros.

26 EARNINGS PER SHARE

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

		Mar 2015	Mar 2014
Consolidated net profit used to calculate earnings per share	(1)	39,390	26,293
Number of ordinary shares outstanding during the period (Note 13)	(2)	534,000,000	534,000,000
Effect of own shares (Note 13)		3,881,374	3,881,374
Number of shares in the period	(3)	530,118,626	530,118,626
Basic earnings per share (euro per share)	**(1)/(3)**	**0.07**	**0.05**

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

27 DIVIDENDS PER SHARE

During the General Shareholders Meeting held on 17 April 2015, the shareholders approved the distribution of dividends with respect to the net profit of 2014, in the amount of 91,314 thousand Euros, corresponding to a gross dividend amount of 0.171 Euros per share, which include 664 thousand Euros attributable to own shares.

The distribution of dividends with respect to the net profit of 2013 amounted to 91,314 thousand Euros (0,171 Euros per share). From this amount, 664 thousand Euros were attributable to own shares, having been paid to the shareholders an amount of 90,650 thousand Euros.

28 GUARANTEES GIVEN

As of 31 March 2015 and 31 December 2014 the REN Group had given the following guarantees:

Beneficiary	Scope	Mar 2015	Dec 2014
European Investment Bank (EIB)	To guarantee loans	347,404	272,404
General Directorate of Energy and Geology	To guarantee compliance with the obligations assumed resulting from the contract relating to the public service concession	20,500	20,500
Judge of District Court	Guarantee for expropriation processes	5,549	5,549
Municipal Council of Seixal	Guarantee for litigation	2,152	4,079
Electricity Iberian Market (OMI)	To guarantee payments resulting from trading participation as purchaser in the Spanish market	2,000	2,000
Municipal Council of Odivelas	Guarantee for litigation	1,119	1,119
Social Security Institution	Ensure compliance with obligations	511	511
Municipal Council of Silves	Guarantee for expropriation processes	352	352
Tax Authority and Customs	Ensure the suspension of tax enforcement proceedings	205	205
NORSCUT - Concessionária de Auto-estradas, SA	To guarantee prompt payment of liabilities assumed by REN in the contract ceding utilization	200	200
European Union	To comply with the contractual requirements of the grant agreement	177	177
Labour Court of Lisbon	Guarantee for litigation	-	153
Municipal Council of Aveiro	Guarantee for litigation	87	43
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed	84	84
Municipal Council of Vila Nova de Gaia	Guarantee the suspension of process nº 412/13	2	2
		380,342	**307,377**

29 RELATED PARTIES

Main shareholders and shares held by corporate bodies

As of 31 March 2015 and 31 December 2014, the shareholder structure of Group REN was as follows:

	Mar 2015		Dec 2014	
	Number of shares	**%**	**Number of shares**	**%**
State Grid Europe Limited (Group State Grid)	133,500,000	25.00%	133,500,000	25.00%
Mazoon B.V. (Group Oman Oil Company S.A.O.C.)	80,100,000	15.00%	80,100,000	15.00%
Gestmin, SGPS, S.A.	31,326,951	5.87%	31,326,951	5.87%
Fidelidade - Companhia de Seguros, S.A.	27,048,854	5.07%	26,421,424	4.95%
EDP - Energias de Portugal, S.A.	26,707,335	5.00%	26,707,335	5.00%
Oliren, SGPS, S.A.	26,700,000	5.00%	26,700,000	5.00%
Red Eléctrica Corporación, S.A.	26,700,000	5.00%	26,700,000	5.00%
EGF - Gestão e Consultoria Financeira, S.A.	-	0.00%	15,667,174	2.93%
Own shares	3,881,374	0.73%	3,881,374	0.73%
Free float	178,035,486	33.34%	162,995,742	30.52%
	534,000,000	**100.00%**	**534,000,000**	**100.00%**

Transaction over REN shares by the Board of Directors

In the period ended 31 March 2015 didn't occur any transactions carried out by Corporate Bodies in relation to the consolidated financial statements as of 31 December 2014.

Remuneration of the Board of Directors

The Board of Directors of REN, SGPS was considered in accordance with IAS 24 to be the only key entity in the management of the Group.

Remuneration of the Board of Directors of REN, SGPS in the three month period ended 31 March 2015 amounted to 606 thousand Euros (549 thousand Euros on 31 March 2014), as shown in the following table:

	Mar 2015	Mar 2014
Remuneration and other short term benefits	606	549
	606	**549**

Transactions with group or dominated companies

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

In the consolidation process the amounts related to such transactions or open balances are eliminated (Note 3.2 of the notes to the consolidated financial statements as of 31 December 2014) in the consolidated financial statements.

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

Balances and transactions held with associates and other related parties

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

Revenue

	Mar 2015	Mar 2014
Sales and services provided		
Invoicing issued - EDP	268,166	457,341
Invoicing issued - REE	513	305
Invoicing issued - Centro de Investigação em Energia REN - State Grid	18	37
Financial income		
Financial income - OMIP	114	-
Interest on financial aplications-CGD[1]	-	139
	268,811	**457,823**

[1] Within the reprivatization process this entity is no longer part of the shareholder structure since 17 June 2014.

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

Costs

	Mar 2015	Mar 2014
External supplies and services		
Invoicing received - EDP	118,327	247,257
Invoicing received - OMIP	63	-
Invoicing received - REE	1,271	-
Invoicing received - CMS Rui Pena & Arnaut[1]	28	11
Financial costs		
Interests on Commercial paper - CGD[2]	-	16
Borrowings fees - CGD[2]	-	231
Derivative financial instruments - CGD[2]	-	840
	119,688	**248,354**

[1] Entity related to the Administrator José Luis Arnaut

[2] Within the reprivatization process this entity is no longer part of the shareholder structure since 17 June 2014.

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

Balances

As of 31 March 2015 and 31 December 2014 the balances resulting from transactions with related parties were as follows:

	Mar 2015	Dec 2014
Trade and other receivables		
EDP - Trade receivables	73,623	227,448
EDP - Other receivables	2,127	1,633
OMIP - Other receivables	1	2
OMIP - Guarantees	400	700
Oman Oil - Other receivables	1	1
Fidelidade - Companhia de seguros - Other receivables	1	1
Centro de Investigação em Energia REN - State Grid - Other receivables	5	211
Centro de Investigação em Energia REN - State Grid - Trade receivable	7	15
REE - Trade receivables	223	35
	76,388	**230,045**
Trade and other payables		
EDP - Trade payables	10,530	132,979
OMIP - Other payables	-	183
OMIP - Guarantees	27	27
Centro de Investigação em Energia REN - State Grid - Other payables	-	7
REE - Trade payables	-	248
Norfin Sociedade Gestora de Fundos - Guarantees[1]	-	9
CMS - Rui Pena & Arnaut - Trade payables[2]	15	20
	10,572	**133,472**

[1] Entities related to EGF - Gestão e Consultoria Financeira, S.A. Group. This Group, as of 31 March of 2015, is no longer a shareholder.

[2] Entity related to the Administrator José Luis Arnaut

30 SUBSEQUENT EVENTS

There are no situations of subsequent events to report.

31 EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with IAS 34 – Interim Financial Reporting. In the event of discrepancies, the Portuguese language version prevails.

The Accountant

Maria Teresa Martins

The Board of Directors

Rodrigo Costa
(Chairman of the Board of Directors and Chief Executive Officer)

Manuel Champalimaud
(Member of the Board of Directors)

João Faria Conceição
(Member of the Board of Directors and Chief Operational Officer)

Jorge Magalhães Correia
(Member of the Board of Directors)

Gonçalo Morais Soares
(Member of the Board of Directors and Chief Financial Officer)

Francisco João Oliveira
(Member of the Board of Directors)

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

José Luis Arnaut
(Member of the Board of Directors)

Mengrong Cheng
(Member of the Board of Directors)

Manuel Sebastião
(Member of the Board of Directors and Chairman of the Audit Committee)

Longhua Jiang
(Member of the Board of Directors)

Gonçalo Gil Mata
(Member of the Board of Directors and of the Audit Committee)

Omar Al Wahaibi
(Member of the Board of Directors)

Maria Estela Barbot
(Member of the Board of Directors and of the Audit Committee)

Note – The remaining pages of this Report and Accounts (1st quarter of 2015) were initialled by the Company Secretary, Pedro Cabral Nunes, and the Accountant, Maria Teresa Martins.