Amendment

Due to small inaccuracies found in the Appendices of 2008 First Half Results and Accounts, we hereby publish the correct version.

Lisbon, October 10th 2008

REN – REDES ENERGÉTICAS NACIONAIS, S.G.P.S., S.A.
Listed Company
Share Capital: € 534,000,000
Commercial Registry Office of Lisbon: registry and tax sole number 503 264 032
Head Office: Avenida Estados Unidos da América, no. 55
1749-061 Lisbon

Report and accounts

First half 2008

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Unofficial Translation

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

Contents

1. Interim Management Report

1.1. Introduction

The first half-year of 2008 was an important period in the life of REN. It saw several important developments in the company's business activities, of which the following are the most significant:

- The launch of REN Serviços. This new company centralises the group's back office operations and began supplying services to the various group companies on a totally transparent and contractual basis, where the costs are borne by each internal customer in proportion to their share in the use of the shared resources.
- The launch of investment projects in the area of natural gas, after a number of years in which there was practically no investment in the national high pressure infrastructure beyond the underground storage facilities. Here one can highlight the beginning of the construction work on a number of high pressure pipelines to connect to the network the new combined cycle power stations, which will begin operation in the 2009-2011 period, and the launch of construction on the third LNG storage tank at the Sines terminal.
- The signing of a strategic partnership agreement with Enagás along the lines of that which had been signed in 2007 by REN and Red Eléctrica de España. These agreements aim to boost the synergies between the Iberian electricity and natural gas transmission grid operators, with a view to implementing the MIBEL and the MIBGAS. According to the agreement, REN acquired Enagás shares in the stock market to make up a 1% shareholding in the capital of that company.
- The beginning of operation of the system services market along new lines within the context of the MIBEL.
- The achievement of an international rating for the REN Group, as had been announced to the market during the company's IPO. REN became the listed

company with the highest rating in Portugal and was given a fundamental tool for restructuring its debt.

- Receipt of the amount of EUR 466,2 million by way of payment of the tariff deficit and the deficit related to rent payment for land occupied by power stations for the 1999-2003 period, which enabled the company to reduce its net debt and improve its financial ratios.

1.2. Change in Profits

The Net Profit for the first half-year 2008 amounted to EUR 82,8 million, which is an increase of 11% over the profits for the same period in 2007 (EUR 74,6 million).

Consolidated Profit and Loss Account — **Un: Thousand Euros**

	Period		Change	
	2007	**2008**	**Amount**	**%**
Sales of goods and services provided	282.974	246.485	(36.489)	-12,9%
Other operating income	14.313	86.989	72.676	507,8%
Profits of joint ventures	3.664	4.522	858	23,4%
Operating income	300.951	337.996	37.045	**12,3%**
Employee compensation and external supplies and services	(97.444)	(59.115)	38.329	-39,3%
Depreciation and impairment charges	(60.872)	(64.615)	(3.743)	6,1%
Provisions for liabilities and charges		(22.754)	(22.754)	
Other operating costs	(5.963)	(47.128)	(41.165)	690,3%
Operating costs	(164.279)	(193.612)	(29.333)	**17,9%**
Operating profit	136.672	144.384	7.712	**5,6%**
Financial profit	(36.147)	(32.851)	3.296	**-9,1%**
Profit before income taxes	100.525	111.533	11.008	**11,0%**
Income tax expense	(25.945)	(28.758)	(2.813)	10,8%
Profit for the year	74.580	82.775	8.195	**11,0%**

The increase in the Profit Before Income Taxes (+ EUR 11 million) was a result of the improvement in the Operating Profit (+ EUR 7,7 million) and the Financial Profit (+ EUR 3,3 million).

The Operating Profit benefited from a non-recurrent event: REN’s receipt of the sum of EUR 466,2 million for the tariff deficit and the deficit related to rent payment for land occupied by power stations for the 1999-2003 period. This anticipated revenue had a net impact of EUR 44,4 million on the Operating Profit, resulting from an increase in income of EUR 67,2 million and a provision of EUR 22,7 million.

A comparison of the individual items in the Profit and Loss Account for the 1st half of 2008 and the same period in 2007 is rendered difficult by the changes that took place in mid-2007 as a result of the effective launch of the Iberian Electricity Market (MIBEL) and the simultaneous termination of the Power Purchase Agreements (PPAs) between REN and the electricity generation companies.

These changes had an important impact on the accounts. Some of them changed REN's financial flows without having a significant influence on the profits, although they did affect individual items in the income and costs accounts. Other changes had a direct impact on the profits.

The former group include the Costs of Maintenance of Contractual Equilibrium (CMEC), where REN pays certain monthly amounts to the power generators and receives the respective counterpart from EDP Distribuição.

The second group includes the drastic alteration to REN's trading activity in terms of PPA management. Up until 30 June 2007 REN had managed thirty-two PPAs corresponding to the same number of power stations, and had also received half of the commercial gains brought about by the management of the energy generated by those power stations. As of 1 July 2007, REN retained management of only two PPAs –for the Tapada do Outeiros combined cycle power station and the Pego coal-fired power station – and the income generated with the respective management was limited, by regulation, to a maximum of EUR 5,7 million, from which the REN Trading SA operating costs have to be deducted.

1.2.1. Operating Income

Operating Income rose to EUR 338 million in the first half of 2008, an increase of 12,3% over the same period in the previous year.

This increase included the impact of the aforementioned land payment deficit. In IFRS accounting terms, this operation resulted in non-recurrent income of EUR 67,2 million (which was partially counterbalanced by provisions of EUR 22,8 million), which was booked under “Other Operating Income”.

The commercial gains, reflected in the Sales of Goods and Services Provided item, amounted to EUR 2,4 million in this half-year, as compared to EUR 16,1 million in same period of the preceding year. This decrease is a result of the aforementioned termination of most of the PPAs and the simultaneous change in the regulation system for commercial gains.

1.2.2. Operating Costs

The Operating Costs rose to EUR 193,6 million in the first half of 2008, which is an increase of 17,9% over the same period in 2007.

The non-recurrent account movement related to the receipt of the land payment deficit, which also resulted in the creation of provisions of EUR 22,7 million, contributed to this increase.

The Employee Compensation and External Supplies and Services were down 39,3%. This drop can be explained by the aforementioned impact on the accounts of the launch of the MIBEL (essentially, the reduction of the External Supplies and Services related with system services). Up to July 1st 2007 REN incurred system management costs that were included in the PPA costs, recovering them through the General System Management tariff. From the aforementioned date onwards, these costs are borne directly by the market agents without impacting the REN accounts.

Also, the Other Operating Costs rose to EUR 47,1 million, as compared to EUR 6 million in the same period in 2007. This very significant increase is also a result of the reorganisation of the electricity sector. In the first half of 2008, REN bore the surcharges amounting to EUR 34,9 million with the PPAs that remained in existence. These costs did not exist on June 30th 2007. However, this amount is offset by income in the Provision of Services item.

1.2.3. Financial Profit

The Financial Profit amounted to EUR 32,9 million in the first half of 2008, as compared to EUR 36,1 million in the same period in 2007. There was thus a favourable development of EUR 3,3 million, benefiting from the anticipated receipt of the tariff deficit and the land payment deficit, with a corresponding reduction of the net debt.

1.3. Balance sheet

Balance Sheet — Un: Thousand Euros

Items	2007	30 Jun 08
Net fixed assets	3.085.693	3.040.328
Available -for-sale financial assets	59.567	99.993
Interest in joint ventures	9,025	5,095
Trade and other receivables	611.721	323.731
Cash and cash equivalents	125.920	570.414
Other	77.607	111.748
Assets	**3.969.533**	**4.151.309**
Total equity	1.006.327	996.681
Financial debt	2.054.921	2.249.261
Leasing	2.153	2.315
Trade and other payables	271.098	255.678
Investment subsidies	298.266	292.656
Other	336.768	354.717
Liabilities	**2.963.206**	**3.154.628**
Total Equity and Liabilities	**3.969.533**	**4.151.309**

In the development of the Balance Sheet items, the following aspects are worth highlighting:

a) The growth in the Financial Assets Available for Sale item can be explained by the acquisition of 1% of Enagás, in compliance with the strategic partnership agreement signed by REN and that company.

b) The decrease of approximately EUR 288 million in the Accounts Receivable item is a result of the receipt of the Tariff Deficit previously entered in this account.

c) Finally, again strongly impacted by the receipt of this amount, the Net Financial Debt dropped by approximately EUR 250 million since the end of the financial year 2007.

1.4. Outlook for the Second Half-Year

It is not possible to predict REN's profits in the second half of the year through mere extrapolation of what took place in the first half, given that the first half included a non-recurrent event with a positive impact on the profits in accordance with IFRS standards: the receipt of the land payment deficit, which enabled the company to eliminate an imparity in the balance sheet.

In terms of recurrent income and costs, no significant differences are expected in the second half, given that there will also be no regulatory changes for the rest of the year.

ERSE will be disclosing the new tariffs to be charged by REN in 2007 by December 15th of this year. These will be preceded by the publication of the regulations that will be in force in the new multi-annual regulatory period, which begins on January 1st 2009.

2. Condensed consolidated financial statements

2.5. Condensed consolidated balance sheet

Un: Thousand euros

	Note	As at 30 June 2008	As at 31 Decenber 2007
ASSETS			
Non-current assets			
Property, plant and equipment	5	2.701.496	2.654.320
Goodwill		3.774	3.774
Investment properties	6	335.058	427.599
Interest in joint ventures		5.095	9.025
Deferred income tax assets	7	39.860	19.416
Available-for-sale financial assets	8	99.993	59.567
Trade and other receivables	9	75.434	100.264
		3.260.710	**3.273.965**
Current assets			
Inventories		8.308	3.073
Trade and other receivables	9	248.297	511.457
Income tax receivable		15.483	15.354
Guarantee deposits		41.694	39.765
Derivative financial instruments		6.403	
Cash and cash equivalents		570.414	125.920
		890.599	**695.569**
Total assets		**4.151.309**	**3.969.534**
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	10	534.000	534.000
Other reserves	11	175.497	152.591
Retained earnings	11	203.858	174.033
Profit for the year attributable to equity holders of the Company	11	82.741	145.150
		996.096	**1.005.774**
Minority interest	11	585	555
Total equity		**996.681**	**1.006.329**
LIABILITIES			
Non- current liabilities			
Borrowings	12	1.110.065	687.169
Deferred income tax liabilities	7	84.869	178.345
Retirement and other benefits obligations	13	30.408	28.016
Trade and other payables		277.275	280.585
Provisions for other liabilities and charges	14	53.607	30.853
		1.556.224	**1.204.968**
Current liabilities			
Borrowings	12	1.141.512	1.369.905
Trade and other payables		271.059	288.778
Income tax payable		139.317	59.789
Derivative financial instruments		4.822	
Guarantee deposits		41.694	39.765
		1.598.404	**1.758.237**
Total liabilities		**3.154.628**	**2.963.205**
Total equity and liabilities		**4.151.309**	**3.969.534**

The notes in pages 14 to 37 are an integral part of these condensed consolidated financial statements.

2.6. Condensed consolidated income statement

Un: Thousand euros

	Note	As at 30 June 2008	As at 30 June 2007
Sales of goods	23	183	120
Services provided	23	246.302	279.444
Operating revenue		**246.485**	**279.564**
Cost of goods sold		(244)	(148)
External supplies and services	24	(33.635)	(74.575)
Employee compensation and benefit expense	25	(25.480)	(22.869)
Depreciation and impairment charges		(64.615)	(60.872)
Provisions for liabilities and charges	21	(22.754)	-
Other expenses	26	(46.884)	(5.814)
Other income	26	86.989	17.722
Operating profit		**139.862**	**133.008**
Finance costs	27	(45.619)	(38.361)
Finance income	27	12.768	2.214
Share of (loss)/profit of joint ventures	10	4.522	3.664
Profit before income taxes		**111.532**	**100.525**
Income tax expense	28	(28.758)	(25.945)
Profit for the year		**82.775**	**74.580**
Attributable to:			
Equity holders of the Company		82.741	74.553
Minority interest		34	27
		82.775	**74.580**
Earnings per share attributable to the equity holders of the company during the year (expressed in euro per share)			
- basic		0,15	0,14
- diluted		0,15	0,14

The notes in pages 14 to 37 are an integral part of these condensed consolidated financial statements.

2.7. Condensed consolidated statement of recognised income and expense

Un: Thousand euros

	As at 30 June	
	2008	**2007**
Actuarial gains and losses - gross of tax	(4.044)	
Net fair value gains on available for sale investments - gross of tax	(2.768)	
Tax on items taken directly to or transferred from equity	1.438	
Net income recognised directly in equity	**(5.374)**	**-**
Profit for the period	**82.775**	**74.580**
Total recognised income for the year	**77.401**	**74.580**
Attributable to:		
Equity holders of the company	77.367	74.553
Minority interest	34	27
	77.401	**74.580**

The notes in pages 14 to 37 are an integral part of these condensed consolidated financial statements.

2.8. Condensed consolidated cash flow statement

Un: Thousand euros

	As at 30 June	
	2008	2007
Cash flow from operating activities		
Cash receipts from customers	1.011.245	1.345.301
Cash paid to suppliers	(548.475)	(1.164.597)
Cash paid to employees	(25.197)	(28.586)
Income tax paid	(60.468)	(44.476)
Net flows from operating activities	**377.105**	**107.642**
Cash flow from investing activities		
Receipts related to:		
Financial investments		51
Sale of PPE	152.279	22.789
Grants related to to assets	16.686	4.448
Dividends	576	8.491
Payments related to:		
Financial investments	(43.425)	
Purchases of PPE	(107.611)	(117.833)
Net cash used in investing activities	**18.505**	**(82.054)**
Cash flow from financing activities		
Receipts related to:		
Borrowings	24.754.290	8.152.200
Interests		
Payments related to:		
Borrowings	(24.561.867)	(8.017.876)
Interests	(49.216)	(41.109)
Dividends	(87.064)	(97.000)
Net cash used in financing activities	**56.144**	**(3.785)**
Net (decrease)/increase in cash and cash equivalents	451.754	21.803
Cash and cash equivalents at de begining of the year	102.215	23.970
Cash and cash equivalents in de end of the period	**553.969**	**45.773**

Detail of cash and cash equivalents		
Cash	22	20
Bank overdrafts	(17.426)	(19.830)
Bank deposits	571.372	65.583
	553.968	**45.773**

The notes in pages 14 to 37 are an integral part of these condensed consolidated financial statements.

3. Notes to the condensed consolidated financial statements

1. General information

REN – Redes Energéticas Nacionais, SGPS, S.A. (referred to in these notes as "REN" or "Group"), with the address in Avenida Estados Unidos da América, 55 – 12º, Lisbon, was created from the spin-off of EDP group, in accordance to Decree –law 7/91, of 8th January and 131/94, of 19th May, approved in the shareholders meeting of 18th August 1994 with the denomination REN – Rede Eléctrica Nacional, SA.

Until the 26th of September of 2006, Group REN had its core activity in the electricity business, through REN – Rede Eléctrica Nacional, SA. In the 26th of September of 2006, as a consequence of natural gas unbundling business, the Group suffered a significant change with the acquisition of the assets and shareholding investments related to the activities of transport, storage and regasification of natural gas, creating a new business segment in the Group.

In the beginning of 2007, the company was transformed into a holding company and redenominated after the transfer of the electricity business into a new company, created on the 26th of September, named REN – Serviços de Rede, SA, which was then redenominated to REN – Rede Eléctrica Nacional, S.A..

The Group has two major businesses: electricity and gas, and two residual businesses in telecommunications and electricity derivative market management.

Electricity business comprises the following companies:

a) REN – Rede Eléctrica Nacional, S.A. ("REN, SA), a company created in the 26th of September of 2006, and to which the electricity business was transferred as referred above. Its activity is managed under a concession agreement for a 50 year period, started in 2007 and aims the overall management of the Public Electricity Supply System (SEP).

b) REN Trading, SA ("REN Trading"), a company created in the 13th of June 2007, which object is to manage the electricity acquisition contracts, with Turbogás and Tejo Energia, that did not terminate as at 30 June 2007, the date the new contracts "CMEC" became effective. The activity of this company comprises the trade of electricity and production capacity with electricity national and international distributors.

Gas business comprises the following companies:

a) REN - Gasodutos, SA ("REN Gasodutos")

This company was created in the 26th of September of 2006, which issued share capital was realized through the integration of gas transport infrastructures (network; connections; compression).

b) REN – Armazenagem, S.A. (“REN Armazenagem”)
This company was created in the 26th of September of 2006, which issued capital was realized through the integration of gas underground storage facilities.

c) REN Atlântico, Terminal de GNL, S.A. (“REN Atlântico”)
Formerly named “SGNL – Sociedade Portuguesa de Gás Natural Liquefeito”, this company was acquired within the gas unbundling business. Its activity is to provide services of reception, storage and regasification of liquefied natural gas in a LNG sea terminal being responsible for the construction, operation and maintenance of the needed infrastructures.

These companies’ activities are managed, each, under a concession agreement for a 40 year period, started in 2006.

Additionally REN Gasodutos owns a share in two companies created in joint venture with the Spanish Gas transmission company, Enagás, to which REN Gasodutos ceased the rights of transport for specific pipelines (Braga-Tuy and Campo Maior - Leiria – Braga).

The telecommunications business is operated by Rentelecom – Comunicações, SA (“Rentelecom”), which activity is to establish, manage and operate telecommunication infrastructures and systems, providing communication services and profiting from the dark fibre infrastructure excess of capacity belonging to REN’s Group.

The electricity derivative market business is run through OMIP – Operador do Mercado Ibérico de Energia (Pólo Português, SA) (“ONIP”) the entity created for the organisation of the Portuguese division of MIBEL, ensuring the management of the MIBEL derivatives market, jointly with OMIclear (Energy Markets Clearing Company), a company constituted and totally owned by OMIP, which executes the role of a Clearing house and Central Counterparty of operations carried out on the market. OMIP started its operations on the 3rd of July of 2006.

REN – Serviços, S.A. started its activity in January 2008 and its purpose is to provide general administrative, financial and regulatory services, payroll and human resources management, assets management and maintenance, as well as the negotiation and acquisition of any other goods or services, usually denominated as back-office services, to group companies and third parties, being paid a fee.

i. Approval of the consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors, in the meeting of 23 July of 2008. It is Board of Directors opinion that these financial statements reflect the true and fair image of REN's operations, as well as its financial position, performance and cash flows.

2. Basis of preparation

These consolidated financial statements for the period ended 30 June 2008, were prepared according to the IAS 34 – Interim financial reporting. These financial statements presented in a condensed form, should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2007.

These condensed consolidated financial statements are presented in thousand euros.

3. Summary of the main accounting policies

Except for the situations referred beneath, the accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2007, as described in the annual financial statements for the year 2007. These accounting policies were applied consistently through the reported periods.

a)- Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the accounting periods beginning on or after 1 July 2008 or later periods but that REN Group has not early adopted:

- IFRS 8, 'Operating segments', effective for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14, 'Segment reporting', and converges in segments reporting with SFAS 131. Group will apply this standard as at 1 January 2009, however its adoption will have no significant impact on the segments already reported.

- IAS 23 (amendment), 'Borrowing costs', effective for annual periods beginning on or after 1 January 2009. This amendment will not have impact on Group financial statements, since the group already adopts the future required accounting treatment.

- IFRS 2 (amendment) 'Share-based payment', effective for annual periods beginning on or after 1 January 2009. This amendment has no impact on Group REN financial statements.

- IFRS 3 (revised), 'Business combinations' and consequential amendments to IAS 27, 'Consolidated and separate financial statements', effective for annual reporting period beginning on or after 1 July 2009. This review will have impact in future business combinations done by Group REN.

- IAS 1 (amendment), 'Presentation of financial statements', effective for annual periods beginning on or after 1 January 2009. This amendment to the standard is still subject to endorsement by the European Union. The amendment to IAS 1 will be adopted by the group as at 1 January 2009.

- IAS 32 (amendment), 'Financial instruments: presentation', and consequential amendments to IAS 1, 'Presentation of financial statements', effective for annual periods beginning on or after 1 January 2009. This amendment to the standard is still subject to endorsement by the European Union. This amendment requires some financial instruments that meet the definition of a financial liability to be classified as equity, where certain strict criteria are met. This amendment is not relevant to the group.

- IFRS1 (amendment), 'First time adoption of IFRS' and consequential amendment to IAS 27, 'Consolidated and separate financial statements', effective for annual periods beginning on or after 1 January 2009. This amendment to the standard is still subject to endorsement by the European Union. This amendment has no impact on the consolidated financial statements of the Group.

- 2008 annual improvements (mainly effective for annual periods beginning on or after 1 January 2009). These improvements to the standards will be applied by the Group on the date they become effective.

- IFRIC 13, 'Customer loyalty programmes', effective for annual periods beginning on or after 1July 2008. This interpretation has no impact on Group REN financial statements.

- IFRIC 15, 'Agreements for the construction of real estate', effective for annual periods beginning on or after 1 January 2009. This information has no impact on Group REN financial statements.

- IFRIC 16, 'Hedges of a net investment in a foreign operation' effective for annual periods beginning on or after 1 October 2008. This information has no impact on Group REN financial statements.

b)- The following interpretations are mandatory for the first time for the financial year beginning 1 January 2008 according to IASB, but are still subject to endorsement by the European Union, the reason why it were not applied:

- IFRIC 12, 'Service concession arrangements'. This interpretation addresses how service concession operators should apply existing IFRS to account for the obligations they undertake and rights they receive in service concession arrangements. This interpretation applies to Group REN activities and the estimated impact of its adoption on the Group financial statements is disclosed in note 3.2 of the annual financial statements for the year 2007.

- IFRIC 14, ‘IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction’. This interpretation has no significant impact on Group financial statements.

c)- The impact of the adoption of the standards and interpretations that became effective for the annual period accounts beginning in 1 January 2008 is the following:

● IFRIC 11, ‘IFRS 2 – Group and treasury share transactions’. This interpretation has no impact on Group financial statements, since it has no share based payment plans attributed to its employees.

4. Segment reporting

i. Primary reporting format – business segments

As at 30 June 2008, Group REN was organised into two main business segment, electricity and gas, and two other small segments: telecommunications and electricity derivative marketing management. The electricity segment includes the transmission of electricity in extra high voltage and the overall electricity public system management. The gas segment includes the gas transmission in high pressure and the overall natural gas national system management, as well as the operation of regasification at the LNG Terminal and the underground storage of natural gas.

Although the LNG Terminal activity and the underground storage activity can be perceived as separated from the gas transmission and the overall gas national system management, since all these operations provide services to a single user, which is also the main user of the high pressure gas transmission grid, it was considered that it is subject to the same risks and returns.

The other segments (telecommunication and electricity derivative market management) are also presented separately although they do not qualify for disclosure.

“Unallocated” includes the operations of REN SGPS and REN Serviços.

The segment results for the period ended 30 June 2007 are as follows:

Un: Thousands Euros

	Electricity	Gas	Telecom.	Market Elect.Operat.	Unallocated	Group
Total gross sales	206.105	71.871	1.082	1.841		280.899
Inter-segment gross sales	(147)		(115)	(1.073)		(1.335)
Sales and services provided	205.958	71.871	967	768		279.564
Operating profit / segment result	103.712	29.856	51	378	(989)	133.008
Finance cost	(26.714)	(11.644)		(3)		(38.361)
Finance income	100	2.049		65		2.214
Share in JV profit		3.664				3.664
Profit before income tax						100.525
Income tax expense						(25.945)
Profit for the period						**74.580**
Other expenses:						
Depreciation	38.660	21.918	5	289		60.872

The segment results for the year ended 30 June 2008 are as follows:

Un: Thousands Euros

	Electricity	Gas	Telecom.	Market Elect.Operat.	Unallocated	Group
Total gross sales	236.115	67.522	1.709	2.006		307.352
Inter-segment gross sales	(59.486)	(443)	(169)	(769)		(60.867)
Sales and services provided	176.629	67.079	1.540	1.237		246.485
Operating profit / segment result	128.706	21.215	2.291	-378	(11.972)	139.862
Finance cost	(15.325)	(11.356)		(30)	-18.908	(45.619)
Finance income	1.183	2.626		94	8.865	12.768
Share in JV profit		4.522				4.522
Profit before income tax						111.533
Income tax expense						(28.758)
Profit for the period						**82.775**
Other expenses:						
Depreciation	42.174	22.019	6	305	111	64.615

Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

The segment assets and liabilities at 30 June 2007 and capital expenditure for the period then ended are as follows:

Un: Thousands Euros

	Electricity	Gas	Telecom.	Market Elect.Operat.	Unallocated	Group
Assets	2.560.552	1.190.024	4.731	24.333	5.256	3.784.896
Investment in Associates		3.792				3.792
Total assets	2.560.552	1.193.816	4.731	24.333	5.256	3.788.688
Liabilities	2.168.625	628.206	154	19.470	48.432	2.864.887
Capital expenditure	92.968	2.608	1	62		95.639

The segment assets and liabilities at 30 June 2008 and capital expenditure for the period then ended are as follows:

Un: Thousands Euros

	Electricity	Gas	Telecom.	Market Elect.Operat.	Unallocated	Group
Assets	927.948	611.492	400	55.570	2.550.805	4.146.214
Investment in Associates		5.095				5.095
Total assets	927.948	616.587	400	55.570	2.550.805	4.151.309
Liabilities	951.058	612.825	400	55.109	1.535.238	3.154.628
Capital expenditure	99.505	8.371	1	62	105	108.044

Segment assets consist primarily of concession assets presented under property, plant and equipment, investment properties headings, and trade and other receivables. Segment liabilities comprise operating liabilities, except the liabilities of the Group REN holding company, disclosed as “unallocated” liabilities as at 30 June 2008 and borrowings negotiated to non operating activities as at 30 June 2007.

Capital expenditure comprises additions to property, plant and equipment (Note 5).

ii. Geographical segments

Most of the REN Group companies operate exclusively in one geographical area, in Portugal. Only the group company OMIP manager of the electricity Iberian derivative market and Omiclear the clearing house for that market operate at an Iberian level. However, the reported transactions are not material to disclosure as a geographical segment.

5. Property, plant and equipment

During the period between 1 January 2007 and 30 June 2007 the movements recognised in property, plant and equipment are as follows:

Evolution of PPE – June 2007

Un: Thousands Euros

	Land	Buildings and other constructions	Transmission and electronic equipment	Transport equipment	Tools	Office furniture and fittings	Contructions in progress
1 January 2007							
Acqulsition cost	1.719	91.186	3.499.694	4.292	2.452	24.114	142.210
Accumulated depreciation	-	(24.826)	(1.196.537)	(2.511)	(1.909)	(16.387)	-
Net book value	**1.719**	**66.360**	**2.303.157**	**1.781**	**543**	**7.727**	**142.210**
Year ended 30 June 2007							
Additions		8	3.485	386	252	1.170	90.338
Disposals	-		-	(55)		-	
Transfers and write-offs	-		52.551	-		(60)	(52.658)
Depreciation expense		(1.497)	(49.135)	(394)	(246)	(1.807)	
Depreciation on disposals	-		-	25		-	
Depreciation on transfers/ write-offs			107	-		60	
Closing net book value	**1.719**	**64.871**	**2.310.165**	**1.743**	**549**	**7.090**	**179.890**
At 30 June 2007							
Acquisition cost	1.719	91.194	3.555.730	4.623	2.704	25.224	179.890
Accumulated depreciation	-	(26.323)	(1.245.565)	(2.880)	(2.155)	(18.134)	-
Net book value	**1.719**	**64.871**	**2.310.165**	**1.743**	**549**	**7.090**	**179.890**

During the period between 1 January 2008 and 30 June 2008 the movements recognised in property, plant and equipment are as follows:

Evolution of PPE – June 2008

Un: Thousands Euros

	Land	Buildings and other constructions	Transmission and electronic equipment	Transport equipment	Tools	Office furniture and fittings	Contructions in progress	Total
1 January 2008								
Acquisition cost	1.703	97.212	3.758.857	4.771	3.327	30.989	161.614	4.058.473
Accumulated depreciation	-	(31.453)	(1.345.596)	(2.975)	(2.603)	(21.525)		(1.404.152)
Net book value	**1.703**	**65.759**	**2.413.261**	**1.796**	**724**	**9.464**	**161.614**	**2.654.320**
Year ended 30 June 2008								
Additions	-	-	140	674	165	321	106.744	108.045
Disposals	-			(103)				(103)
Transfers and write-offs	-		35.994			774	(32.692)	4.076
Depreciation charge	-	(1.457)	(61.127)	(535)	(163)	(1.892)	-	(65.174)
Depreciation on disposals				86				86
Depreciation on transfers/ write-offs			-			240		240
Closing net book value	**1.703**	**64.302**	**2.388.268**	**1.918**	**726**	**8.907**	**235.666**	**2.701.489**
At 30 June 2008								
Acquisition cost	1.703	97.218	3.791.186	5.066	3.492	32.084	235.666	4.166.415
Accumulated depreciation	-	(32.910)	(1.402.918)	(3.148)	(2.766)	(23.177)	-	(1.464.918)
Net book value	**1.703**	**64.307**	**2.388.268**	**1.918**	**726**	**8.907**	**235.666**	**2.701.496**

The significant increase in the property, plant and equipment, comparing the period ended 30 June 2007 with the period ended 30 June 2008, refers mainly to the fulfilment of the Group's investment plan.

Depreciation expense has been entirely charged to consolidated income statement within Depreciation charges, except for an amount of 559 thousand euro (30 June 2007: 484 thousand euro) that has been capitalised in construction-in-progress.

Borrowing costs capitalised in construction-in-progress, amounts to 4 018 thousand euro (3 186 thousand euro as 30 June 2007)

6. Investment properties

Investment properties include the sites (land) of the hydroelectric and thermal power stations, owned by NTG (National electricity transmission grid) and awarded to REN in accordance with the concession agreement, and land and buildings owned but not used in REN operational activities. Investment properties had the following evolution:

Un: Thousands Euros

	30.06.08	30.06.07
Gross value	505.248	527.078
Accumulated depreciation	(77.650)	(62.943)
Net book value	**427.598**	**464.136**
Period ended 31 December		
Disposals and write-offs		(19.344)
Depreciations	(7.418)	(8.739)
Impairment	(85.128)	
Movements of the year	**(92.546)**	**(28.083)**
Gross value	414.936	507.735
Accumulated depreciation	(79.878)	(71.682)
Net book value	**335.058**	**436.053**

The reduction in the Investment properties, comparing the 30 June 2007 closing figures to the 30 June 2008 refers to the value reduction, recognised as at the 30th April 2008, due to the collection of the cash-flows related to hydroelectric sites revenue deficit, of the period 1999 to 2003. The amount received was recognised as profit in the income statement.

7. Deferred income taxes

The detail of the income taxes recognised in the consolidated financial statements is as follows:

Un: Thousands Euros

	30.06.08	30.06.07
Impact in income statement		
Deferred income tax assets	(19.372)	(4)
Deferred income tax liabilities	(93.110)	(15.899)
	(112.482)	(15.903)
Impact in equity		
Deferred income tax assets	(1.072)	-
Deferred income tax liabilities	(366)	-
	(1.438)	-
Net impact of deferred income taxes	**(113.920)**	**(15.903)**

The movements in the deferred income taxes, by nature, for the reported periods are as follows:

Deferred income tax assets evolution – June 2007

Un: Thousands Euros

	Provisions	Carry forward losses	Investment properties	Pensions	Others	Total
At 1 January 2007	**6.730**	**7**		**9.906**	**3.004**	**19.647**
Period ended 30 June 2007						
Credit to income statement		-		(554)	(58)	(612)
Credited/(charged) to equity				-		-
Charged to income statement		-		131	485	616
Movement of the period	**-**	**-**		**(423)**	**427**	**4**
At 30 June 2007	**6.730**	**7**		**9.483**	**3.431**	**19.651**

Deferred income tax assets evolution – June 2008

Un: Thousands Euros

	Provisions	Carry forward losses	Investment properties	Pensions	Others	Total
At 1 January 2008	**8.176**	**-**		**7.424**	**3.816**	**19.416**
Period ended 30 June 2008						
Transfered to deferred income tax liabilities				1.072		1.072
Charged to income statement				(437)	-	(437)
Charged/ (credited) to equity						-
Credited to income statement	6.030		11861	-	1.918	19.809
Movement of the period	**6.030**	**-**	**11.861**	**635**	**1.918**	**20.444**
At 30 June 2008	**14.206**	**-**	**11.861**	**8.059**	**5.734**	**39.860**

In the period ended 30 June 2008, deferred income tax assets refer mainly to provisions for employee benefit plans obligations, and the provision created to cover the tariffs positive deviations due to be returned to the tariffs in subsequent years.

Deferred income tax liabilities evolution – June 2007

Un: Thousands Euros

	Agent role	Transmission equipment	Investment properties	Revaluation previous GAAP	Assets available for sale	NG assets fair value	Other	Total
At 1 January 2007	**126.431**	**13.465**	**16.438**	**37.189**	**-**	**11.378**	**-**	**204.901**
Period ended 30 June 2007								
Fair value reserve/equity								-
Charged to income statement		2.417						2.417
Credit to income statement	(11.086)		(5.477)	(1.241)	-	(550)	38	(18.316)
Movement of the period	**(11.086)**	**2.417**	**(5.477)**	**(1.241)**	**-**	**(550)**	**38**	**(15.899)**
At 30 June 2007	**115.345**	**15.882**	**10.961**	**35.948**	**-**	**10.828**	**38**	**189.002**

Deferred income tax liabilities evolution – June 2008

Un: Thousands Euros

	Agent role	Transmission equipment	Investment properties	Revaluation previous GAAP	Assets available for sale	NG assets fair value	Other	Total
At 1 January 2008	**109.647**	**18.369**	**10.691**	**38.451**	**1.139**	**10**	**38**	**178.345**
Period ended 30 June 2008								
Fair value reserve/equity					(366)			(366)
Charged to income statement		2.304					1.697	4.001
Credited to income statement	(85.170)		(10.691)	(1.249)		(1)	-	(97.111)
Movement of the period	**(85.170)**	**2.304**	**(10.691)**	**(1.249)**	**(366)**	**(1)**	**1.697**	**(93.476)**
At 30 June 2008	**24.477**	**20.673**	**-**	**37.202**	**773**	**9**	**1.735**	**84.869**

8. Assets available for sale

This heading refers to equity securities held:

Un: Thousands Euros

	% owned	Entity	30.06.08	31.12.07
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	10,00%	OMIP	1.033	1.033
Red Electrica de España, S.A.	1,00%	REN SGPS	55.975	58.534
Enagás	1,00%	REN SGPS	42.984	
Total			**99.993**	**59.567**

OMIP investment in OMEL, is measured at acquisition cost since this entity has a specific activity, is not listed and its shares have not been subject of recent market transaction. No adjustment was considered at period ended 30 June 2008, as no indicators for impairment exist at this date.

Financial assets owned by REN-SGPS, are measured at fair value, based on each company market quotation as at 30 June 2008.

9. Trade and other receivables

As for the period ended 30 June 2008, the detail of trade and other receivables is as follows:

Un: Thousands Euros

	30.06.08			31.12.07		
	current	Non current	Total	Current	Non current	Total
Trade receivables (i)	175.316	155	175.471	148.552	155	148.707
Trade receivables impairment	(828)	-	(828)	(828)		(828)
Trade receivables net	174.488	155	174.643	147.724	155	147.879
Agency balance (ii)	47.128	45.239	92.367	343.694	70.068	413.762
Loans to "joint ventures" (iii)	18.465	30.040	48.505	10.014	30.041	40.055
Tax receivable	8.216	-	8.216	10.025		10.025
Trade and other receivables	**248.297**	**75.434**	**323.731**	**511.457**	**100.264**	**611.721**

i) i) Trade receivables includes the amount due from EDP which amounts to 44 452 thousand euros (53 357 thousand euros as at 31 December 2007);

ii) ii) Agency balance refers to amount due on the intermediation, acquisition and sale of electricity by the Group;

iii) iii) Loans to “joint ventures” refer to loans to Sociedade Gasodutos Campo Maior-Leiria-Braga, acquired within the natural gas unbundling transaction. This loan is remunerated at the highest, of the average interest rate of REN Gasodutos and the average interest rate of Enagás.

10. Share capital

At the period ended 30 June 2008, REN’s share capital is fully subscribed and realised, being represented by 534.000.000 shares with a value of 1 euros each.

Un: Thousands Euros

Number of shares	Share Capital
534.000.000	534.000
534.000.000	**534.000**

11. Other reserves and retained earnings

The Other reserves and Retained earnings headings presented the following evolution during the period ended 30 June 2007, as follows:

Un: Thousands Euros

	Attributable to shareholders						
	Legal Reserve	Fair Value reserve	Other reserves	Retained earnings	Profit for the year	Minority interests	Total
At 1 January 2007	**33.634**	**-**	**-**	**(30.959)**	**409.046**	**500**	**412.221**
Actuarial gains/ (losses)	-	-	-	-	-	-	-
Gains/(losses) recognised directly in equity	**33.634**	-	-	**(30.959)**	**409.046**	**500**	**412.221**
Profit for the period					74.553	27	74.580
Total gains recognised in 2007	**33.634**	**-**	**-**	**(30.959)**	**483.599**	**527**	**486.801**
Dividends - related to 2006 profit				(97.000)			(97.000)
Transfer to other reserves	27.503	-	83.993	297.553	(409.046)	(3)	(0)
At 30 June 2007	61.137	-	83.993	169.594	74.553	523	389.800

The Other reserves and Retained earnings headings presented the following evolution during the period ended June 2008, as follows:

Un: Thousands Euros

	Attributable to shareholders						
	Reserve	reserve	reserves	earnings	year	interests	Total
At 1 January 2008	**61.137**	**7.460**	**83.993**	**174.033**	**145.150**	**555**	**472.329**
Actuarial gains/ (losses)	-	(2.402)	(2.972)	-	-	-	(5.374)
Gains/(losses) recognised directly in equity	**61.137**	**5.058**	**81.021**	**174.033**	**145.150**	**555**	**466.955**
Profit for the period	-	-	-	-	82.741	34	**82.775**
Total gains recognised in 2008	**61.137**	**5.058**	**81.021**	**174.033**	**227.891**	**589**	**549.730**
Dividends distribution (referring to 2007)	-	-	-	(87.042)	-	(4)	(87.046)
Transfer to other reserves	6.084	-	22.198	116.867	(145.150)	-	(0)
At 30 June 2008	**67.221**	**5.058**	**103.219**	**203.858**	**82.742**	**585**	**462.682**

12. Borrowings

The allocation of borrowings between current and non current, for the period ended 30 June 2008 is as follows:

Un: Thousands Euros

	30.06.08	31.12.07
Current	1.141.512	1.369.905
Non current	1.110.065	687.169
	2.251.577	**2.057.074**

Detail of current and non-current borrowings

Un: Thousands Euros

	30.06.2008			31.12.07		
	Current	Non current	Total	Current	Non current	Total
Commercial Paper	1.074.000	735.000	1.809.000	1.306.000	300.000	1.606.000
Bank Borrowings	41.909	373.328	415.237	39.907	385.907	425.814
Bank overdrafts	16.445	-	16.445	23.704	-	23.704
	1.132.353	1.108.328	2.240.682	1.369.611	685.907	2.055.518
Finance Lease	579	1.737	2.316	891	1.262	2.153
Interest accrual	11.076	-	11.076	1.073	-	1.073
Interest antecipated	(2.496)		(2.496)	(1.670)		(1.670)
	1.141.512	**1.110.065**	**2.251.578**	**1.369.905**	**687.169**	**2.057.074**

Borrowings evolution for the reported period:

Un: Thousands Euros

	30.06.08
At 1 January	2.057.074
Additions	24.756.371
Reimbursements	(24.561.867)
At 30 June	**2.251.578**

Since almost all the borrowings are negotiated at variable interest rates, the carrying amounts approximate their fair value. All the borrowings are negotiated in euros.

13. Retirement and other benefits obligations

REN grants supplementary retirement and survival benefit plan (from now on referred as pension plan), offers to its retirees and pensioner a medical assistance plan, on the same terms as for active personnel, and grants other benefits like seniority bonus, retirement bonus and a death grant. Gas business companies’ employees are granted with a life insurance plan. No changes have occurred in the benefits granted comparing with the previous year.

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

Un: Thousands Euros

	30.06.08	31.12.07
Obligations on Balance sheet		
Pension plan	3.770	(7)
Medical assistence plan and others	26.573	27.963
Life insurance plan	65	60
	30.408	**28.016**

The amounts charged to income statement for the periods reported are as follows:

Un: Thousands Euros

	30.06.08	31.12.07
Charges to income statement		
Pension plan	(846)	(161)
Medical assistence plan and others	(170)	(1.049)
Life insurance plan		5
	(1.016)	**(1.205)**

The amounts reported as at 30 June 2008, results from the projection of the actuarial evaluation performed as at 31 December 2007 for the 6 month period ending 30 June 2008, considering the salaries growth estimated for 2008. Actuarial gains and losses generated in the period ended 30 June 2008 were estimated especially in what refers to the valuation of fund’s assets. The actuarial gains and losses impact in the income statement of the period is as follows:

Un: Thousands Euros

	30.06.08	30.06.07
Actuarial gains and losses - gross of tax	4 044	-

The main assumptions used in this projection are summarised in the table below:

	30.06.08	31.12.07
Annual discount rate	5,40%	5,40%
Expected percentage of the active employees elegíble for early retirement	10,00%	10,00%
Annual salary growth rate	3,30%	3,30%
Annual pension growth rate	2,25%	2,25%
Annual growth rate of Social security pensions	2,00%	2,00%
Inflation rate	2,00%	2,00%
Annual growth rate of heath costs (over 8 years)	4,50%	4,50%
Annual growth rate of heath costs (after the 8 year period)	4,00%	4,00%
Medical assistance commission (by employee/year)	150 €	150 €
Growth rate of medical assistance commission - up to 2007	4,50%	4,50%
Growth rate of medical assistance commission - after 2007	2,70%	2,70%
Rate of return on assets	5,80%	5,80%
Mortality table	TV 88/90	TV 88/90

14. Provisions for other liabilities and charges

The provisions evolution during the disclosed periods is as follows:

Provisions evolution

Un: Thousands Euros

	2008	2007
At 1 January	30.853	45.731
Provision increase	22.754	-
Provision decrease	-	-
At 30 June	**53.607**	**45.731**

As at 30 June 2007, the provisioned amounts refer to the estimation of the probable outflow of resources, related with damages caused by REN in third parties property, and a litigation process with Amorim Energia, BV related with the dividends received from GALP prior to the sale of REN's share in GALP to Amorim Energia, BV.

As at 30 June 2008, the provisioned amounts refer to the estimation of the probable outflow of resources, related with damages caused by REN in third parties property, and a provision created to cover the tariffs positive deviations due to be returned to the tariffs in subsequent years.

15. Income taxes

The income tax calculated for the period ended 30 June 2008, includes the current income tax and the deferred income tax, as follows:

Income taxes

Un: Thousands Euros

	30.06.08	30.06.07
Current income tax	141.240	41.845
Deferred income tax	(112.482)	(15.900)
Income tax	**28.758**	**25.945**

The income tax reconciliation between the nominal amount of current income tax and the recognised charge to the consolidated income statement is as follows:

Un: Thousands Euros

	30.06.08	30.06.07
Consolidated profit before income tax	111.532	100.525
Tax rate	26,5%	26,5%
	29.556	26.639
Expenses non deductible	15.650	156
Income non taxable	(16.529)	(944)
Separate settlement	106	95
Income tax	28.783	25.945
Current income tax	141.240	41.845
Deferred income tax	(112.482)	(15.900)
Income tax	28.758	25.945
Effective tax rate	**25,8%**	**25,8%**

The income tax rate used in the reconciliation of the income tax recognised in the consolidated income statement was calculated as follows:

Current income tax rates

	30.06.08	30.06.07
Income tax rate	25,00%	25,00%
Municipality tax	1,50%	1,50%
	26,50%	**26,50%**

16. Dividends

Dividends amounting to 87 042 thousand euros (0,0163 Euros per share) were distributed to shareholders in May 2008, as part of the application of 2007 profit.

17. Contingencies

As at 30 June 2008 Group REN has guarantees provided to the following entities:

Un: Thousands Euros

Beneficiary	Subject	Begining	2008	2.007
European Community	To accomplish contractual clauses in what refers the financing contract	16-12-2003	691	643
Viseu District Court	A pledge for expropriating 63 plots of land for Bodiosa's substation	22-10-2004	206	206
Braga and C. Branco district Court	A pledge for expropriating plots of land for Pedralva's and C. Branco substations	15-02-2006	800	800
Silves Municipality	Convenant for building in Tunes	04-05-2006	352	352
Anadia District Court	A pledge for expropriating 111 plots of land for Paraimo's substation	26-04-2005	432	432
Gondomar District Court	Pledge payment concerning to legal process nr.1037/2001	09-11-2005	150	150
Penela and Ansião Distric Court	A pledge for expropriating 83 plots of land for Penela's substation	30-06-2006	703	703
Vieira do Minho District Court	A pledge for expropriating 29 plots of land to Frades substation	3-08-2006	558	558
Torres Vedras District Court	A pledge for expropriating 11 plots of land to Carvoeira's substation	13-12-2006	297	297
Macedo de Cavaleiros District Court	A pledge for expropriating plots of land to Olmo's substation	14-2-2007	190	190
OMEL - Operador del Mercado Español de Electricidad	To garantee payments as being the buyer over the Electricity Spanish Market	12-01-2001		30.000
MEFF	To garantee payments as being the buyer over the Electricity Spanish Market			5.000
Directorate General of Geology and Energy	Concession of natural gas transmission activities	26-09-2006	20.000	20.000
Seixal municipality	Convenant for ongoing processes		3.853	3.853
European Bank of Investment	For loan convenants		443.454	443.454
Loures Finance Services	Pledge for ongoing processes		1.306	1.306
Lisboa Finance Services	Pledge de processo em curso		1.278	1.278
Tabua District Court	A pledge for expropriating plots of land to Tabua's substation		171	
Vila Pouca de Aguiar District court	A pledge for expropriating plots of land		81	
OMEL - Operador del Mercado Español de Electricidad	To garantee payments as being the buyer over the Electricity Spanish Market		2.000	
			476.520	509.220

18. Related party transactions

As at 30 June 2008 the Group REN most significant shareholders are Parpública, EDP and Caixa Geral de Depósitos.

The detailed list of related parties is as follows:

EDP Group
EDP – Energias de Portugal, S.A
EDP – Distribuição – Energia, S.A.
EDP Serviços Universal, S.A.
EDP Valor – Gestão Integrada de Serviços, S.A.

EDP Gestão da Produção da Energia, S.A.
Sãvida, S.A.
Labelec, S.A.
CGD Group
Caixa Geral de Depósitos
Caixa BI

For the presented periods the following transactions were carried out with these related parties:

i. Sale of products and services

Un: Thousands Euros

	30.06.08	30.06.07
Sale of products		
Electricity to EDP	409.140	1.156.544
	409.140	**1.156.544**
Services provided		
Other services to EDP	620	146
	620	**146**

The values disclosed as Sales of products and services are recognised in REN accounts in “Trade and other receivables”, because of the intermediation role played by REN in the acquisition and sell of electricity.

ii. Purchase of products and services

Un: Thousands Euros

	30.06.08	30.06.07
Purchase of products		
Electricity from EDP	(194.590)	(639.106)
	(194.590)	**(639.106)**
Purchase of services		
Other services from EDP	(1.652)	(2.058)
Interests on Commercial paper from CGD	(11.799)	(10.767)
Borrowings commissions from CGD	(1.356)	(250)
	(14.808)	**(13.075)**

The values disclosed as Purchases of products are recognised in REN accounts, in “Trade and other receivables”, because of the intermediation role played by REN in the acquisition and sell of electricity.

iii. Board of Directors remuneration

As at period ended 30 June 2008, the remunerations paid to the Board of directors amounted 1 371 thousand euros (30 June 2007: 560 thousand euros), according to the table below.

Un: Thousands Euros

	30.06.08	30.06.07
Remuneration and other short term benefits	1.371	560
	1.371	**560**

There are no loans granted to the Board of Directors.

iv. Related party balances

At period ended 30 June 2008 the balances resulting from transaction with related parties are as follows:

Un: Thousands Euros

	30.06.08	30.06.07
Related parties - debtors		
EDP - Trade receivables	44.452	195.036
EDP - Other receivables	1.731	2.917
	46.182	**197.953**
Related parties - creditors		
EDP - Trade payables	(7.777)	103.453
EDP - Other payables	(2.240)	3.230
CGD - Borrwings (Commercial paper)	150.000	580.000
	139.983	**686.683**

The borrowings negotiated with CGD, are Commercial paper programmes. The total amount of these programmes is of 150.000 thousand euros, which was fully used as at 30 June 2008. The interest rates negotiated for this programme are different according to the issuance option adopted. If through direct issuance, the interest rate is the Euribor for the maturity of the issuance. If through an auction of interest rates, the interest rate will be the average of all the interest rates offered in the auction.

19. Subsequent events

- Tariff regime

The new tariff regime is under public discussion.

- Arbitration proceedings initiated by Galp Energia, SGPS, S.A.

REN – Redes Energéticas Nacionais, SGPS, S.A. was notified by GALP Energia, SGPS, S.A. and other group companies of their intention to initiate arbitration proceedings to settle their dispute in respect of the price adjustment amount paid by REN for the purchase of certain natural gas regulated assets. REN understands that the price adjustment amount paid for those assets consists on their non-appealable fair market value, as calculated, under the applicable contractual terms, according to the valuations prepared by three first class investment banks.

- Arbitration proceedings initiated by Amorim Energia BV

On December 19, 2007, REN was notified by the International Chamber of Commerce ("Câmara de Comércio Internacional") that an arbitration application had been filed by Amorim Energia BV against REN. Under such application, it is alleged the breach by REN of certain obligations arising out of or related with the "Shareholders Agreement relating to GALP ENERGIA, SGPS, S.A." entered into 29 of December of 2005 between REN, AMORIM and ENI PORTUGAL INVESTMENT, S.p.A.. The arbitration location is Paris, France.

In synthesis, Amorim Energia B.V. alleges that the unlawful acts supposedly performed by REN caused damages in the amount of the dividends distributed by GALP with respect to the 2005 profits and received by REN on July 2006 as GALP's shareholder (Euros 40.669.797,82–"Dividends"). Subsidiarily, Amorim Energia BV requests an indemnification in the same amount received by REN as a result of a mechanism of permanent price update in the Shareholders Agreement consisting of an Euribor 3 months rate over the price to be paid by Amorim Energia BV for its shareholding in GALP (Euros 20.644.972,00). Amorim Energia BV also demands that REN supports interest for late payment at the applicable legal rate from September 12, 2006 until full payment of the amounts requested or an adjustment to reflect the inflation rate also from September 12, 2006 until full payment of the amounts requested.

However, it is necessary to emphasize that, during 2006, REN and Amorim Energia BV maintained a dispute in relation to the right to receive dividends from GALP under the Shareholders Agreement. On June 15, 2005, an Arbitration Court set out "*ad hoc*" by agreement of the parties has issued an award considering totally unfounded the proceedings brought by Amorim Energia BV and recognizing REN's right to maintain the dividends received from GALP in an amount of Euros 40.669.797,82. The arbitration award is final and became "*res judicata*".

REN contested the jurisdiction of an Arbitration Court under the CCI to assess any of the claims made by Amorim Energia BV, sustaining also the inadmissibility of the claims made by Amorim Energia BV, in particular by virtue of violation of the arbitration award taken in Lisbon on June 15, 2005 as "*res judicata*" and, in any case, if the Court decides to judge on the merits of the Arbitration application, it has sustained its total dismiss as ungrounded.

The Arbitration Court has already been constituted and, on June 3, 2008, the Terms of Reference where signed. The judgement has been scheduled to begin on February 2009. Afterwards the Arbitration Count will issue an award on its jurisdiction and on the admissibility of the claim made by Amorim Energia. Should it decide to have jurisdiction, the Arbitration Court will issue an award on the merits of those claims.

REN understands that the referred arbitration proceedings do not involve an existing and current obligation, as it is (at least) more likely that it will not involve the recognition or the constitution of any obligation for REN towards Amorim Energia BV in relation to the claims made than the opposite case (i.e. total or partial grounds of the arbitration proceedings).

The Board of Directors

José Rodrigues Pereira dos Penedos

Aníbal Durães dos Santos

Vítor Manuel da Costa A. Machado Baptista

Rui Manuel Janes Cartaxo

Fernando Henrique Viana Soares Carneiro

José Luís Alvim Marinho

Fernando António Portela Rocha de Andrade

José Frederico Viera Jordão

Gonçalo José Zambrano de Oliveira

Manuel Carlos Mello Champalimaud

Luís Maria Atienza Serna

Filipe de Botton

José Isidoro de Oliveira Carvalho Netto

4. Appendices

4.1. Declaration of compliance

Pursuant to paragraph c) of article 246º, no. 1 of the Portuguese Securities Code, each of the members of the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, S.A., identified hereunder, hereby declares, with the capacity and in accordance with the respective functions, that, as far as it is aware:

(i) the management report, the financial statements, the auditor's opinion and the other financial statements and documents required by law or regulation concerning the financial 1st semester of 2008 were prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profits or losses of REN – Redes Energéticas Nacionais, SGPS, S.A., and of the companies comprised within its consolidation group;

(ii) the management report concerning such financial semester includes a fair review of the development of the business, the performance and the position of REN –Redes Energéticas Nacionais, SGPS, S.A. and of the companies comprised within its consolidation group, including an accurate description of the principal risks and uncertainties that they face.

Lisbon, July 23, 2008

José Rodrigues Pereira dos Penedos (Chairman)
Aníbal Durães dos Santos (Executive Director)
Vítor Manuel da Costa Antunes Machado Baptista (Executive Director)
Rui Manuel Janes Cartaxo (Executive Director)
Fernando Henrique Viana Soares Carneiro (Executive Director)
Luís Maria Atienza Serna (Director)
Gonçalo José Zambrano de Oliveira (Director)
Manuel Carlos Mello Champalimaud (Director)
Filipe Maurício de Botton (Director)
José Isidoro D'Oliveira Carvalho Neto (Director)
José Luís Alvim Marinho (Director/Chairman of the Audit Committee)
José Frederico Vieira Jordão (Director/Member of the Audit Committee)
Fernando António Portela Rocha de Andrade (Director/Member of the Audit Committee)

4.2. Qualifying holdings in REN's share capital as of 30 June 2008

With reference to June 30, 2008, the shareholders that, in accordance with article 20 of the Portuguese Securities Code[1], held qualifying holdings representing at least, 2% of the share capital of REN – Redes Energéticas Nacionais, SGPS, S.A., were the following:

Company	Number of shares held	% Capital	% Vote
Parpública – Participações Públicas (SGPS), S.A.	165.545.340	31,00%	31,00%
Caixa Geral de Depósitos, S.A.	106.794.660	20,00%	20,00%
Logoenergia, SGPS, S.A.	39.123.185	7,33%	7,32%
Gestmin, SGPS, S.A.	27.054.420	5,07%	5,07%
Oliren, SGPS, S.A.	26.700.000	5,00%	5,00%
Red Eléctrica de España, S.A.	26.700.000	5,00%	5,00%
EDP - Energias de Portugal, S.A.	18.690.000	3,50%	3,50%
-By EDP Pension Fund	8.010.000	1,50%	1,50%

[1] [n.º 1 - e) of Article 9th of CMVM Regulation n.º 4/2004]

4.3. Shares held by the members of the Corporate Bodies as of 30 June 2008[2]

The number of shares held by the members of the corporate bodies at the end of June 2008 was as follows:

	31.12.2007	First half 2008 transactions	30.06.2008	% Capital	% Vote
	Nº of shares[1]				
General Shareholders Meeting Board					
José Manuel Ribeiro Sérvulo Correia (Presidente) [2]	-	0	0	0,0000%	0,0000%
Paulo Miguel Garcês Ventura (Vice Presidente)	0	0	0	0,0000%	0,0000%
Remuneration Committee					
Francisco Manuel Marques Bandeira [2]	-	0	0	0,0000%	0,0000%
José Alexandre de Oliveira [2]	-	0	320	0,0001%	0,0001%
Audit Committee					
José Luís Alvim Marinho	0	0	0	0,0000%	0,0000%
José Frederico Vieira Jordão	0	0	0	0,0000%	0,0000%
Fernando António Portela Rocha de Andrade [2]	-	0	0	0,0000%	0,0000%
Board of Directors					
José Rodrigues Pereira dos Penedos [3]	50.490	0	150.490	0,0282%	0,0282%
Aníbal Durães dos Santos [4]	10.250	0	10.250	0,0019%	0,0019%
Vítor Manuel da Costa Antunes Machado Baptista [5]	3.810	0	3.810	0,0007%	0,0007%
Rui Manuel Janes Cartaxo [6]	980	0	980	0,0002%	0,0002%
Fernando Henrique Viana Soares Carneiro	0	0	0	0,0000%	0,0000%
Luís Maria Atienza Serna [7]	26.700.000	0	26.700.000	5,0000%	5,0000%
Gonçalo José Zambrano de Oliveira [8]	26.700.000	0	26.700.000	5,0000%	5,0000%
Manuel Carlos Mello Champalimaud [9]	27.107.340	0	27.107.340	5,0763%	5,0763%
José Isodoro d' Oliveira Carvalho Netto [10]	970	0	970	0,0002%	0,0002%
Filipe Maurício de Botton [2] [11]	-	0	39.200.645	7,3409%	7,3409%
Company Secretary					
Pedro Jorge Cabral Silva Nunes [12]	-	0	2.830	0,0005%	0,0005%
Total	**80.573.840**		**119.877.635**	**22,449%**	**22,449%**

[1] Comprises the shares of the members of the management and supervisory bodies of REN, as well as, if applicable, (i) the spouse not judicially separated, regardless of the matrimonial property regime applying; (ii) the descendents who are minors; (iii) the persons in whose names the shares or bonds are recorded, having been acquired on behalf of the persons referred to in no. 1 and items a) and b) of no. 4 of Article 447 of the Portuguese Companies Code; (iv) and the pertaining to a company in which the persons referred to in paragraph 1 and items a) and b) of the referred number are partners with unlimited liability, exercise the management thereof or any of the offices referred to in no. 1, or possess, individually or together with the persons referred to in items a), b) e c) of the referred number, at least half of the company's share capital or votes corresponding thereto.

[2] Elected in 28th April Shareholders Meeting.

[3] Comprises 150.000 shares directly held and 490 shares held by the spouse.

[4] Comprises 10.000 shares directly held and 250 shares held by the spouse.

[5] Comprises 3.330 shares directly held and 480 shares held by the spouse.

[6] Comprises 490 shares directly held and 490 shares held by the spouse.

[7] Corresponds to the shares held by the shareholder Red Eléctrica de Espanã, S.A., which are attributable for the purposes of article 447 of the Portuguese Companies Code pursuant to being Chairman of the Management body of that company.

[8] Corresponds to the shares held by the shareholder Oliren, SGPS, S.A., which are attributable for the purposes of article 447 of the Portuguese Companies Code pursuant to being Chairman of the Management body of that company.

[9] Comprises 52.920 shares held directly and 27.054.420 shares held by the shareholder Gestmin, SGPS, S.A., which are attributable for the purposes of article 447 of the Portuguese Companies Code pursuant to being Chairman of the Management body of that company.

[10] Comprises 490 shares directly held and 480 shares held by the spouse.

[11] Comprises 75.490 shares held directly and 1.970 held by the spouse and the descendents who are minors; 39.123.185 shares held by the shareholder Logoenergia, SGPS, S.A., which are attributable for the purposes of article 447 of the Portuguese Companies Code pursuant to being member of the Board of Directors of that company.

[12] Elected in 21st May 2008 Board of Directors meeting.

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2 [n.º 1 - b) of Article 9th of CMVM Regulation n.º 4/2004]

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

Russell Bedford

J. MONTEIRO & ASSOCIADOS
SOCIEDADE DE REVISORES OFICIAIS DE CONTAS

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LIMITED REVIEW REPORT PREPARED BY AN AUDITOR REGISTERED IN THE SECURITIES MARKET COMMISSION (CMVM) OF THE CONSOLIDATED HALF YEAR INFORMATION

(Free translation from the original in Portuguese)

INTRODUCTION

1. In compliance with the established in the Securities Market Commission's Code (CVM), we hereby present our limited review report on the consolidated financial information for the six-month period ended June 30, 2008 of **REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.** included in the Report of the Board of Directors, in the condensed consolidated balance sheet (which shows total assets of tEUR 4.151.309 and a total shareholders' equity of tEUR 996.681, including minority interests of tEUR 585 and a profit of the period attributable to the capital owners of tEUR 82.741), in the condensed consolidated income statement, in the condensed consolidated statement of recognised income and expenses, and in the condensed consolidated cash flow statement for the six-month period then ended and in the corresponding notes to the condensed consolidates financial statements.

2. The amounts in the consolidated financial statements, as well as those in the additional financial information, are derived from the respective accounting records.

RESPONSIBILITIES

3. It is the responsibility of the Board of Directors:

   a) to prepare consolidated financial information which present truly and fairly the financial position of the companies included in the consolidation and the consolidated results of its operations;

Russell Bedford

J. MONTEIRO & ASSOCIADOS
SOCIEDADE DE REVISORES OFICIAIS DE CONTAS

b) to prepare historical financial information in accordance with the International Accounting Standard 34 as adopted by the European Union and which is complete, true, timeliness, clear, objective and licit as required by the Portuguese Securities Market Code;

c) to adopt adequate accounting policies and criteria;

d) to maintain appropriate systems of internal control; and

e) to disclose any significant facts that have influenced the operations, financial position or results.

4. Our responsibility is to verify the financial information included in the documents referred to above, namely if it is complete, true, timeliness, clear, objective and licit as required by the Portuguese Securities Market Code, and to issue a professional and independent report based on our work.

SCOPE

5. Our work was performed with the objective of obtaining moderate assurance as to whether the financial information referred to above is free of material misstatement. Our work was performed in accordance with the Standards and Technical Recommendations issued by the Portuguese Institute of Statutory Auditors, planned according to that objective, and consisted, primarily, in enquiries and analytical procedures, to review:

- the reliability of the assertions included in the financial information;
- the adequacy of the accounting policies adopted taking into account the circumstances and the consistency of their application;
- the applicability, or not, of the going concern concept;

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SOCIEDADE DE REVISORES OFICIAIS DE CONTAS

- the presentation of the consolidated financial statements; and (v) as to whether the consolidated financial information is complete, true, timeliness, clear, objective and licit; and
- in substantive tests to the unusual significant transactions.

6. Our work also covered the verification of the consistency of the consolidated financial information included in the Report of the Board of Directors with the remaining documents referred to above.

7. We believe that the work performed provides an acceptable basis for the issue of our limited review report in respect of the half year information.

CONCLUSION

8. Based on the work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated financial information for the six-month period ended June 30, 2008 is not free of material misstatements that affect its conformity with the International Accounting Standard 34 as adopted by the European Union and the information contained therein is not complete, true, timeliness, clear, objective and licit.

Lisbon, July 24, 2008

J. MONTEIRO & ASSOCIADOS
Sociedade de Revisores Oficiais de Contas, Lda.
Enlisted at the Portuguese Securities Market Commission nº 9155
Represented by:

José Manuel Carlos Monteiro

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PRICEWATERHOUSECOOPERS

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& Associados - Sociedade de
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Limited Review Report Prepared by an Auditor Registered with the Securities Market Commission (CMVM) of the Consolidated Semestral Information

(Free translation from the original in Portuguese)

Introduction

1 As required by the Portuguese Securities Market Code (Código dos Valores Mobiliários), we hereby present our Limited review report on the Condensed consolidated financial statements for the six-month period ended June 30, 2008 of REN – Redes Energéticas Nacionais, SGPS, S.A. included in the Report of the Board of Directors, the Condensed consolidated balance sheet (which shows total assets of 4,151,309 thousand of euros and a total equity of 996,681 thousand of euros, including total minority interest of 585 thousand euros and a profit for the period attributable to equity holders of 82,741 thousand of euros), the Condensed consolidated income statement, the Condensed consolidated statement of recognized income and expense, the Condensed consolidated cash flow statement for the six month period then ended and the corresponding Notes to the condensed consolidated financial statements.

2 The amounts in the Condensed consolidated financial statements, as well as those in the additional financial information, are derived from the respective accounting records.

Responsibilities

3 It is the responsibility of the Board of Directors: (a) to prepare a Condensed consolidated financial statements which present truly and fairly the financial position of the companies included in the consolidation and the consolidated results of its operations; (b) to prepare historical financial information in accordance with the International Accounting Standard 34 as adopted by the European Union and which is complete, true, timely, clear, objective and licit as required by the Portuguese Securities Market Code; (c) to adopt adequate accounting policies and criteria; (d) to maintain appropriate systems of internal control; and (e) to disclose any significant facts that have influenced the operations, financial position or results.

4 Our responsibility is to verify the financial information .included in the documents referred to above, namely if it is complete, true, timely, clear, objective and licit as required by the Portuguese Securities Market Code, an to issue a professional and independent report based on our work.

PRICEWATERHOUSECOOPERS

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

Scope

5 Our work was performed with the objective of obtaining moderate assurance as to whether the financial information referred to above is free of material misstatement. Our work was performed in accordance with the Standards and Technical Recommendations issue by the Portuguese Institute of Statutory Auditors, planned according to that objective, and consisted: (a) primarily, in enquiries and analytical procedures, to review: (i) the reliability of the assertions included in the financial information; (ii) the adequacy of the accounting policies adopted taking into account the circumstances and the consistency of their application; (iii) the applicability, or not, of the going concern concept; (iv) the presentation of the financial statements; and (v) as to whether the consolidate financial information is complete, true, timely, clear, objective and licit ; and (b) in substantive tests to the unusual significant transactions.

6 Our work also covered the verification of the consistency of the consolidated financial information included in the Report of the Board of Directors with the remaining documents referred to above.

7 We believe that the work performed provides an acceptable basis for the issue of our limited review report in respect of the half year information.

Opinion

8 Based on the work, which was performed with the objective of obtaining moderate assurance, nothing came to our attention that leads us to believe that the consolidated financial information for the six-month period ended June 30, 2008 is not free of material misstatements that affect its conformity with the International Accounting Standard 34 as adopted by the European Union and the information contained therein is not complete, true, timely, clear, objective and licit.

Lisbon, July 24, 2008

PricewaterhouseCoopers & Associados, S.R.O.C., Lda.
Represented by:

Jorge Manuel Santos Costa, R.O.C.

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