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

Consolidated Financial Statements
30 September 2013

(Translation of consolidated financial statements originally issued in Portuguese – Note 30)

INDEX

1. FINANCIAL PERFORMANCE

1.1 RESULTS IN THE 3RD QUARTER 2013

MAIN INDICATORS

In the 3rd quarter of 2013, EBITDA reached 387.4 M€, a slight increase (+0.9 M€, +0.2%) versus the same period of 2012. On the positive side, we highlight the changes in interests from tariff deviation (+7.0M€) and impairment of receivable debts - a non recurring item (+7.9 M€). On the other hand, these positive effects were offset essentially by the decrease in the base rate of return of electricity assets (which is indexed to the average daily quotes for the Portuguese Republic 5 year CDS).

Despite the slight decrease both in net debt (-2.1%), which was placed at 2,468.2 M€, and average cost of funding (-4 b.p.), which decreased from 5.66% to 5.62%, financial results have decreased 7% affected essentially by the increased in gross debt (+10.7%).

Net Income decreased 9.2% as compared to the 3rd quarter of 2012, while Recurrent Net Income decreased 9.5%.

Capex reached 110.1 M€, a reduction of 11.6% (-14.5M€) versus the same period of 2012, reflecting the gradual decrease from the investment peaks witnessed in previous years. Similarly, transfers to RAB have decreased by 131.0M€ (-70.3%), essentially as a result of the transfer in June of 2012 of the Sines LNG Terminal Expansion Project.

Main indicators [Millions of Euros]	3Q12	3Q13	Change %
EBITDA	386.4	387.4	0.2%
Net financial income	-98.4	-105.3	-7.0%
Net income	98.4	89.3	-9.2%
Recurrent net income	94.6	85.5	-9.5%
Total Capex	124.6	110.1	-11.6%
Transfers to RAB[1] (at historic costs)	186.4	55.4	-70.3%
Average RAB (at reference costs)	3,332.3	3,416.9	2.5%
Net debt	2,521.3	2,468.2	-2.1%

[1] Includes direct acquisitions RAB related.

OPERATIONAL RESULTS – EBITDA

EBITDA amounted to 387.4 M€, an increase of 0.9 M€ (+0.2%) versus YTD 2012.

Several aspects had a positive contribution to this evolution:

- The evolution of interests on tariff deviation, which have increased 7.0M€ year on year;
- The reversion of an impairment of receivable debt of 5.3M€ in 2013 (positive impact on EBITDA) compared to the registration of an impairment of receivable debt of 2.6M€ in 2012 (negative impact on EBITDA)
- The increase of 3.7M€ (+2.8%) in depreciation recovery (net from subsidies), consistent with the asset base increase, and 0.8M€ in subsidies depreciation (+6.3%)
- The increase in revenues from hedging operations (+1.0M€)

These effects were offset by the following negative contributions to EBITDA:

- The reduction in electricity remuneration (-14.9M€), mainly due to a decrease in the base rate of return from 9.55% to 8.06%
- The decrease of 2.5M€ in Gas RAB remuneration (including smoothing effect) explained by the reduction in REN Gasodutos average RAB (-25.2M€)
- The decrease of 1.8M€ in own works (essentially in financial own works) due to a reduction in the average values of assets in construction (-30.7%) and the reduction of 4 b.p. in the average cost of debt

EBITDA [Millions of Euros]	3Q12	3Q13	Change %
1) Revenues of Assets	**364.6**	**350.6**	**-3.8%**
Return on RAB	210.8	196.7	-6.7%
Electricity	145.6	130.7	-10.3%
Gas	65.2	66.0	1.2%
Hydro land remuneration	7.2	6.0	-17.4%
Lease revenues from hydro protection zone	0.6	0.6	-1.1%
Remuneration of fully depreciated assets	5.9	6.2	4.6%
Smoothing differences and neutrality effect (gas)	-5.3	-8.7	62.8%
Recovery of depreciation (net from subsidies)	131.9	135.5	2.8%
Subsidies depreciation	13.5	14.4	6.3%
2) Revenues from Opex	**80.1**	**76.7**	**-4.2%**
3) Other revenues	**4.8**	**14.1**	**191.5%**
Allowed incentives (Trading)	2.4	1.9	-19.2%
Interest on tariff deviation	-4.9	2.1	n.m.
Hedging	0.6	1.6	171.3%
Telecommunications sales and services rendered	4.1	4.1	0.8%
Consultancy services and other services provided	0.7	0.9	17.9%
Other revenues	2.0	3.5	78.8%
4) Own works (capitalised in Investment)	**20.3**	**18.5**	**-9.0%**
5) Construction revenues (ex. Own woks)	**104.1**	**91.5**	**-12.1%**
6) OPEX	**81.0**	**78.0**	**-3.7%**
Personnel costs	35.3	40.3	14.2%
External Costs	45.7	37.7	-17.5%
7) Construction costs	**104.1**	**91.5**	**-12.1%**
8) Provisions	**-0.2**	**-0.1**	**-46.4%**
9) Impairment of receivable debts	**2.6**	**-5.3**	**n.m.**
EBITDA (1+2+3+4+5-6-7-8-9)	**386.4**	**387.4**	**0.2%**

NET INCOME

In the 3rd quarter of 2013, Net Income reached 89.3M€, a year on year decrease of 9.2%(-9.1M€), reflecting essentially: i) the increase in depreciations (+2.3%), ii) the positive effect in 2012 in income taxes due to the recognition as a fiscal cost of the provision pertaining to the litigation with Amorim Energia (2012 impact of -5.6M€), and iii) the reduction of financial results, which despite the decrease in the average cost of debt (from 5.66% to 5.62%), registered a reduction of 6.9M€ driven by the increase in gross debt.

Recurrent Net Income (i.e. Net Income without nonrecurring items) decreased 9.5% (-9.0M€). The non-recurring items considered in the first three quarters of both 2012 and 2013 were the following:

i) In 2013: reversion of the provision for impairment of debts receivable amounting to 5.3M€ (3.8M€ after taxes);

ii) In 2012: i) the recognition as a fiscal cost of the provision for an indemnity pertaining to the litigation with Amorim Energia (5.6M€) and ii) impairment of debts receivable amounting to 2.6M€ (1.8M€ after taxes).

Net Income [Millions of Euros]	**3Q12**	**3Q13**	**Change %**
EBITDA	**386.4**	**387.4**	**0.2%**
Depreciations	146.8	150.2	2.3%
Net financial income	-98.4	-105.3	7.0%
Income tax expenses	42.9	42.6	-0.7%
Net income	**98.4**	**89.3**	**-9.2%**
Nonrecurring items	**-3.8**	**-3.8**	**-0.7%**
Recurrent Net Income	**94.6**	**85.5**	**-9.5%**

1.2 AVERAGE RAB AND INVESTMENT

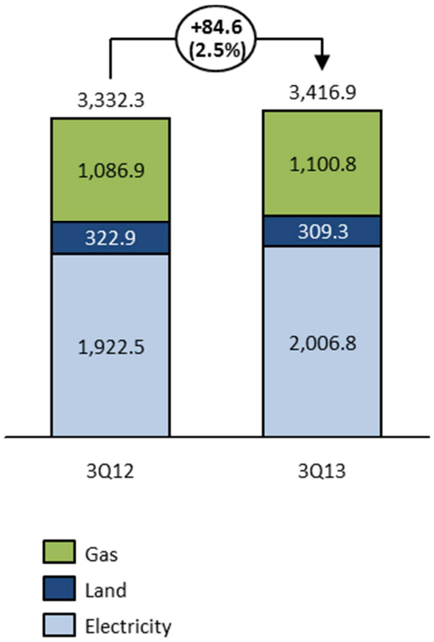
CAPEX AND AVERAGE RAB

In the third quarter of 2013, Capex reached 110.1M€, a decrease of 14.5M€ (-11.6%) when compared to the third quarter of 2012, of which -3.6M€ in electricity and -10.9M€ in gas. This reduction results on the one hand from the investment peaks witnessed in previous years, and on the other hand, from the postponement to the last quarter of 2013 of some projects in electricity. Following this trend, transfers to RAB decreased 131.0M€ (-70.3%), which is essentially explained by the transfer to RAB in June of 2012 of the Sines LNG Terminal Expansion Project.

Average RAB increased 84.6M€ (+2.5%), reaching 3,416.9M€.

CAPEX

AVERAGE RAB



1.3 QUARTERLY STATEMENTS OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE PERIODS FROM 1 JULY 2013 TO 30 SEPTEMBER 2013 AND 2012

Following are the statements of profit and loss and comprehensive income for the periods from 1 July to 30 September 2013 and 2012 (unaudited information):

Consolidated statements of profit and loss

(Amounts expressed in thousands of euros – tEuros)

	01.07.2013 to 30.09.2013	01.07.2012 to 30.09.2012
Sales	23	220
Services provided	141,317	141,698
Revenue from construction of concession assets	51,202	49,634
Gains from associates and joint ventures	284	69
Other operating income	5,547	5,733
Operating income	**198,373**	**197,355**
Cost of goods sold	(62)	(139)
Cost with construction of concession assets	(44,802)	(43,102)
External supplies and services	(10,698)	(11,237)
Employee compensation and benefit expense	(12,481)	(12,437)
Depreciation and amortizations	(50,169)	(49,704)
Provisions	-	-
Impairment of trade receivables	-	(2,646)
Other expenses	(2,881)	(3,042)
Operating costs	**(121,093)**	**(122,307)**
Operating results	**77,281**	**75,047**
Financial costs	(42,606)	(37,037)
Financial income	3,001	2,266
Investment income - dividends	-	3,540
Financial results	**(39,605)**	**(31,230)**
Profit before income taxes	**37,676**	**43,817**
Income tax expense	(12,431)	(16,037)
Net profit for the period	**25,244**	**27,781**
Attributable to:		
Equity holders of the Company	25,244	27,781
Non-controlled interest	-	-
Consolidated profit for the period	**25,244**	**27,781**
Earnings per share (expressed in euro per share)	0.05	0.05

Consolidated statements of comprehensive income

(Amounts expressed in thousands of euros - tEuros)

	01.07.2013 to 30.09.2013	01.07.2012 to 30.09.2012
Net Profit for the period	**25,244**	**27,781**
Other income and cost recorded in equity:		
Increase/(decrease) in hedging reserves - derivative financial instruments	1,596	(4,409)
Actuarial gains and losses - gross of tax	-	(1)
Gain/(loss) on available-for-sale assets	(2,321)	5,704
Tax effect on items recorded directly in equity	(438)	1,102
Comprehensive income for the period	**24,082**	**30,177**
Attributable to:		
Equity holders of the company	24,082	30,177
Non-controlled interest	-	-
	24,082	**30,177**

CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2013

2. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statements of financial position as of 30 September 2013 and 31 December 2012

(Amounts expressed in thousands of Euros – tEuros)

	Note	30.09.2013	31.12.2012
ASSETS			
Non-current assets			
Property, plant and equipment	5	785	827
Goodwill		3,774	3,774
Intangible assets	5	3,850,919	3,891,464
Investments in associates and joint ventures	4 and 6	12,043	9,382
Available-for-sale financial assets	9	144,831	131,002
Derivative financial instruments	11	-	6,853
Other financial assets	8	102,855	112,583
Trade and other receivables	10	122,887	70,451
Deferred tax assets	7	59,641	61,215
		4,297,734	**4,287,552**
Current assets			
Inventories		1,676	2,920
Trade and other receivables	10	222,103	310,738
Current income tax recoverable	7	13,746	14,318
Derivative financial instruments	11	376	416
Other financial assets	8	121,267	8,864
Cash and cash equivalents	12	273,987	61,246
		633,156	**398,503**
Total assets	4	**4,930,890**	**4,686,054**
EQUITY			
Shareholders' equity:			
Share capital	13	534,000	534,000
Own shares	13	(10,728)	(10,728)
Other reserves	13	260,134	231,753
Retained earnings		175,742	148,671
Net profit for the period		89,296	123,892
Total equity		**1,048,444**	**1,027,589**
LIABILITIES			
Non- current liabilities			
Borrowings	14	1,887,724	1,535,495
Liability for retirement benefits and others	15	105,768	105,808
Derivative financial instruments	11	22,529	27,958
Provisions	16	4,801	4,801
Trade and other payables	17	389,729	360,895
Deferred tax liabilities	7	75,381	82,797
		2,485,931	**2,117,755**
Current liabilities			
Borrowings	14	1,078,104	1,170,400
Provisions	16	1,283	2,419
Trade and other payables	17	280,752	367,081
Income tax payable	7	34,662	-
Derivative financial instruments	11	1,713	811
		1,396,515	**1,540,711**
Total liabilities	4	**3,882,445**	**3,658,465**
Total equity and liabilities		**4,930,890**	**4,686,054**

The accompanying notes form an integral part of the consolidated statement of financial position as of 30 September 2013.

THE ACCOUNTANT THE BOARD OF DIRECTORS

Consolidated statements of profit and loss for the nine month periods ended 30 September 2013 and 2012

(Amounts expressed in thousands of Euros - tEuros)

	Note	30.09.2013	30.09.2012
Sales	4 and 18	109	366
Services rendered	4 and 18	421,822	432,430
Revenue from construction of concession assets	4 and 19	109,966	124,437
Gains / (losses) from associates and joint ventures	6	(249)	672
Other operating income	20	19,798	16,093
Operating income		**551,446**	**573,997**
Cost of goods sold		(250)	(366)
Cost with construction of concession assets	19	(91,480)	(104,126)
External supplies and services	21	(28,655)	(35,182)
Personnel costs	22	(40,310)	(35,293)
Depreciation and amortizations	5	(150,175)	(146,777)
Provisions	16	82	153
Impairment of trade receivables	10	5,296	(2,646)
Other expenses	23	(8,748)	(10,114)
Operating costs		**(314,239)**	**(334,351)**
Operating results		**237,206**	**239,646**
Financial costs	24	(120,256)	(107,162)
Financial income	24	9,558	3,252
Investment income - dividends	9	5,377	5,523
Financial results		**(105,322)**	**(98,387)**
Profit before income tax		**131,884**	**141,258**
Income tax expense	7	(42,588)	(42,909)
Net profit for the period		**89,296**	**98,349**
Attributable to:			
Equity holders of the Company		89,296	98,349
Non-controlled interest		-	-
Consolidated profit for the period		**89,296**	**98,349**
Earnings per share (expressed in euro per share)	25	0.17	0.18

The accompanying notes form an integral part of the consolidated statement of profit and loss for the nine month period ended 30 September 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of comprehensive income for the nine month periods ended 30 September 2013 and 2012

(Amounts expressed in thousands of Euros – tEuros)

		Period ended	
	Note	30.09.2013	30.09.2012
Net Profit for the period		**89,296**	**98,349**
Other income and cost recorded in equity:			
Increase/(decrease) in hedging reserves - derivative financial instruments	11	11,463	(16,111)
Actuarial gains and losses - gross of tax		(912)	(356)
Fair value on available-for-sale assets	9	13,729	7,716
Tax effect on items recorded directly in equity	7	(2,602)	3,539
Comprehensive income for the period		**110,975**	**93,137**
Attributable to:			
Equity holders of the company		110,975	93,137
Non-controlled interest		-	-
		110,975	**93,137**

The accompanying notes form an integral part of the consolidated statement of comprehensive income for the nine month period ended 30 September 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of changes in equity for the nine month periods ended 30 September 2013 and 2012

(Amounts expressed in thousands of Euros – tEuros)

		Attributable to shareholders								
Changes in the period	**Notes**	**Share capital**	**Treasury shares**	**Legal Reserve**	**Fair Value reserve (Note 9)**	**Hedging reserves (Note 11)**	**Other reserves**	**Retained earnings**	**Profit for the period**	**Total**
At 1 January 2012		**534,000**	**(10,728)**	**79,809**	**(14,244)**	**(10,503)**	**160,339**	**178,189**	**120,576**	**1,037,439**
Net profit of the period and other comprehensive income		-	-	-	7,716	(12,675)	-	(253)	98,349	93,137
Distribution of dividends		-	-	-	-	-	-	(89,590)	-	(89,590)
Transfer to other reserves		-	-	5,628	-	-	16,679	98,270	(120,576)	-
At 30 September 2012		**534,000**	**(10,728)**	**85,437**	**(6,528)**	**(23,178)**	**177,018**	**186,615**	**98,349**	**1,040,987**
At 1 January 2013		**534,000**	**(10,728)**	**85,437**	**(4,093)**	**(26,612)**	**177,022**	**148,671**	**123,892**	**1,027,589**
Net profit of the period and other comprehensive income		-	-	-	13,729	8,598	-	(647)	89,296	110,975
Distribution of dividends	26	-	-	-	-	-	-	(90,120)	-	(90,120)
Transfer to other reserves		-	-	6,055	-	-	-	117,838	(123,892)	-
At 30 September 2013		**534,000**	**(10,728)**	**91,492**	**9,635**	**(18,015)**	**177,022**	**175,742**	**89,296**	**1,048,444**

The accompanying notes form an integral part of the consolidated statement of changes in equity for the nine month period ended 30 September 2013.

THE ACCOUNTANT

THE BOARD OF DIRECTORS

Consolidated statements of cash flow for the nine month periods ended 30 September 2013 and 2012

(Amounts expressed in thousands of Euros - tEuros)

	Note	30.09.2013	30.09.2012
Cash flow from operating activities:			
Cash receipts from customers		1,625,020 a)	1,701,763 a)
Cash paid to suppliers		(1,137,135) a)	(1,394,020) a)
Cash paid to employees		(36,813)	(44,961)
Income tax received/paid		(16,199)	(11,979)
Other payments/receipts relating to operating activities		(78,203)	(82,627)
Net flows from operating activities		**356,670**	**168,175**
Cash flow from investing activities:			
Receipts related to:			
Derivative financial instruments		1,790	-
Other financial assets	8	101,931	-
Investment grants		3,368	-
Interests and other similar income		3,645	1,392
Dividends	9	6,292	4,613
Payments related to:			
Other financial assets	8	(205,470)	-
Investments in associates and joint ventures	6	(2,910)	-
Available-for-sale	9	(100)	(38,600)
Property, plant and equipment		(498)	(36)
Intangible assets		(117,079)	(149,727)
Net cash used in investing activities		**(209,031)**	**(182,357)**
Cash flow from financing activities:			
Receipts related to:			
Borrowings		992,151	7,958,500
Interests and other similar income		17	17
Payments related to:			
Borrowings		(763,362)	(7,748,435)
Interests and other similar expense		(80,527)	(58,300)
Dividends	26	(90,120)	(89,590)
Net cash (used in)/from financing activities		**58,159**	**62,192**
Net (decrease)/increase in cash and cash equivalents		205,799	48,010
Cash and cash equivalents at the beginning of the year	12	61,246	68,358
Cash and cash equivalents at the end of the period	**12**	**267,045**	**116,368**
Detail of cash and cash equivalents			
Cash	12	21	24
Bank overdrafts	12	(6,943)	(14,994)
Bank deposits	12	273,967	131,338
		267,045	**116,368**

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 nine month period ended 30 September 2013.

THE ACCOUNTANT THE BOARD OF DIRECTORS

3. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2013

(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 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 regasification 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 one 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 overall 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 electricity purchase contracts (EPC) from Turbogás, S.A. and Tejo Energia, S.A., which did not terminate on 30 June 2007, date of the entry into force of the new Maintenance of Contractual Balance Contracts (Contratos para a Manutenção do Equilíbrio Contratual – CMEC) contracts. The operations of this company include the trading of electricity produced and of the installed production capacity, with domestic 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, S.A., its main activity being management of the concession to operate a pilot area for the production of electric energy 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 it 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; 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 called “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 the companies in the points b) until d) mentioned above, 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 establishing, managing and using telecommunications systems and infrastructures, supplying communications services and optimizing the excess capacity of the fibre optics belonging to the REN Group.

REN SGPS has 100% of the capital of REN – Serviços, S.A., which has the objective of rendering services in the energy-related 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 founded REN Finance, B.V., company 100% held by REN SGPS, with head office in the Netherlands, with the purpose of participate, finance, collaborate and conduct the management of related companies.

In addition, on 24 May 2013, jointly with China Electric Power Research Institute, a State Grid Group company, was founded the company Centro de Investigação em Energia REN - STATE GRID, S.A. ("Research Centre") under a Joint Venture in which the Group holds 1,500,000 shares representing 50% of the respective capital. The object of this company aims to implement a Center for Research and Development in Portugal, dedicated to the research, development, demonstration and innovation in the areas of electricity transmission and management systems, providing consulting services and education services and training in connection with these activities, as well as conducting all activities related and complementary services, related to its objects.

REN SGPS 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 fully owned by 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) Two participations of 1% each, in the share capital of Enagás, S.A. and Red Electrica Corporation, S.A. (“REE”);

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

1.1 Companies included in the consolidation

The companies (together with their head offices, main activities and proportion of capital) included in the consolidation as of 30 September 2013 and 31 December 2012 are the following:

		30.09.2013		31.12.2012	
		% Owned		% Owned	
Designation / adress	**Activity**	**Group**	**Individual**	**Group**	**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. Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands	Participate, finance, collaborate, conduct management of companies related to REN Group.	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%	-

The incorporation of REN Finance, B.V., in the Netherlands, was the only change in the consolidation perimeter with respect to what was reported on 31 December 2012.

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 November 2013. 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 nine month period ended 30 September 2013 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 2012.

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 2013.

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 2012, as explained in the notes to the consolidated financial statements for 2012. These policies were applied on a consistent basis for the periods presented.

New accounting policies adopted during the nine months period ended 30 September 2013

Investments in joint ventures are included in the consolidated financial statements by the equity method. The Group's share of profits or losses of the joint venture is recognized in the income statement as operating income and the portion of movements in reserves of the joint venture, if any, is recognized in reserves. The unrealized gains and losses on transactions with jointly controlled entities are eliminated in proportion to the Group's interest in jointly controlled company, against the investment in the entity.

The accounting policies of joint ventures are uniformized, whenever necessary, to ensure that they are implemented consistently in the financial statements of the Group.

Adoption of new standards, interpretations, amendments and revisions

The following standards, interpretations, amendments and revisions endorsed by the European Union must be applied for the financial years beginning on or after 1 January 2013:

- IAS 1 “Presentation of Financial Statements” (amendment) (to be applied for years beginning on or after 1 July 2012) – This amendment introduced new requirements for comprehensive income presentation, requiring the split of profit and loss items and equity items. This change did not result in a significant impact on REN’s consolidated financial statements.

- IAS 19 “Post-Employment Benefits” (amendment) (to be applied for years beginning on or after 1 January 2013) – This amendment introduces some changes related with reporting of defined benefits plans, namely: (i) actuarial gains and losses are recorded in reserves (eliminate the corridor method); (ii) only one interest rate is applied for the determination of the defined benefit obligation and the plan assets. The difference between the real return on plan assets and the unique interest rate is regarded as an actuarial gain/loss; (iii) expenses recorded in the profit and loss statement correspond only to the service cost and to the interest cost. This change did not result in a significant impact on REN's consolidated financial statements.

- IFRIC 20 "Stripping Cost in the Production Phase of a Surface Mine" (new) (to be applied to years beginning on or after 1 January 2013) – This interpretation provides guidance on how and when to recognize certain stripping costs in the production phase of a surface mine. The chnage of this interpretation did not have any impact on REN's consolidated financial statements.

- IAS 12 "Income Taxes" (amendment) (to be applied to years beginning on or after 1 January 2013) – This change introduces a rebuttable presumption that investment properties ate fair value in accordance to IAS 40 are recovered entirely through sale, unless the entity has clear evidence that recovery will occur in another manner. This change did not result in a significant impact on REN's consolidated financial statements.

- IFRS 13 "Fair Value Measurements" (new) (to be applied to years beginning on or after 1 January 2013) – This standard sets out a single IFRS framework for measuring fair value and provides comprehensive guidance on how to measure the fair value of both financial and non-financial assets and liabilities. IFRS 13 is intended to be the main source of measurement and disclosure requirements relating to fair value. The adoption of this standard did not have a significant impact on REN's consolidated financial statements.

- IFRS 7 "Financial Instruments: Disclosures" (amendment) (to be applied to years beginning on or after 1 January 2013) – This change introduced a series of additional disclosures for financial instruments, namely, information regarding those subject to similar compensation agreements. This change did not result in a significant impact on REN's consolidated financial statements.

- IFRS 1 "First Time Adoption of IFRSs" (amendment) (to be applied to years beginning on or after 1 January 2013) – This change introduced the exemption for entities that are operating in a hyper inflationary economy and adopting for the first time IFRS, allowing the use of fair value as cost considered on the items of the opening financial statement under IFRS.

Additionally there is a change in the reference date for transition. This change did not result in a significant impact on REN’s consolidated financial statements.

- IFRS 1 - Amendment (government subsidies) (to be applied to years beginning on or after 1 January 2013) – Creates an exception to the retrospective application of the requirements defined in IAS 20 for the application to government subsidies granted by subsidized interest rates. This change have any impact on REN’s consolidated financial statements.

- Improvements of International Financial Reporting Standards (to be applied in several years, usually for years beginning on or after 1 January 2013) – These improvements involve the revision of several standards, namely, IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. These changes did not result in a significant impact on REN’s consolidated financial statements.

The following standards, interpretations, amendments and revisions have been endorsed by the European Union with mandatory application in future economic exercises:

- IFRS 10 “Consolidated Financial Statements” (new) (to be applied to years beginning on or after 1 January 2014) – This standard establishes the grounds for presenting consolidated financial statements, replacing on this matter the standard IAS 27 - Consolidated and Separate Financial Statements and SIC 12 - Consolidation – Special Purpose Entities. This standard introduces as well new rules for determining control and consolidation perimeter. From the future adoption of this standard it is not expected a significant impact on REN’s consolidated financial statements.

- IFRS 11 “Joint Arrangements” (new) (to be applied to years beginning on or after 1 January 2014) – This standard supersedes IAS 31 and SIC 13 – Jointly Controlled Entities and mainly address: (i) the definition of “jointly arrangements” empathizing the rights and obligations instead of its legal form; (ii) reduces the types of jointly agreements prevailing the following: “joint operations” and “joint ventures”; and (iii) eliminates the possibility of using the proportional consolidation model for “joint ventures”. From the future adoption of this standard it is not expected a significant impact on REN’s consolidated financial statements.

- IFRS 12 “Disclosure of interests in other entities” (new) (to be applied to years beginning on or after 1 January 2014) – This standard provides expanded disclosures requirements relating to entity's interests in subsidiaries, associates and joint arrangements. From the future adoption of this standard it is not expected a significant impact on REN's consolidated financial statements.

- IAS 27 "Separate financial statements" (revised) (to be applied to years beginning on or after 1 January 2014) – This standard was revised in the sequence of the emission of IFRS 10, and contains the recording and disclosures principles for investments in associates in the separate financial statements. The future adoption of this change will not have any impact on REN's consolidated financial statements.

- IAS 28 "Investments in associates and joint ventures" (revised) (to be applied to years beginning on or after 1 January 2014) – This IAS 28 was revised in the sequence of the issue of IFRS 11 and IFRS 12 and provides guidance on accounting for interests in associates and joint ventures in accordance with equity method. From the future adoption of this change it is not expected a significant impact on REN's consolidated financial statements.

- IAS 32 "Financial Instruments: Presentation" (amended) (to be applied to years beginning on or after 1 January 2014) – This change clarified the requirements for an entity to be able to compensate financial assets and liabilities in the financial position statement. From the future adoption of this change it is not expected a significant impact on REN's consolidated financial statements.

- IFRS 10, IFRS 11 and IFRS 12 – Amendments (transition guidance) (to be applied to years beginning on or after 1 January 2014) – Amendments to IFRS 10, IFRS 11 and IFRS 12 to clarify the rules of the transition to IFRS. From the future adoption of this change it is not expected a significant impact on REN's consolidated financial statements.

The Company did not use any early adoption option of any of the above standards in the consolidated financial statements for the nine month period ended 30 September 2013.

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 (2010)	01-Jan-15	This standard sets out requirements for the classification of financial assets.
IFRS 10, IFRS 12 and IAS 27 - Amendments (Investment Entities)	01-Jan-14	Creates an exception for the preparation of consolidated financial statements for investment entities.
Amendments to IAS 36 - Assets impairment	01-Jan-14	Recoverable Amount Disclosures for Non-Financial Assets and other amendments related to IFRS 13 - 'Fair value: measurement and disclosure'
Amendments to IAS 39 - 'Novation of Derivatives and Hedge Accounting'	01-Jan-14	Isention to the obligation of the need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.
IFRIC 21 - 'Levies'	01-Jan-14	Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain.

These standards were not yet endorsed by the European Union and, as such, were not adopted by the Group in the period ended 30 September 2013.

4 SEGMENT REPORTING

The REN Group is organised in two main business segments, Electricity and Gas and one secondary segment, telecommunications. The electricity segment includes the transmission of electricity in very high voltage, overall management of the public electricity system, management of the power purchase agreements (PPA) not terminated on 30 June 2007 and management of the concession of 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 activity 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, these operations provide services to a single user, which is also the main user of the high pressure gas transport system and, as such, it was considered that all these activities are subject to the same risks and benefits.

The telecommunications segment is also presented separately despite not qualifying for disclosure.

The management of external financing is centered in REN SGPS, S.A., having the company opted to report the assets and liabilities separately from the eliminations that are undertaken in preparation of the consolidated financial statements, as it is used by the main responsible operating decision maker.

The results by segment for the nine month period ended 30 September 2013 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Sales and services provided	**291,936**	**125,993**	**4,258**	**30,649**	**(30,905)**	**421,930**
Inter-segments	699	299	110	29,797	(30,905)	-
Revenues from exernal customers	291,237	125,694	4,148	851	-	421,930
Revenue from construction of concession assets	90,680	19,286	-	-	-	109,966
Cost with construction of concession assets	(75,879)	(15,601)	-	-	-	(91,480)
Gains from associates	-	-	-	(249)	-	(249)
External supplies and services	(33,574)	(18,202)	(1,504)	(13,500)	38,125	(28,655)
Employee compensation and benefit expense	(17,822)	(6,120)	(185)	(16,182)	-	(40,310)
Other expenses and operating income	14,109	2,429	(12)	1,495	(7,220)	10,801
Operating cash flow	269,450	107,785	2,557	2,212	-	382,003
Investment income - dividends	-	-	-	5,377	-	5,377
Non reimbursursable expenses						
Depreciation and amortizations	(105,776)	(44,212)	(15)	(172)	-	(150,175)
Provisions	82	-	-	-	-	82
Impairment of trade receivables	5,296	-	-	-	-	5,296
Financial results						
Financial income	548	12,180	116	108,683	(111,969)	9,558
Financial costs	(53,702)	(27,577)	(1)	(150,944)	111,969	(120,256)
Profit before income tax	**115,898**	**48,175**	**2,656**	**(34,845)**	**-**	**131,884**
Income tax expense	(36,205)	(14,241)	(743)	8,601	-	(42,588)
Profit for the year	**79,693**	**33,934**	**1,914**	**(26,244)**	**-**	**89,296**

Results by segment for the nine month period ended 30 September 2012 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Sales and services provided	**300,324**	**148,294**	**4,721**	**25,908**	**(46,452)**	**432,796**
Inter-segments	755	19,922	608	25,167	(46,452)	-
Revenues from exernal customers	299,569	128,372	4,113	741	-	432,796
Revenue from construction of concession assets	94,268	30,169	-	-	-	124,437
Cost with construction of concession assets	(78,054)	(26,073)	-	-	-	(104,126)
Gains from associates	-	-	-	672	-	672
External supplies and services	(34,479)	(36,729)	(1,284)	(13,543)	50,854	(35,182)
Employee compensation and benefit expense	(14,967)	(5,957)	(158)	(14,211)	-	(35,293)
Other expenses and operating income	9,116	3,637	(49)	(213)	(6,879)	5,613
Operating cash flow	276,208	113,342	3,231	(1,388)	(2,477)	388,916
Investment income - dividends	-	-	-	5,523	-	5,523
Non reimbursursable expenses						
Depreciation and amortizations	(102,491)	(44,146)	(15)	(125)	1.651	(146,777)
Provisions	153	-	-	-	-	153
Impairment of trade receivables	(2,646)	-	-	-	-	(2,646)
Financial results						
Financial income	2,938	11,542	74	106,488	(117,791)	3,252
Financial costs	(62,513)	(26,106)	(1)	(136,333)	117,791	(107,162)
Profit before income tax	**111,649**	**54,632**	**3,288**	**(25,834)**	**(2,477)**	**141,259**
Income tax expense	(38,215)	(15,682)	(927)	11,915	-	(42,909)
Profit for the year	**73,434**	**38,950**	**2,361**	**(13,919)**	**(2,477)**	**98,349**

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 and back office to Group entities as well as third parties.

Assets and liabilities by segment as well as capital expenditures for the nine month period ended 30 September 2013 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Segment assets						
Group investments held	-	531,220	-	1,364,221	(1,895,441)	-
Property, plant and equipment and intangible assets	2,629,400	1,221,558	30	717	-	3,851,704
Other assets	313,487	442,333	4,808	3,521,581	(3,203,024)	1,079,185
Total assets	**2,942,887**	**2,195,111**	**4,837**	**4,886,520**	**(5,098,465)**	**4,930,890**
Total liabilities	**2,335,458**	**1,006,119**	**1,822**	**3,742,767**	**(3,203,720)**	**3,882,445**
Capital expenditure - total	**90,683**	**19,286**	**-**	**153**	**-**	**110,122**
Capital expenditure - property, plant and equipment (note 5)	2	-	-	153	-	155
Capital expenditure - intangible fixed assets (note 5)	90,680	19,286	-	-	-	109,966
Investments in associates and joint ventures	-	-	-	12,043	-	12,043

Assets and liabilities by segment as well as capital expenditures for the year ended 31 December 2012 were as follows:

	Electricity	Gas	Telecommunications	Others	Eliminations	Consolidated
Segment assets						
Group investments held	-	538,663	-	1,390,905	(1,929,567)	-
Property, plant and equipment and intangible assets	2,645,016	1,246,494	45	736	-	3,892,291
Other assets	375,953	445,691	5,960	3,378,040	(3,411,881)	793,763
Total assets	**3,020,969**	**2,230,849**	**6,005**	**4,769,680**	**(5,341,448)**	**4,686,054**
Total liabilities	**2,399,515**	**1,027,041**	**2,510**	**3,641,281**	**(3,411,881)**	**3,658,465**
Capital expenditure - total	**155,519**	**45,012**	**-**	**523**	**-**	**201,054**
Capital expenditure - property, plant and equipment (note 5)	24	-	-	523	-	547
Capital expenditure - intangible fixed assets (note 5)	155,494	45,012	-	-	-	200,507
Investments in associates	-	-	-	9,382	-	9,382

The liabilities included in the segment “Others” are essentially related to external borrowings obtained directly by REN SGPS, S.A. 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 nine month period ended 30 September 2013, the changes in tangible and intangible assets in the period were as follows:

	1 January 2013			Changes					30 September 2013		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation disposals and other reclassifications	Cost	Accumulated depreciation	Net book value
Property, plant and equipment											
Transmission and electronic equipment	103	(83)	19	-	-	-	(10)	-	103	(93)	10
Transport equipment	1,169	(502)	667	138	(86)	-	(160)	86	1,221	(576)	645
Office equipment	222	(102)	120	17	(4)	-	(29)	4	236	(127)	109
Property, plant and equipment in progress	20	-	20	1	-	-	-	-	21	-	21
	1,515	(688)	827	156	(90)	-	(198)	90	1,581	(796)	785

	1 January 2013			Changes					30 September 2013		
	Cost	Accumulated amortization	Net book value	Additions	Disposals and write-offs	Transfers	Amortization charge	Amortization disposals and other reclassifications	Cost	Accumulated amortization	Net book value
Intangible assets											
Concession assets	6,563,836	(2,814,944)	3,748,892	2,479	(1,892)	52,942	(149,976)	1,358	6,617,365	(2,963,563)	3,653,802
Concession assets in progress	142,572	-	142,572	107,487	-	(52,942)	-	-	197,117	-	197,117
	6,706,408	(2,814,944)	3,891,464	109,966	(1,892)	-	(149,976)	1,358	6,814,482	(2,963,563)	3,850,919
Total of property, plant and equipment and intangible assets	**6,707,923**	**(2,815,632)**	**3,892,291**	**110,122**	**(1,982)**	**-**	**(150,175)**	**1,448**	**6,816,063**	**(2,964,359)**	**3,851,704**

During the year ended 31 December 2012, the changes in tangible and intangible assets in the year were as follows:

	1 January 2012			Changes					31 December 2012		
	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation disposals and other reclassifications	Cost	Accumulated depreciation	Net book value
Property, plant and equipment											
Transmission and electronic equipment	103	(71)	32	-	-	-	(13)	-	103	(83)	19
Transport equipment	678	(341)	336	492	-	-	(161)	-	1,170	(502)	668
Office equipment	187	(68)	120	35	-	-	(34)	-	222	(102)	120
Property, plant and equipment in progress	-	-	-	20	-	-	-	-	20	-	20
	967	(480)	488	547	-	-	(208)	-	1,515	(688)	827

	1 January 2012			Changes					31 December 2012		
	Cost	Accumulated amortization	Net book value	Additions	Disposals and write-offs	Transfers	Amortization charge	Amortization disposals and other reclassifications	Cost	Accumulated amortization	Net book value
Intangible assets:											
Concession assets	6,244,879	(2,619,393)	3,625,486	9,984	(1,652)	310,626	(197,160)	1,609	6,563,836	(2,814,944)	3,748,892
Concession assets in progress	262,675	-	262,675	190,523	-	(310,626)	-	-	142,572	-	142,572
	6,507,554	(2,619,393)	3,888,161	200,507	(1,652)	-	(197,160)	1,609	6,706,408	(2,814,944)	3,891,464
Total of property, plant and equipment and intangible assets	**6,508,521**	**(2,619,873)**	**3,888,649**	**201,054**	**(1,652)**	**-**	**(197,368)**	**1,609**	**6,707,923**	**(2,815,632)**	**3,892,291**

The additions registered in the nine month period ended 30 September 2013, in the global amount of 110,122 thousand Euros, refer essentially to rights over the investments on construction/renovation and expansion of electrical and gas transportation grid.

The main investments that were concluded and began activity during the periods ended 30 September 2013 and 31 December 2012 are made up as follows:

	30.09.2013	31.12.2012
Electricity segment		
Power line construction (220 KV)	2,266	51,044
Power line construction (400 KV)	289	46,135
Other power line constructions	3,912	16,123
Construction of new substations	10,558	8,275
Substation Expansion	34,385	60,941
Other renovations in substations	14	4,870
Other assets	410	8,634
Gas segment		
Expansion and improvements to natural gas transmission network	1,000	4,676
Construction project of cavity underground storage of natural gas in Pombal	39	2,690
Construction project of the third tank - Sines terminal	69	107,238
Total of transfers	**52,942**	**310,626**

The intangible assets in progress as of 30 September 2013 and 31 December 2012 are as follows:

	30.09.2013	31.12.2012
Electricity segment		
Power line construction (150KV/220KV e 400KV)	44,517	24,983
Substation Expansion	43,645	42,631
New substations projects	36,736	23,566
Other projects	6,167	3,226
Other assets in progress	54	40
Gas segment		
Expansion and improvements to natural gas transmission network	43,742	29,530
Construction project of cavity underground storage of natural gas in Pombal	21,961	18,596
Construction project of the third tank - Sines terminal	296	-
Total of assets in progress	**197,117**	**142,572**

Financial costs capitalized in intangible assets in progress in the period ended 30 September 2013 amounted to 6,897 thousand Euros (10,363 thousand Euros as of 30 September 2012), while overhead and management costs capitalized amounted to 11,589 thousand Euros (9,947 thousand Euros as of 30 September 2012) (Note 19).

As of 30 September 2013 and 31 December 2012, the net book value of the intangible assets financed through lease contracts was as follows:

	30.09.2013	31.12.2012
Cost	2,790	3,719
Accumulated depreciation and amortization	(1,630)	(2,395)
Net book value	**1,160**	**1,324**

6 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

As of 30 September 2013 and 31 December 2012, the financial information regarding the financial interest held is as follows:

			Financial information 30 September 2013				Capital owned		
Company	Activity	Head office	Assets	Liabilities	Revenues	Net profit/(loss)	%	Carrying amount	Group share of profit (loss)
Equity method:									
Associate: OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A.	Holding company	Lisbon	29,846	2,574	1,546	1,227	40	10,580	(212)
Joint Venture: Centro de Investigação em Energia REN - STATE GRID, S.A.	I&D	Lisbon	3,000	74	-	(74)	50	1,463	(37)
								12,043	**(249)**

			Financial information 31 December 2012				Capital owned		
Company	Activity	Head office	Assets	Liabilities	Revenues	Net profit/(loss)	%	Carrying amount	Group share of profit (loss)
Equity method:									
Associate: OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A.	Holding company	Lisbon	26,904	99	2,274	1,899	35	9,382	665

ASSOCIATES

The changes in the caption “Investments in associates” during the period ended 30 September 2013 were as follows:

Investment in associates	
At 1 January 2013	**9,382**
Purchase 5% OMIP SGPS (May 2013)	1,410
Effect of equity method	(212)
At 30 September 2013	**10,580**

JOINT VENTURES

Following a joint agreement technology partnership between REN - Redes Energéticas Nacionais and State Grid International Development (SGID), was created in May 2013 an R & D in Portugal, dedicated to power systems called – Centro de Investigação em Energia REN - STATE GRID, SA ("Research Centre") jointly controlled by the two entities.
Such research center aims to become a platform for international knowledge catalyst for innovative solutions and tools applied to the operation and planning of transmission power.

The changes in the caption "Investments in joint ventures" during the period ended 30 September 2013 were as follows:

Investment in joint ventures	
At 1 January 2013	**-**
Capital subscribed	1,500
Effect of aplying the equity method	(37)
At 30 September 2013	**1,463**

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 90% of the share capital 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 contestations in progress, in which case the period can be extended or suspended, depending on the circumstances.

The Company's Board of Directors understands that any correction 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 30 September 2013.

In 2013, following the change in the tax legislation made in December 2012 by Law 66-B/2012, the Company is taxed by a Corporate Income Tax (“CIT”) rate of 25%, increased by: (1) Municipal surcharge up the maximum of 1.5% over the taxable profit; and (2) a State surcharge of an additional 3% of taxable profit between 1,500 thousand Euros and 7,500 thousand Euros and an additional 5% over the taxable profit in excess of 7,500 thousand Euros, which results in a maximum aggregate CIT tax rate of 31.5%.

The tax rate used in the valuation of temporary taxable and deductible differences as of 30 September 2013, was calculated for each company included in the consolidation perimeter 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 nine months period ended on 30 September 2013 and 2012 is detailed as follows:

	30.09.2013	30.09.2012
Current income tax	51,618	16,910
Adjustaments of income tax from previous year	(586)	(5,384)
Deferred income tax	(8,443)	31,384
Income tax	**42,588**	**42,909**

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

	30.09.2013	30.09.2012
Consolidated profit before income tax	**131,884**	**141,258**
Permanent differences		
Positive net worth variation	(98)	(98)
Non deductible costs	256	1,621
Non taxable income	(333)	(1,156)
Timing differences		
Tariff deviations	28,743	(105,488)
Provisions and impairments	(6,030)	1,493
Revaluations	5,006	5,443
Pension, medical assistence and life insurance plans	(954)	(2,012)
Fair value of financial instruments	(124)	(125)
Others	-	(136)
Taxable income	158,350	40,800
Tax rate - 25%	39,600	10,200
State surcharge tax- taxable income above 1.5 million	8,799	4,617
Municipal surcharge-1.5%	2,889	1,722
Autonomous taxation	329	371
Current income tax	51,618	16,910
Deferred income tax	(8,443)	31,384
Deferred income tax	(8,443)	31,384
Adjustments of estimated tax in previous years	(586)	(5,384)
Income tax	**42,588**	**42,909**
Effective tax rate	**32.29%**	**30.38%**

Income taxes

The caption "Income tax" payable and receivable as of 30 September 2013 and 31 December 2012 is detailed as follows:

	30.09.2013	31.12.2012
Income tax:		
Corporate income tax - estimated tax	-	(18,995)
Corporate income tax - payments on account	-	31,414
Income withholding tax by third parties	-	1,565
Income tax receivable from the previous year	13,746	334
Income tax receivable	**13,746**	**14,318**
Corporate income tax - estimated tax	51,618	-
Corporate income tax - payments on account	(15,038)	-
Income withholding tax by third parties	(1,917)	-
Income tax payable	**34,662**	**-**

Deferred taxes

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

	30.09.2013	30.09.2012
Impact on the statement of profit and loss		
Deferred tax assets	1,028	(21,383)
Deferred tax liabilities	7,416	(10,000)
	8,443	(31,384)
Impact on equity		
Deferred tax assets	(2,602)	3,539
	(2,602)	3,539
Net impact of deferred taxes	**5,842**	**(27,844)**

The changes in deferred tax by nature was as follows:

Change in deferred tax assets - September 2013

	Provisions /Impairments	Pensions	Tariff deviations	Derivative financial instruments	Others	Total
At 1 January 2013	**3,483**	**30,684**	**18,185**	**8,858**	**5**	**61,215**
Increase/decrease through reserves	-	264	-	(2,866)	-	(2,602)
Reversal through profit and loss	(1,740)	(276)	-	(31)	(2)	(2,048)
Increase through profit and loss	-	-	3,076	-	-	3,076
Change in the period	(1,740)	(12)	3,076	(2,897)	(2)	(1,574)
At 30 September 2013	**1,743**	**30,672**	**21,261**	**5,961**	**3**	**59,641**

Change in deferred tax assets - December 2012

	Provisions /Impairments	Pensions	Tariff deviations	Derivative financial instruments	Others	Total
At 1 January 2012	**2,388**	**15,982**	**39,412**	**4,383**	**892**	**63,057**
Increase/decrease through reserves	-	15,602	-	4,529	-	20,131
Reversal through profit and loss	(290)	(1,248)	(21,227)	(54)	(887)	(23,707)
Increase through profit and loss	1,386	347	-	-	-	1,733
Change in the period	1,096	14,702	(21,227)	4,474	(887)	(1,843)
At 31 December 2012	**3,483**	**30,684**	**18,185**	**8,858**	**5**	**61,215**

Deferred tax assets at 30 September 2013 correspond mostly to liabilities for benefit plans granted to employees and tariff deviations to be given to subsequent year tariffs.

Evolution of deferred tax liabilities - September 2013

	Tariff deviations	Revaluation	Total
At 1 January 2013	**52,373**	**30,424**	**82,797**
Reversal trough profit and loss	(5,883)	(1,533)	(7,416)
Change in the period	(5,883)	(1,533)	(7,416)
At 30 September 2013	**46,490**	**28,891**	**75,381**

Evolution of deferred tax liabilities – December 2012

	Tariff deviations	Revaluation	Total
At 1 January 2012	**34,345**	**32,531**	**66,875**
Increase through profit and loss	18,029	-	18,029
Reversal trough profit and loss	-	(2,107)	(2,107)
Change in the period	18,029	(2,107)	15,922
At 31 December 2012	**52,373**	**30,424**	**82,797**

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

The legal diplomas that supported 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 the financial instruments according to the IAS 39 categories were applied to the following financial assets and liabilities:

September 2013

	Notes	Loans and 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	273,987	-	-	-	-	-	273,987	273,987
Trade and other receivables	10	344,990	-	-	-	-	-	344,990	344,990
Other investments		220,701	-	-	-	3,420	-	224,121	224,121
Available-for-sale financial assets	9	-	-	-	144,831	-	-	144,831	144,831
Income tax receivable	7	13,746	-	-	-	-	-	13,746	13,746
Derivative financial instruments	11	-	-	376	-	-	-	376	376
Total financial assets		**853,425**	**-**	**376**	**144,831**	**3,420**	**-**	**1,002,052**	**1,002,052**
Liabilities									
Borrowings	14	-	-	-	-	-	2,965,828	2,965,828	3,023,533
Trade and other payables	17	-	-	-	-	-	334,274	334,274	334,274
Income tax payable	7	-	-	-	-	-	34,662	34,662	34,662
Drivative financial instruments	11	-	23,433	809	-	-	-	24,242	24,242
Total financial liabilities		**-**	**23,433**	**809**	**-**	**-**	**3,334,764**	**3,359,006**	**3,416,711**

December 2012

	Notes	Loans and 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	61,246	-	-	-	-	-	61,246	61,246
Trade and other receivables	10	381,189	-	-	-	-	-	381,189	381,189
Other investments		117,163	-	-	-	4,285	-	121,447	121,447
Available-for-sale financial assets	9	-	-	-	131,002	-	-	131,002	131,002
Income tax receivable	7	14,318	-	-	-	-	-	14,318	14,318
Derivative financial instruments	11	-	6,853	416	-	-	-	7,269	7,269
Total financial assets		**573,916**	**6,853**	**416**	**131,002**	**4,285**	**-**	**716,471**	**716,471**
Liabilities									
Borrowings	14	-	-	-	-	-	2,705,895	2,705,895	2,913,965
Trade and other payables	17	-	-	-	-	-	383,952	383,952	383,952
Drivative financial instruments	11	-	27,958	811	-	-	-	28,769	28,769
Total financial liabilities		**-**	**27,958**	**811**	**-**	**-**	**3,089,847**	**3,118,616**	**3,326,687**

The caption “Other financial assets” amounting 224,121 thousand euros, includes:

- Financial assets at fair value through results, which corresponds to the financial investment of the Group in the “Luso Carbon Fund” with a maturity of 10 years.
- Other accounts receivables refers essentially to: (i) a guarantee in favour of EIB, constituted in November 2012, in the form of a pledge of a bank deposit, in the amount of 115,231 thousand euros. The latter is required until the reestablishment of the investment ranking grade or by the substitution of the guarantee by other equally accepted by EIB (including banking guarantees rendered by financial institutions

approved by the EIB) (Note 14); and (ii) two term deposits with maturities greater than three months amounting 105,000 thousand euros.

Fair value estimate – assets measured at fair value

The following table presents the Group's assets and liabilities measured at fair value on 30 September 2013 in accordance with the following hierarchy levels of fair value:

- Level 1: the fair value of financial instruments is based on net liquid market prices as of the date of the consolidated statement of financial position;
- Level 2: the fair value of financial instruments is not based on active market prices but rather on valuation models. The main inputs of the models used are taken from the market, the discount rate intervals used for the Euro curve being around 0.098% to 2.596% (maturities of 1 week and twenty years, respectively), regarding to derivative financial instruments;
- 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	Investments	100,209	40,955	-	141,164
Financial assets at fair value recorded in income	Negotiable derivatives	376	-	-	376
Other investments	Treasury funds	3,420	-	-	3,420
Liabilities:					
Financial liabilities at fair value recorded in reserves	Hedging derivatives	-	23,433	-	23,433
Financial liabilities at fair value recorded in income	Negotiable derivatives	809	-	-	809
		103,196	**17,523**	**-**	**120,719**

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.

9 ASSETS AVAILABLE FOR SALE

The assets recognised in this caption as of 30 September 2013 and 31 December 2012 correspond to equity interests held on strategic entities for the Group, which can be detailed as follows:

	Head office				Book value	
	City	Country	% owned	Entity	30.09.2013	31.12.2012
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	Madrid	Spain	10.00%	REN, SGPS	3,167	3,167
Red Electrica Corporacion, S.A. ("REE")	Madrid	Spain	1.00%	REN, SGPS	56,950	50,493
Enagás, S.A.	Madrid	Spain	1.00%	REN, SGPS	43,259	38,542
Med Grid SAS	Paris	France	5.45%	REN, SGPS	500	400
Hidroeléctrica de Cahora Bassa	Maputo	Mozambique	7.50%	REN, SGPS	40,955	38,400
					144,831	**131,002**

The changes in this caption were as follows:

	OMEL	Med Grid	HCB	REE	ENAGAS	Total
At 1 January 2012	**3,167**	**-**	**-**	**44,760**	**34,125**	**82,051**
Acquisitions	-	400	38,400	-	-	38,800
Fair value adjustments	-	-	-	5,733	4,418	10,151
At 31 December 2012	3,167	400	38,400	50,493	38,542	131,002
At 1 January 2013	**3,167**	**400**	**38,400**	**50,493**	**38,542**	**131,002**
Acquisitions	-	100	-	-	-	100
Fair value adjustments	-	-	2,555	6,457	4,716	13,729
At 30 September 2013	**3,167**	**500**	**40,955**	**56,950**	**43,259**	**144,831**

The interests held in REE and Enagás are recorded at fair value determined based on the shares closing quotations of 30 September 2013.

Red Eléctrica Corporación (“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 of 30 September 2013.

ENAGÁS is the transmission system operator of natural gas in Spain. REN, SGPS acquired a 1% stake in Enagás as part of a strategic partnership agreement. Enagás is a listed company in Madrid’s index IBEX 35 and the financial asset was recorded on the statement of financial position at the market price of 30 September 2013.

REN holds shares representing 7.5% of HCB's share capital, as a result of the conditions established in the agreement signed on 9 April 2012 between REN, Parpública – Participações Públicas, SGPS, S.A. ("Parpública"), CEZA – Companhia Eléctrica do Zambeze, S.A. and EDM – Electricidade de Moçambique, EP for the acquisition of 2,060,661,943 shares owned by Parapública representing 7.5% of HCB's share capital and voting rights. This investment is recorded at fair value in accordance with the assessment of investment valuation at statement of financial position.

As of 30 September 2013, the Group holds the following equity instruments of non-listed companies:

(i) Medgrid, S.A.S.: REN became shareholder of Medgrid, having bought 5,000 shares (500 thousand Euros representing 5.45% of the share capital). This project is an international partnership to promote and develop interconnection electric network of the Mediterranean, allowing the transportation of clean electricity produced in Africa to Europe.

(ii) OMEL, Operador del Mercado Ibérico de Energia, S.A. ("OMEL"): Within the scope of the creation of a sole operator in the Iberia 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 bought 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 prices 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 of 31 December 2012, being REN's understanding that as of 30 September 2013, there is no evidence of impairment losses on these investments.

The adjustments to fair value of available-for-sale financial assets are recognised in the equity caption "Fair value reserve" that as of 30 September 2013 and 31 December 2012 had the following amounts:

	Fair value reserve (Note 13)
1 January 2012	**(14,244)**
Changes in fair value	10,151
31 December 2012	**(4,093)**
1 January 2013	**(4,093)**
Changes in fair value	13,729
30 September 2013	**9,635**

In the nine month periods ended 30 September 2013 the dividends attributable to the Group are as follows:

	30.09.2013	30.09.2012
Red Eléctrica Corporación, S.A. ("REE")	2,286	2,995
Enagás, S.A.	1,635	2,371
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	50	157
Hidroeléctrica de Cahora Bassa	1,405	-
	5,377	**5,523**

During the nine month periods ended 30 September 2013, were received 6,292 thousand euros of dividends that include 915 thousand euros of dividends related to the year of 2012.

10 TRADE AND OTHER RECEIVABLES

Trade and other receivables as of 30 September 2013 and 31 December 2012 are made up as follows:

Trade and other receivables

	30.09.2013			31.12.2012		
	Current	Non-current	Total	Current	Non-current	Total
Trade receivables	175,819	155	175,974	191,321	155	191,476
Impairment of trade receivables	(822)	-	(822)	(822)	-	(822)
Trade receivables net	174,997	155	175,152	190,499	155	190,654
Tariff deviations	37,156	122,731	159,887	100,554	75,592	176,146
Impairment of other receivables	-	-	-	-	(5,296)	(5,296)
State and Other Public Entities (i)	9,950	-	9,950	19,685	-	19,685
Trade and other receivables	**222,103**	**122,887**	**344,990**	**310,738**	**70,451**	**381,189**

(i) "State and Other Public Entities" refer to VAT

The most significant amounts in trade receivables are the receivables from EDP – Distribuição de Energia, S.A. in the amount of 87,858 thousand Euros (82,624 thousand Euros as of 31 December 2012) and Galp in the amount of 16,191 thousand Euros (10,473 thousand Euros as of 31 December 2012).

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

	30.09.2013	31.12.2012
Begining balance	**(6,118)**	**(3,472)**
Increases	-	(2,646)
Reversals	5,296	-
Ending balance	**(822)**	**(6,118)**

At 30 June 2013, Group REN recorded the reversal of the impairment loss of interests relating to the tariff deficit receivable in the amount of 5,296 thousand Euros as a result of a formal commitment from Portuguese Government related with the payment of this amount.

11 DERIVATIVE FINANCIAL INSTRUMENTS

At 30 September 2013 and at 31 December 2012 the REN Group had the following derivative financial instruments contracted:

		30.09.2013			
		Assets		Liabilities	
	Notional	Current	Non-current	Current	Non-current
Derivatives designated as cash flow hedges					
Interest rate swaps	50,000 TEUR	-	-	904	-
Interest rate swaps	375,000 TEUR	-	-	-	19,191
Interest rate and currency swaps	10,000,000 TJPY	-	-	-	3,338
		-	-	904	22,529
Negotiable derivatives		376	-	809	-
Derivative financial instruments		**376**	**-**	**1,713**	**22,529**

		31.12.2012			
		Assets		Liabilities	
	Notional	Current	Non-current	Current	Non-current
Derivatives designated as cash flow hedges					
Interest rate swaps	425,000 TEUR	-	-	-	27,958
Interest rate and currency swaps	10,000,000 TJPY	-	6,853	-	-
		-	6,853	-	27,958
Negotiable derivatives		416	-	811	-
Derivative financial instruments		**416**	**6,853**	**811**	**27,958**

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

The amounts presented above, include interest receivable and payable relating to derivative financial instruments in the net payable amount of 1,843 thousand euros as of 30 September 2013.

The features of the swaps at 30 September 2013 and at 31 December 2012 are as follows:

Reference value	Payment periods	Receipt/payment	Maturity date	Fair value at 30.09.2013	Fair value at 31.12.2012
Interest rate swaps:					
50 000 tEuros	Interest payment periods: payable: 27 April and October – interest settled semesterly; receivable: 27 April and October – interest settled semesterly.	REN receives Euribor 6M and pays 2.26%	October 2014	(1,193)	(1,677)
50 000 tEuros	Interest payment periods: payable: 27 April and October – interest settled semesterly; receivable: 27 April and October – interest settled semesterly.	REN receives Euribor 6M and pays 2.23%	October 2014	(1,173)	(1,646)
50 000 tEuros	Interest payment periods: payable: 12 January and July – interest settled semesterly; receivable: 12 January and July – interest settled semesterly.	REN receives Euribor 6M and pays 2.15%	July 2014	(904)	(1,720)
100 000 tEuros	Interest counting periods: payable: 15 March, June, September and December – Interest settled quartely; receivable: 15 June, September and December - interest settled quartely	REN receives Euribor 3M and pays 2.72%	December 2016	(6,766)	(9,162)
100 000 tEuros	Interest counting periods: payable: 15 March, June, September and December – Interest settled quartely; receivable: 15 June, September and December - interest settled quartely	REN receives Euribor 3M and pays 2.77%	December 2016	(6,956)	(9,132)
75 000 tEuros	Interest payment periods: payable: 15 March, June ,September and December – interest settled quarterly; receivable: 15 March, June, September and December – interest settled quarterly.	REN receives Euribor 3M and pays 1.89%	September 2017	(3,104)	(4,621)
				(20,095)	**(27,958)**
425 000 tEuros					
Cross-currency swap:					
10 000 000 000 JPY 72 899 tEuros	Interest counting periods: payable: 26 June and December – interest settled half yearly; receivable: 26 June and December - interest settled half yearly.	REN receives 2.71% and pays 5.64% (annual) up to June 2019 and Euribor 6M + 190 b.p. from that date to maturity	June 2024	(3,338)	6,853
10 000 000 000 JPY				**(3,338)**	**6,853**
			Total	**(23,433)**	**(21,105)**

Swaps:

Cash flow hedges

The Group hedges part of the future payments of interest on borrowings, bonds issued and commercial paper programmes through the designation of interest rate swaps in which pays a fixed rate and receives a variable rate, with a notional amount of 425,000 thousand Euros (425,000 thousand Euros in December 2012).

This is an interest rate risk hedge on payable interest at variable rates on recognized financial liabilities. The risk hedged is the index of the variable rate to which the loan interest coupons relate.

The objective of the hedge is to transform the borrowings at variable interest rates into fixed interest rates, meaning that the risk of credit is not being covered. The fair value of the interest rate swaps at 30 September 2013 was 20,095 thousand Euros negative (27,958 thousand Euros negative at 31 December 2012).

In addition, REN 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 purpose will be to hedge the exposure to JPY and the interest rate risk, transforming the operation into a fair value hedge. On the other end, the changes in fair value of the debt issued, resulting from the risks covered, become 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 30 September 2013 was 3,338 thousand Euros negative (6,853 thousand Euros positive at 31 December 2012). The underlying exchange variation (borrowing) for 2013, in the amount of, approximately, 12,136 thousand Euros, was offset by a similar variation in the hedging instrument in the statement of profit and loss.

The inefficient component of the fair value hedge, which is based in the difference of the variation of the fair value of the hedging instrument and the variation of the fair value of the debt, in terms of the hedged risk (interest rate risk) amounted 588 thousand euros negative.

The amount recorded in reserves which relate to the above mentioned cash flow hedges was 23,968 thousand Euros at 30 September 2013 (35,431 thousand Euros at 31 December 2012).

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

	Fair value	Deferred taxes impact	Hedging reserves
1 January 2012	**(14,793)**	**4,290**	**(10,503)**
Changes in fair value	(20,638)	4,529	(16,109)
31 December 2012	**(35,431)**	**8,819**	**(26,612)**
1 January 2013	**(35,431)**	**8,819**	**(26,612)**
Changes in fair value	11,463	(2,866)	8,597
30 September 2013	**(23,968)**	**5,953**	**(18,015)**

Fair value hedge

In February 2009 the Group contracted an interest rate swap to hedge the fair value of a bond issue of 300,000 thousand Euros. The hedge was discontinued in November 2009, and as of 30 September 2013 the hedged instrument has a fair value adjustment resulting from the hedge of 32 thousand Euros. This amount is being amortized to profit and loss, in accordance with the effective interest rate method during the maturity period of the hedged instrument.

Futures:

REN – Redes Energéticas Nacionais, SGPS, S.A., through its subsidiary REN Trading, S.A. has carried out some financial operations in the futures market of energy, coal and CO_2 emission licences, through contracts standardized by the International Swaps and Derivatives Association Inc. ("ISDA") and through participation in futures trading exchanges.

REN SGPS and REN Trading signed an agreement under which REN Trading manages these derivative financial contracts on behalf of REN SGPS, thus ensuring clear and transparent separation between these businesses, always on a previously defined basis, continuously monitored with low exposure to risk.

These financial derivatives contracts in the futures market do not imply any physical liquidation of the underlying assets, being an activity of a purely financial nature, in a framework of financial management of assets, not being viewed as a regulated activity of the Commercial Agent.

The fair value of the futures energy contracts and carbon licences as of 30 September 2013 and 31 December 2012 was as follows:

	30.09.2013	
	Current assets	Current liabilities
Financial contracts in the energy market for 2013	376	-
CO2 licences	-	809
Fair value	**376**	**809**

	31.12.2012	
	Current assets	Current liabilities
Financial contracts in the energy market for 2013	416	-
CO2 licences	-	811
Fair value	**416**	**811**

The changes in fair value of trading derivatives that were recognized in profit and loss were 38 thousand Euros negative at 30 September 2013 (443 thousand Euros negative at 31 December 2012).

12 CASH AND CASH EQUIVALENTS

The amounts considered as cash and cash equivalents as of 30 September 2013 and 31 December 2012 are made up as follows:

	30.09.2013	31.12.2012
Cash	21	-
Bank deposits	273,967	61,246
Cash and cash equivalents in balance	**273,987**	**61,246**
Bank overdrafts (Note 14)	(6,943)	-
Cash and cash equivalents in cash flow statement	**267,045**	**61,246**

13 EQUITY INSTRUMENTS

Share capital

REN's subscribed and paid up share capital as of 30 September 2013 and 31 December 2012 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 30 September 2013 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 nine month period ended 30 September 2013.

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.

Other reserves

The caption "Other reserves" includes:

- Legal reserves, in the amount of 91,492 thousand Euros: 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 capital. The reserve cannot be distributed unless in case of company liquidation, but can be used to cover losses after other reserves are depleted or to increase capital.

- Fair value reserves:
  (i) Fair value reserve – includes changes in the fair value of held for sale assets (9,635 thousand Euros positive), as detailed in Note 9;

(ii) Hedging reserve – includes changes in the fair value of hedging derivative financial instruments when cash flow hedge is effective (18,015 thousand Euros negative) as detailed in Note 11.

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.

- Free reserves, in the amount of 177,022 thousand Euros: This caption is used for applying the period end net income. The amount included in this caption can be disbursed to shareholders with the exception imposed by the Commercial Company Code regarding own shares.

14 BORROWINGS

The segregation of borrowings between current and non-current and by nature, as of 30 September 2013 and 31 December 2012 was as follows:

	September 2013			December 2012		
	Current	Non-current	Total	Current	Non-current	Total
Bonds	950,000	1,109,416	2,059,416	850,000	771,676	1,621,676
Bank Borrowings	71,000	677,592	748,592	66,123	670,085	736,208
Commercial Paper	10,000	100,000	110,000	250,000	93,000	343,000
Bank overdrafts (Note 12)	6,943	-	6,943	-	-	-
Finance Lease	447	716	1,164	643	734	1,377
	1,038,390	1,887,724	2,926,114	1,166,766	1,535,495	2,702,261
Accrued interest	64,737	-	64,737	18,816	-	18,816
Prepaid interest	(25,023)	-	(25,023)	(15,183)	-	(15,183)
Borrowings	**1,078,104**	**1,887,724**	**2,965,828**	**1,170,400**	**1,535,495**	**2,705,895**

In January 2013 the Group issued two bonds of 150,000 thousand Euros and 300,000 thousand Euros with maturity in January 2020 and 2018.

The Group´s outstanding bond loans as of 30 September 2013 are detailed as follows:

30 September 2013							
Emission date	Maturity		Amount		Interest rate	Periodicity of interest payment
REN SGPS private emission						
27/04/2011	27/10/2014		100,000	(i)	Floating rate (ii)	Semesterly
12/07/2011	12/07/2014		50,000	(i)	Floating rate (ii)	Semesterly
14/03/2012	14/03/2015		20,000	(i)	Floating rate	Semesterly
"Euro Medium Term Notes" programme emissions						
10/12/2008	10/12/2013		800,000		Fixed rate 7,875%	Annually
20/04/2009	05/12/2013		50,000	(i)	Floating rate	Quarterly
26/06/2009	26/06/2024	JPY	10,000,000	(i)	Fixed rate (ii)	Semesterly
08/03/2012	09/03/2015		63,500	(i)	Fixed rate	Semesterly
21/09/2012	21/09/2016		300,000		Fixed rate 6,25%	Semesterly
28/09/2012	28/09/2015		50,000	(i)	Fixed rate	Annually
10/12/2012	10/12/2015		100,000	(i)	Fixed rate	Semesterly
16/01/2013	16/01/2020		150,000	(i)	Floating rate	Quarterly
31/01/2013	31/01/2018		300,000		Fixed rate 4,125%	Annually

(i) These emissions correspond to private placements.
(ii) These emissions have associated interest rate swaps and/or cross currency swaps (Note 11)

REN is a subscriber of six commercial paper programs amounting to 775,000 thousand Euros (1,170,000 thousand Euros in December 2012), in which 110,000 thousand Euros were subscribed at 30 September 2013 (343,000 thousand Euros in December 2012). The inflows resulting of the bond issues mentioned above contributed to the decrease of commercial paper subscription.

The bank borrowings are mainly (611,949 thousand Euros) represented by EIB – European Investment Bank loans. Part of these borrowings (275,000 thousand Euros) are hedged with interest rate swaps (Note 11).

In March 2013 REN obtained a 3 years maturity loan providing its share capital stakes in Red Eléctrica Corporación and in Enagás as collateral. REN mantains in full the rights inherent to such shareholdings, including voting rights and dividends.

The Group also has 81,500 thousand Euros in credit lines contracted, although unused at 30 September 2013, maturing in less than a year, automatically renewed periodically (in case they are not terminated in the contractually specified period).

Following the strategic partnership with State Grid International Development Ltd in the scope of REN's second privatization stage, the irreversible conditions for a 800,000 thousand Euros loan (corresponding to 80% of the global 1,000,000 thousand Euros commitment) were agreed with China Development bank. This loan is divided in two 400,000 thousand Euros batches, one for the purpose of debt refinancing, for which a financing contract was signed in April 2013 and the other for investment in electricity and natural gas infrastructure.

REN's 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 81% above the minimum level (as of 31 December 2012 it was 76% above such level).

The borrowings from EIB also include ratings covenants. In the event of REN's ratings falling below the levels specified, REN can be called to provide a guarantee acceptable to EIB. During 2012 due to decrease of the rating to sub investment level, a guarantee was presented to EIB in the form of a pledge bank deposit in the amount of 117,163 thousand Euros (Note 8). At 30 September 2013 and following the reimbursement to the EIB, the pledge was valued 115,231 thousand Euros.

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.

The book value and fair value of the borrowings were as follows:

	Book value		Fair value	
	September 2013	**December 2012**	**September 2013**	**December 2012**
Bonds	2,059,416	1,621,676	2,188,028	1,805,072
Bank Borrowings	748,592	736,208	710,954	764,386
Commercial Paper	110,000	343,000	116,372	343,042
Others	8,107	1,377	8,179	1,466
	2,926,114	**2,702,261**	**3,023,533**	**2,913,965**

Fair value is calculated in accordance with the discounted cash flow method, using an interest rate curve at the statement of financial position date, in accordance with the characteristics of each type of borrowing.

Market interest rates used for the calculation of the fair value are included in the interval between 0.098% and 2.596% (maturity of one week and twenty years respectively).

15 POST-EMPLOYMENT BENEFITS AND OTHER BENEFITS

REN – Rede Eléctrica Nacional, S.A. grants supplementary retirement, pre-retirement and survivor pensions (hereinafter referred to as pension plan), provides its retirees and pensioners with a health care plan on a similar basis to that of its serving personnel, and grants other benefits such as long service bonuses, retirement bonuses and a death grant. The Group also grants their employees life assurance plans. There were no changes in relation to 31 December 2012 in the benefits granted to the employees.

As of 30 September 2013 and 31 December 2012 the Group had the following amounts recorded relating to liabilities for retirement and other benefits:

	30.09.2013	31.12.2012
Liability on the Balance Sheet		
Pension plan	67,593	68,208
Healthcare plan and other benefits	38,039	37,477
Life assurance plan	136	123
	105,768	**105,808**

During the nine month period ended 30 September 2013 and 30 September 2012 the following operating expenses were recorded regarding benefit plans with employees:

	30.09.2013	30.09.2012
Charges to the statement of profit and loss (note 22)		
Pension plan	3,556	1,300
Healthcare plan and other benefits	1,379	755
Life assurance plan	13	11
	4,948	**2,066**

The amounts reported to 30 September 2013 result from the projection of the actuarial valuation as of 31 December 2012 considering the estimated increase in salaries for 2013, beginning to use a single discount rate in accordance with the latest version of IAS 19, which is applicable mandatory for financial years beginning after 1 January 2013.

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:

	31.12.2012
Annual discount rate	3.3%
Expected percentage of serving employees elegíble for early retirement (more than 60 years of age)	20.0%
Expected percentage of serving employees elegíble for early retirement by management decision	20.0%
Rate of salary increase	3.3%
Pension increase	2.0%
Future increases of Social Security Pension amount	2.0%
Inflation rate	2.0%
Medical trend	3.5%
Management costs (per employee/year)	215€
Expenses medical trend	2.2%
Rate of return on assets	5.7%
Mortality table	TV 88/90

16 PROVISIONS

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

	30.09.2013	31.12.2012
Begining balance	**7,220**	**32,314**
Increases	-	2,833
Reversing	(82)	(197)
Utilization (i)	(1,054)	(27,730)
Ending balance	**6,084**	**7,220**
Current provision	1,283	2,419
Non-current provision	4,801	4,801
	6,084	**7,220**

At 30 September 2013 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 1,264 thousand Euros related to the Group's restructuring plan in course.

(i) The utilization in 2012 refers to the payment of 27,837 thousand Euros in January 2012 of the indemnity on the Amorim Energia B.V. litigation process, plus interest owed up to the date of payment being the provision used in the amount of 27,730 thousand Euros. The expense as well as the revenue regarding the reversal of the provision, are not visible in the income statement as they were recorded in the same caption, as recommended by the accounting principles, avoiding the overstatement of expenses and losses.

17 TRADE AND OTHER PAYABLES

The caption “Trade and other payables” as of 30 September 2013 and 31 December 2012 was made up as follows:

	30.09.2013			31.12.2012		
	Current	Non current	Total	Current	Non current	Total
Trade payables						
Current suppliers	116,733	-	116,733	146,588	-	146,588
Other creditors						
Other creditors	49,874	28,090	77,964	58,382	6,822	65,204
Tariff deviations	8,958	44,580	53,538	32,106	30,900	63,006
Fixed assets suppliers	57,944	-	57,944	83,890	-	83,890
Tax payables (i)	22,034	-	22,034	20,215	-	20,215
Deferred income						
Grants related to assets	19,148	317,058	336,207	20,851	323,173	344,024
Accrued costs						
Holidays and holidays subsidies	6,061	-	6,061	5,050	-	5,050
Trade and other payables	**280,752**	**389,729**	**670,481**	**367,081**	**360,895**	**727,977**

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

18 SALES AND SERVICES RENDERED

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

	30.09.2013	30.09.2012
Goods:		
Domestic market	109	366
	109	366
Services:		
Electricity transmission and overall systems management	288,155	297,957
Natural gas transmission	89,493	91,437
Regasification	26,436	26,819
Underground gas storage	9,673	9,969
Telecommunications network	4,131	3,895
Trading	2,608	1,612
Others	1,326	741
	421,822	432,430
Total sales of goods and services	**421,930**	**432,796**

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 nine month periods ended 30 September 2013 and 2012 is the following:

	30.09.2013	30.09.2012
Revenue from construction of concession assets		
- Acquisitions	91,480	104,126
- Own work capitalised :		
Financial expenses (Note 5)	6,897	10,363
Overhead and management costs (Note 5)	11,589	9,947
	109,966	**124,437**
Cost of construction of concession assets		
- Acquisitions	91,480	104,126
	91,480	**104,126**

20 OTHER OPERATING INCOME

The caption “Other operating income” is made up as follows:

	30.09.2013	30.09.2012
Recognition of investment subsidies	14,354	13,505
Supplementary income	1,397	1,357
Hedging - Financial contracts	1,659	605
Others	2,388	625
	19,798	**16,093**

The caption “Hedging” refers to gains on financial operations in the futures market for energy, coal, and carbon emission licences, through contracts standardized by the International Swaps and Derivatives Association Inc. (“ISDA”), as well as through participation in futures trading exchanges. The operations are merely financial not involving physical deliveries.

21 EXTERNAL SUPPLIES AND SERVICES

The caption "External supplies and services" for the nine month periods ended 30 September 2013 and 2012 is made up as follows:

	30.09.2013	30.09.2012
Gas transport subcontracts	2,044	1,790
Maintenance costs	6,115	6,397
Fees relating to external entities ii)	6,065	7,698
Cross border interconnection costs iii)	1,129	4,039
Electric energy costs	3,420	4,294
Insurance costs	2,115	2,088
Reserve capacity costs i)	1,028	1,017
Publicity costs	879	1,552
Security and surveillance	1,353	1,470
Other (less than 1,000 thousand Euros)	4,508	4,836
External supplies and services	**28,655**	**35,182**

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

ii) The cross border interconnection costs refer to the cost assumed on cross-border trade in electricity. The variation registered in September 2013, when compared with the same period of last year reflect the decrease on electricity import flows.

iii) Reserve capacity costs correspond to costs incurred by REN relating to production available required from producers, to maintain the system operational at all times. These costs are recorded in the global management activity of the REN S.A. system in accordance with the regulatory model currently in force.

22 PERSONNEL COSTS

Personnel costs are made up as follows:

	30.09.2013	30.09.2012
Remuneration		
Board of directors	1,619	1,224
Personnel	26,142	24,454
	27,762	25,677
Social charges and other expenses		
Post-employement and other benefits cost (Note 15)	4,948	2,066
Charges on remuneration	5,757	5,857
Social support costs	138	225
Other	1,705	1,468
	12,548	9,615
Total personnel costs	**40,310**	**35,293**

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:

	30.09.2013	30.09.2012
ERSE operating costs i)	6,571	6,571
Donations	132	343
Taxes	656	1,499
Quotizations	874	957
Others	514	744
	8,748	**10,114**

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:

	30.09.2013	30.09.2012
Financial costs		
Interest cost	111,184	100,174
Derivative financial instruments	8,208	6,158
Losses on other financial assets	865	831
	120,256	**107,162**
Financial income		
Interest income	7,657	3,162
Derivative financial instruments	1,900	90
	9,558	**3,252**

25 EARNINGS PER SHARE

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

		30.09.2013	30.09.2012
Consolidated net profit used to calculate earnings per share	(1)	89,296	98,349
Number of ordinary shares outstanding during the period (Note 13)	(2)	534,000,000	534,000,000
Effect of own shares (Note 13) (average number of shares)		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)**	**0.17**	**0.19**

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

26 DIVIDENDS PER SHARE

During the General Shareholders Meeting held on 30 April 2013, the shareholders approved the distribution of dividends with respect to the net profit of 2012, in the amount of 90,780 thousand Euros, corresponding to a gross dividend amount of 0.17 Euros per share (including the dividends attributable to own shares).

The dividends attributable to own shares was 660 thousand Euros, having been paid to the shareholders an amount of 90,120 thousand Euros.

27 GUARANTEES GIVEN

As of 30 September 2013 and 31 December 2012 the REN Group had given the following guarantees:

Beneficiary	Subject	30.09.2013	31.12.2012
Direcção Geral de Geologia e Energia	To guarantee compliance with the obligations assumed resulting from the contract relating to the public service concession	20,500	20,500
Fortia - Energia para Grandes Consumidores	Financial contract under the ISDA contract (International Swaps and Derivatives Association, Inc.)	1,000	1,000
Municipal Council of Vila Nova de Gaia	Ensure the suspension of the process 412/13	2	-
Judge of District Court	Guarantee for expropriation processes	5,549	5,681
Municipal Council of Seixal	To guarantee processes in progress	4,029	4,469
NORSCUT - Concessionária de Auto-estradas, SA	To guarantee prompt payment of liabilities assumed by REN in the contract ceding utilization	200	200
EUROSCUT NORTE - Sociedade Concessionária da SCUT do Norte Litoral, S.A.	Ensure compliance with the obligations assumed	-	250
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed	84	84
Tax Authority and Customs	Ensure the suspension of tax enforcement proceedings	205	193
Municipal Council of Odivelas	To guarantee the good and regular execution of installing an underground line	1,119	-
Municipal Council of Silves	Construction over the process 1L/03 - Cortezões - Tunes	352	-
OMEL - Operador del Mercado Español de Electricidad	To guarantee payments resulting from trading participation as purchaser in the Spanish market	2,000	2,000
Municipal Council of Aveiro	Ensure the suspension of the process related to Municipal Taxes of 2013	43	-
European Investment Bank	To guarantee loans	321,206	359,022
Ministry of the Economy and Innovation	To guarantee settlement of executing	-	1
European Community	To comply with the contractual requirements of the loan contract	-	3
		356,290	**393,403**

28 RELATED PARTIES

Main shareholders and shares held by corporate bodies

As of 30 September 2013 and 31 December 2012, the shareholder structure of Group REN was as follows:

	30.09.2013		31.12.2012	
	Number of shares	%	Number of shares	%
State Grid Europe Limited (State Grid Group Company)	133,500,000	25.0%	133,500,000	25.0%
Mazoon B.V. (Oman Oil Company S.A.O.C. Group Company)	80,100,000	15.0%	80,100,000	15.0%
EGF - CGF, S.A.	45,019,666	8.4%	45,019,666	8.4%
Parpublica - Participações Públicas (SGPS), S.A.	52,871,340	9.9%	52,871,340	9.9%
Gestmin, SGPS, S.A.	31,326,951	5.9%	31,046,951	5.8%
Oliren, SGPS, S.A.	26,700,000	5.0%	26,700,000	5.0%
EDP - Energias de Portugal, S.A.	26,707,335	5.0%	26,707,335	5.0%
Red Eletrica Corporación, S.A.	26,700,000	5.0%	26,700,000	5.0%
Columbia Wanger	-	0.0%	10,703,317	2.0%
Caixa Geral de Depósitos, S.A.	6,258,174	1.2%	6,118,772	1.1%
Own shares	3,881,374	0.7%	3,881,374	0.7%
Free Float	100,935,160	18.9%	90,651,245	17.0%
	534,000,000	**100.00%**	**534,000,000**	**100.00%**

Transaction over REN shares by the Board of Directors

Mr. Manuel Carlos de Melo Champalimaud, member of the Board of Directors acquired 35,700 REN shares in February 2013.

Besides the above situation, there were no other transactions carried out by Corporate Bodies in relation to the consolidated financial statements as of 31 December 2012.

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 nine month period ended 30 September 2013 amounted to 1,619 thousand Euros, as shown in the following table:

	30.09.2013	30.09.2012
Remuneration and other short term benefits	1,619	1,224
	1,619	**1,224**

The Board of Directors does not receive any other compensation disclosed in the paragraph 17 of IAS 24 besides salaries and short term benefits.

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 2012) 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

	30.09.2013	30.09.2012
Sales and services provided		
Invoicing issued- EDP	975,244	958,707
Invoicing issued- OMIP	13	-
Invoicing issued- North China Internacional Power (State Grid Group)	20	-
Financial income		
Interest on financial aplications-CGD	280	-
Dividends received		
REE	2,286	2,995
	977,843	**961,702**

The amounts shown as invoicing issued 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

	30.09.2013	30.09.2012
External supplies and services		
Invoicing received-EDP	377,396	374,252
Invoicing received-Norfin Serviços, S.A.*	7	-
Financial costs		
Interests on Commercial paper - CGD	2,163	-
Borrowings fees - CGD	888	-
Derivative financial instruments-CGD	6,956	-
	387,410	**374,252**

* Entity related with the Member of the Board Directors Filipe Maurício de Botton

The amounts shown as invoicing received 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 30 September 2013 and 31 December 2012 the balances resulting from transactions with related parties were as follows:

	30.09.2013	31.12.2012
Trade and other receivables		
EDP - Trade receivables	96,267	107,487
EDP - Other receivables	1,176	1,267
OMIP - Trade receivables	-	2
OMIP - Other receivables	66	920
Centro de Investigação e Desenvolvimento - Other receivables	45	-
Oman Oil - Other receivables	1	1
Cash and cash equivalents		
CGD - Bank deposits	60,902	551
	158,457	**110,227**
Trade and other payables		
EDP - Trade payables	3,532	3,937
Norfin Sociedade Gestora de Fundos * (collaterals)	9	-
Norfin Serviços, S.A.* - trade payables	3	-
OMICLEAR, S.A. - Other payables	16	889
Borrowings		
CGD - Borrowings (Commercial paper)	10,000	93,000
CGD - Finance lease	1,084	1,001
	14,644	**98,827**

* Entity related with the Member of the Board Directors Filipe Maurício de Botton

29 SUBSEQUENT EVENTS

At 10 October 2013, REN Finance B.V. (a company wholly owned by REN) has agreed the terms of an issue in the Euro Bonds market in an amount of 400 million euros, pursuant to the respective EMTN (European Medium Term Notes) programme from REN and REN Finance B.V., with a maturity of 7 years and an interest rate equal to 7 years' mid swap rate, accrued of 3.05%. This issue aims to further diversify REN's funding sources as well as to strengthen the Company's liquidity profile.

30 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:

Rui Manuel Janes Cartaxo
(President and Executive Director)

Aníbal Durães dos Santos
(Director appointed by Parpública – Participações Públicas, SGPS, S.A.)

João Caetano Carreira Faria Conceição
(Executive Director)

Filipe Maurício de Botton
(Director appointed by EGF – Gestão e consultoria Financeira, S.A.)

Gonçalo Morais Soares
(Executive Director)

Jose Luis Folgado Blanco
(Director appointed by Rede Eléctrica Corporation, S.A.)

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

Manuel Carlos Mello Champalimaud
(Director appointed by Gestmin, SGPS, S.A.)

Mengrong Cheng
(Non-Executive Director)

José Luis Arnaut
(Non-Executive Director)

Haibin Wan
(Non-Executive Director)

José Luís Alvim Marinho
(President of the Audit Committee)

Hilal Ali Saif Al-Kharusi
(Non-Executive Director)

José Frederico Vieira Jordão
(Member of the Audit Committee)

Emílio Rui Vilar
(Member of the Audit Committee)