REN

ANNUAL REPORT 2011

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CHAIRMAN'S STATEMENT

Dear shareholders,

In a very challenging year REN's net income reached 121 million Euros, representing a 10% increase versus 2010. In spite of the slowdown of CAPEX entries in operation recorded an all time high: 390 million Euros. The resulting increased income together with a reduction in core OPEX costs resulted in a solid EBITDA growth of 9.5%.

In terms of quality of service, REN achieved its best performance ever in 2011: just 16 seconds of interruption in electricity supply and zero seconds in natural gas supply.

Sustainable development is one of REN's main values. In 2011 we improved our initiatives in this area, including a formal consultation to our most relevant stakeholders. The result of this process allows us to better align our decisions and actions with the expectations and concerns of those involved.

The work being developed by REN in the area of corporate social responsibility, as well as our contribution towards sustainable development was internationally recognised by two renowned independent agencies, which rated REN among the leading utilities in the world. This recognition, which is a cause of pride to all of us, is also an encouragement for keeping the principles of sustainable development as well as those of the UN Global Compact initiative, which we endorse and support unconditionally, as references for our activities.

In 2011 the financial rating assigned to REN was strongly penalised by the successive downgrades of Portugal's sovereign rating. As a result REN lost its investment grade credit rating with those two agencies. With the market for public issues closed, REN was still able to get new medium-term funding in 2011 through three international banks, in the form of private placements. Regarding bank credit, it was possible to extend the maturity of several existing lines by renegotiating with our banks. The share of external financing as a percentage of REN's total financing rose to close to 90%.

In order to cope with the increasingly difficult access to funding, the pace of new investments was slowed down towards the middle of the year.

In the context of domestic recession, REN's priority is to find alternative paths of growth and value creation. We are launching projects and partnerships to operate in markets with a higher growth potential, while maintaining high levels of excellence in our core activities in Portugal. The technological expertise we have accumulated over the years makes the company especially suited to help others to plan, build and operate power grids as well as to integrate new centres of power generation in the networks. It will also help the host countries to speed up their electrification efforts thus contributing to development and welfare.

The second stage of REN's privatisation will reinforce our internationalisation effort. With the entry into REN's share capital of two new strategic partners - State Grid Corporation of China, and Oman Oil Company – our company gains an international dimension which is not yet common in European TSOs. This represents a great opportunity for REN's employees, shareholders, and also for the hundreds of Portuguese companies that supply REN.

I would like to thank all of REN's employees for their professionalism in a year of great difficulties, as well as our shareholders, whose continued support has been decisive for the transformation of REN into a modern international company.

A final word of appreciation is also due to the Audit Committee which has contributed to the adoption of best practises in the company.

Rui Cartaxo
President
REN

REN AT A GLANCE

1. PROFILE

BRIEF DESCRIPTION OF THE COMPANY'S ACTIVITY

REN's primary activity is managing energy transmission systems, with a strong presence in the fields of electricity and natural gas. In Europe it is one of the few operators with this feature:

- in electrical power, through the very high voltage transmission grid and the overall technical management of the national electrical system, insofar REN - Rede Eléctrica S.A. is the holder of the public service concession for 50 years, a situation implemented since 2007; and
- in natural gas, through its high-pressure transmission grid, the overall technical management of the national natural gas system, the reception, storage and regasification of liquefied natural gas and the underground storage of natural gas, under three 40-year public-service concessions in force since 2006, appertaining to REN Gasodutos, REN Atlântico, and REN Armazenagem.

Through REN Trading, REN promotes the management of the energy to purchase from two power plants, under power purchase contracts that were not subject to early termination.

In addition, REN has, since 2002, operated in the telecommunications sector through RENTELECOM, which was created to explore the surplus capacity of the security telecommunications networks which are essential to support the transmission of electricity and natural gas.

In October 2010, the Portuguese State awarded ENONDAS, a company fully controlled by REN, a concession for the generation of electrical power from wave energy in a pilot area in the north of S. Pedro de Moel. This concession is valid for 45 years and includes the licence to build the connection infrastructures to the public electrical grid.

A set of the Group's business functions is run by REN Serviços, including support functions to concessions and *back-office*. In addition to these support functions, REN Serviços acts as a commercial extension for REN, namely by providing consulting and / or engineering services, within the energy sector, to third parties.

In order to enhance the extension of REN Serviços, as well as the important part that this company now plays within the REN Group, a corporate and functional restructuring was prepared in two stages, which aims at enhancing the efficiency of the group's operational activities.

The first stage of this restructuring was completed in 2011, with the incorporation of REN Gás, S.A., responsible for managing and coordinating the activities of the Natural Gas sector, which is now directly held by REN Serviços.

During the second stage of this reorganization, a company with similar functions for the concessions in the electricity sector shall be incorporated.

SHARE PARTICIPATIONS

Following the agreement between Portugal and Spain on the establishment of an Iberian electrical power, REN is no longer the majority shareholder of OMIP, SGPS, SA, with a 35% share in the capital of that company by the end of 2011. This participation shall be gradually reduced until it reaches 10%. In October of 2011, following the sale of most of the share capital of OMIP, SGPS, S.A. the accounts of this Company were no longer consolidated within REN SGPS.

Under the mentioned agreement between the Iberian states, in October of 2011, REN acquired 10% of the share capital of OMEL, the Spanish company counterpart of OMIP SGPS, S.A.

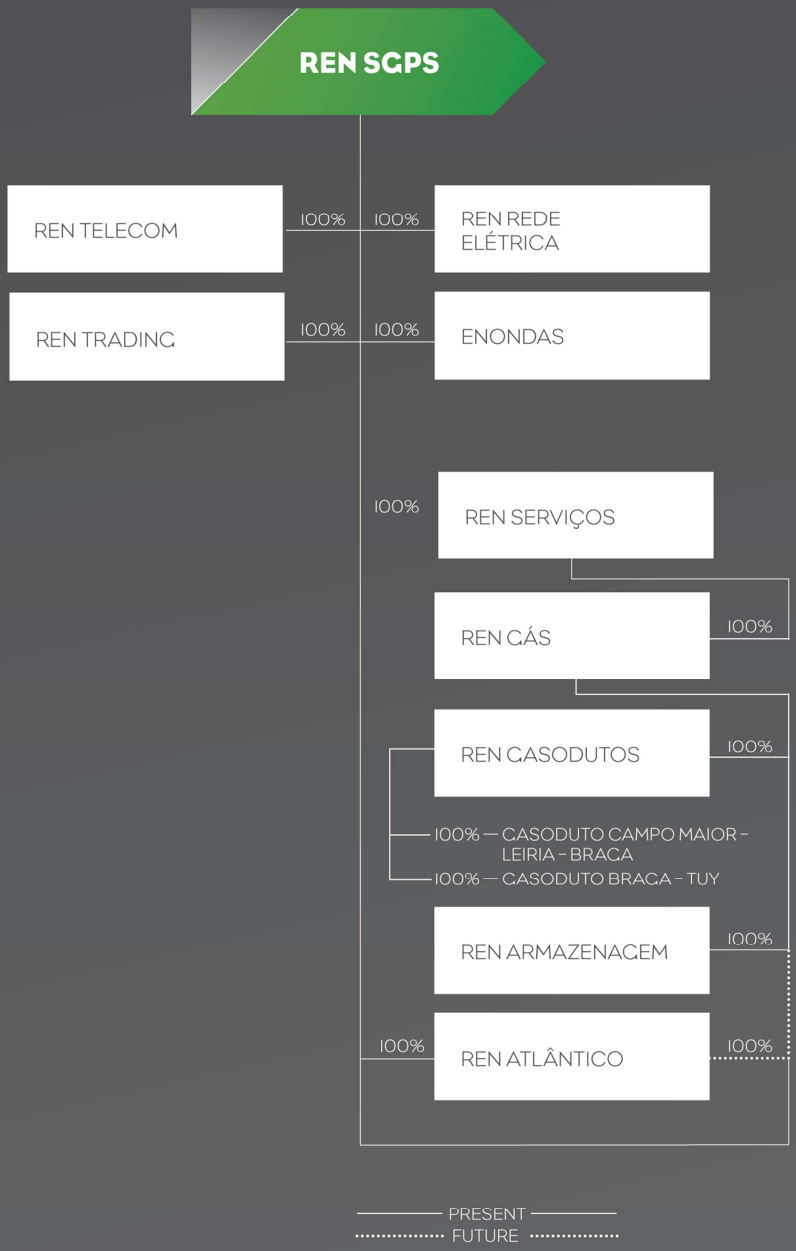
With these participations in the share capital of OMIP SGPS, S.A. and OMEL - whose subsidiaries OMIP, SGMR, S.A. and OMIE manage the Iberian electricity market - REN promotes the development of the energy market in the Iberian Peninsula.

The importance of strategic partnerships for REN should also be highlighted, such as those that have been developed with the Red Elétrica Corporación and Enagás, companies in which REN holds 1% of the share capital.

0.2 CORPORATE STRUCTURE

(ORGANIZATIONAL CHART REPRESENTING THE UNIVERSE OF REN COMPANIE)

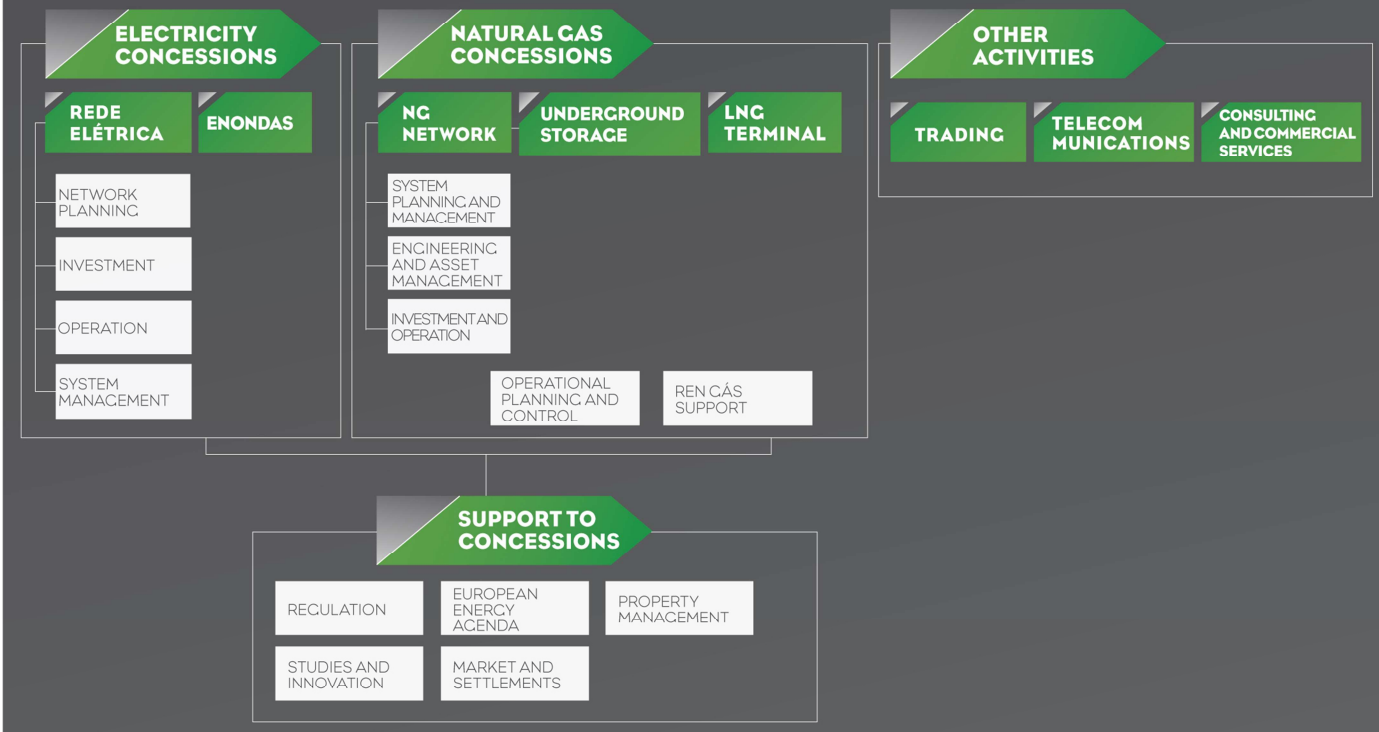
REN
GROUP



0.3 ORGANIZATIONAL SET-UP
(SUMMARY ORGANIZATIONAL CHART)

REN **GROUP**

BUSINESS UNITS

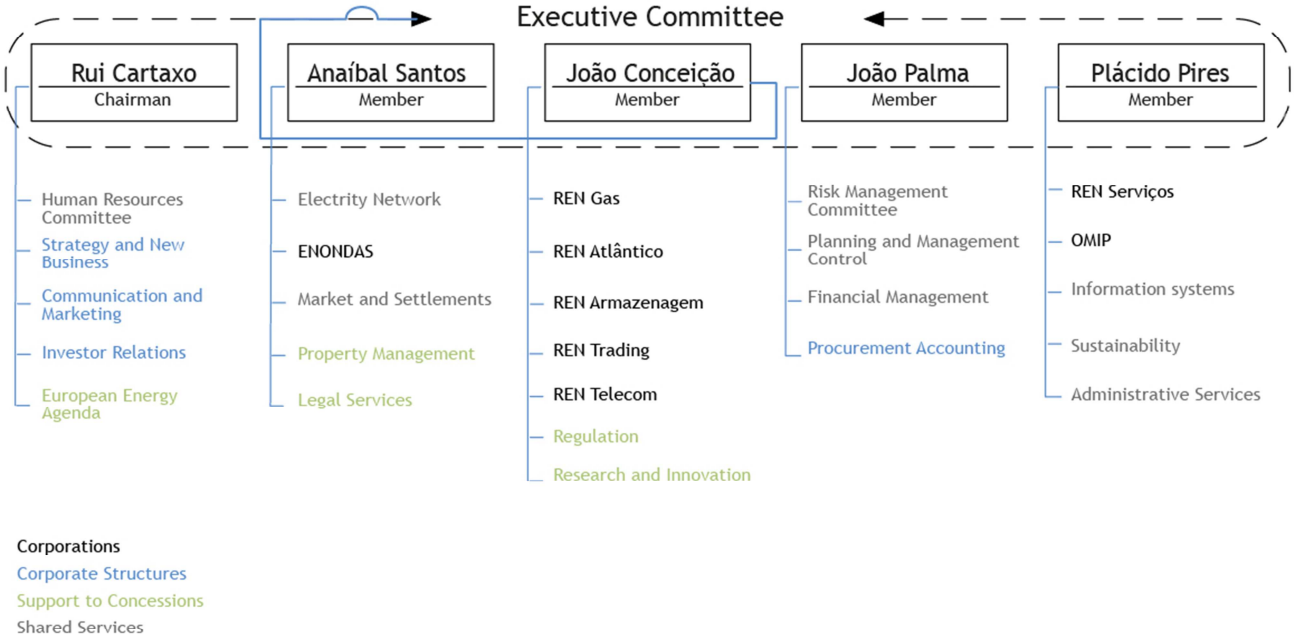


CORPORATIVE AND SUPPORT STRUCTURES

4. ROLES OF THE EXECUTIVE DIRECTORS ON 31/12/2011

DISTRIBUTION OF FUNCTIONS

For an optimal management efficiency, the members of the Executive Committee divided among themselves the responsibility for the direct monitoring of the Corporation's specific areas of activity, listed under the following graph, which remained in force until January 1st, 2012 (due to the resignation of Executive Director João Nuno Jorge Palma de Oliveira):



Following the aforementioned resignation, the Chief Executive Officer, Rui Manuel Janes Cartaxo accumulated the functions previously performed by the Administrator João Nuno Palma.

5. GOVERNING BODIES

MEMBERS OF THE GOVERNING BODIES

GENERAL MEETING BOARD
Agostinho Pereira de Miranda, Chairman
Duarte Vieira Pestana de Vasconcelos, Deputy-Chairman

BOARD OF DIRECTORS
Rui Manuel Janes Cartaxo, Chairman
Aníbal Durães dos Santos, Member
João Caetano Carreira Faria Conceição, Member
João Manuel de Castro Plácido Pires, Member
João Nuno de Oliveira Jorge Palma, Member[1]
Luís Maria Atienza Serna, Member[2]
Gonçalo Xavier de Araújo, Member[2]
José Manuel Félix Morgado, Member[2]
José Isidoro de Oliveira Carvalho Netto, Member
Luís Guedes da Cruz Almeida, Member[2]
José Luís Alvim Marinho, Member
José Frederico Vieira Jordão, Member
Fernando António Portela de Rocha Andrade, Member

EXECUTIVE COMMITTEE
Rui Manuel Janes Cartaxo, Chairman
Aníbal Durães dos Santos, Member
João Caetano Carreira Faria Conceição, Member
João Manuel de Castro Plácido Pires, Member
João Nuno de Oliveira Jorge Palma, Member[1]

AUDIT COMMITTEE
José Luís Alvim Marinho, Chairman
José Frederico Vieira Jordão, Member
Fernando António Portela de Rocha Andrade, Member

STATUTORY AUDITOR
Deloitte & Associados, SROC, SA, standing
Carlos Luís Oliveira de Melo Lourenço, Statutory Auditor, ROC deputy

COMPANY SECRETARY
Pedro Cabral Nunes, permanent standing
Mafalda Rebelo de Sousa, deputy

REMUNERATION COMMITTEE
José Emílio Castel-Branco, Chairman
Francisco Manuel Marques Bandeira, Member
José Alexandre Oliveira, Member

[1] Resigned from his position as of January 1st 2012
[2] Appointed by the Companies that were elected in the annual Shareholders Meeting, held on April 15th 2011 for the position of Members of the Board of Directors, namely, EGF, S.A., Oliren SGPS, S.A., Gestmin, SGPS, S.A. and Red Eléctrica Corporación, S.A.

GENERAL-DIRECTORS AND OFFICERS

MANAGING DIRECTORS AND MANAGERS
Jorge Manuel Martins Borrego
Maria José Pacheco Clara
Victor Manuel da Costa Antunes Machado Batista

MANAGERS
CORPORATE STRUCTURES
Internal audit, Gil Vicente Jorge Marcelino
Strategy and New Business, Jorge Manuel Martins Borrego
Communication and Marketing, Ana Margarida Ferreirinha da Silva Batista Moreira Rato
Investor Relations, Ana Rosa Fonseca Pereira Fernandes Matos
Planning and Management Control, João Escobar Henriques

RENTELECOM
Management, Rui Manuel M. G. Franco

REN Trading,
Management, Susana Lagarto and Nelson Cardoso

REN - REDE ELÉTRICA NACIONAL
Network Planning, José Manuel Medeiros Pinto
Investment, António Albino Alencoão Marques
Operation, Albertino José Cerejo Meneses
System Management, José Júlio Amarante dos Santos

ENONDAS
Direction, João Paulo Maria Freire Cardoso

REN SERVIÇOS
Consulting and Commercial Services, Jorge Manuel Pais Marçal Liça

SUPPORT TO CONCESSIONS
Regulation, Vitor Manuel Vigário Pinto Vieira
European Energy Agenda, João Pedro da Silva Ricardo
Innovation and Studies, performed by Maria José Pacheco Clara
Market and Settlements, Armando Jorge Patrão Reto
Property Management, João Pedro Gomes Gaspar

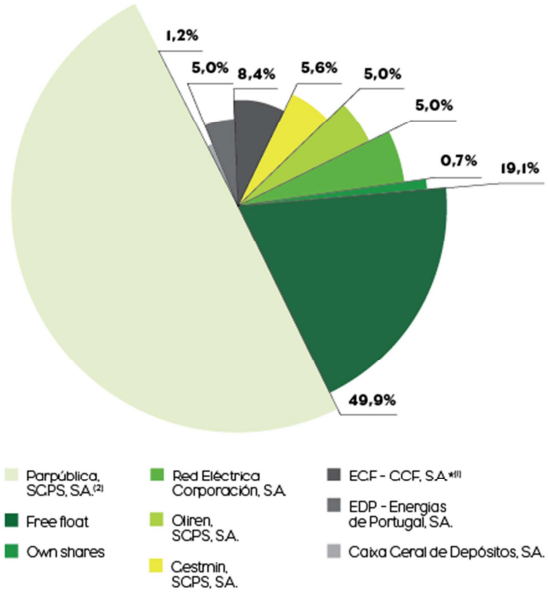
SHARED SERVICES
Financial Management, Nuno Miguel da Silva Alves do Rosário
Accounting and Administrative services, Gerardo Gonçalves
Procurement, Alexandra Margarida Vieira Reis
Legal services, Maria Elvira Teixeira Borges
Human Resources, Elsa Maria Pinto de Carvalho Domingos
Information Systems, António Manuel Faria de Sousa Fonseca
Sustainability, Rui Manuel Vicente Martins

REN GÁS
REN GASODUTOS
Operational Planning and Control, Pedro Manuel Amorim La Puente Furtado
Support to REN Gás, performed by Rui Manuel Cardoso Vicente Marmota
System Planning and Management, Rui Manuel Cardoso Vicente Marmota
Engineering and Asset Management, António Ferreira Marques
Investment and Operation, Luís Manuel Ferreira

REN ATLÂNTICO
Management of GNL Terminal, Paulo Fernando Pereira Mestre

REN ARMAZENAGEM
Management Underground Storage, José Manuel Pedro Mota Duarte

VOTING RIGHTS OF REN BY DECEMBER 31ST 2011



(*) New corporate name of Logoplaste - Gestão e Consultoria Financeira, S.A.

(1) On June 3rd 2011 it was announced to the market that EGF and Millennium BCP contracted among themselves a right of use under Articles 9. and 10. of Decree-Law no. 105/2004 of May 8th, related to 28,131,422 nominal registered shares, representing 5.27% of REN's share capital.
However, in accordance with the abovementioned contract, EGF will continue to be allocated the inherent voting rights, pursuant to subparagraph e), of no. 1 of Art. 20 of the CVM, and EGF will maintain, its right to dividends, so the exercise of the right of use by Millennium BCP does not affect the existing qualified shareholding of EGF in REN, which amounts to 8.41% of REN's share capital and voting rights.
The shareholding attributable to Morgan Stanley relates to a percentage of shares directly held (0.79% of REN share capital), plus the financial instruments relating to REN shares (corresponding to about 3.18% of REN's share capital) that have been entered into by Morgan Stanley to cover the short position resulting from financial instruments relating to REN's shares established with BCP, SA, following the transactions reported on June 3rd 2011. The shares and thus the related voting rights shall be transferred to BCP if it, or Morgan Stanley do terminate the relevant financial instruments.

(2) The company CAPITALPOR – Participações Portuguesas, S.G.P.S., S.A., which held 46% of REN's share capital was extinguished on 26th December 2011 through a merging operation with Parpública - Participações Públicas SGPS, S.A.

6. MAIN EVENTS IN 2011 - REN GROUP

January

- Construction and start-off of the RNTGN station of Alcochete which underwent operational improvements to enhance security of supply.

February

- Construction and start-off of the RNTGN station of Rio Frio which underwent operational improvements to enhance security of supply.
- Functional restructuring of the REN Group.

March

- Construction and start-off of the RNTGN station of Maceira which underwent operational improvements to enhance security of supply.
- Resignation of the Members of the Board of Directors of REN-Redes Energéticas Nacionais, SGPS, S.A. ("REN SGPS") Mr. Filipe de Botton, Mr. Luís Maria Atienza Serna, Mr. Manuel Carlos Mello Champalimaud, and Mr. Gonçalo José Zambrano de Oliveira;
- Incorporation of the company REN Gás, S.A., which is the only shareholder of the concession holders of the Portuguese Natural Gas sector (initially REN Gasodutos, S.A. and REN Armazenagem, S.A., while the process is under way regarding REN Atlântico, Terminal de GNL, S.A.) and beginning of the corporate restructuring, according to which REN Serviços has a prominent role in the REN Group.

April

- A bond issue, by private placement with two first-rate international banks in the amount of € 100 million unsecured, was launched with a maturity period of three years and six months.
- General Shareholder's Meeting of REN SGPS, held on April 15th 2011, where the following new directors of the company were elected for the current term (2010/2012):
  - EGF - Gestão e Consultoria Financeira, S.A. (formerly Logoplaste, Gestão e Consultoria Financeira, S.A.;
  - Gestmin, SGPS, S.A.;
  - Oliren, SGPS, S.A.; and
  - Red Eléctrica Corporación, S.A.

July

- A bond issue, by private placement with a first-rate international bank in the amount of € 50 million, unsecured, was launched with a maturity period of three years and six months.
- EGF, Gestão e Consultoria Financeira, S.A. appointed Mr. Luis Guedes da Cruz Almeida for the position of Director of REN SGPS for the current term (2010-2012).

August

- A Gas-In and Cooldown operation was carried out at the Sines terminal to the methane ship LNG Wilgas;
- Entry into operation of the 400 kV lines between Portimão and the Spanish border and of the new Tavira substation. It is worth noting the massive investment in network expansion in the Algarve region.

September

- OLIREN – SGPS, S.A.; Gestmin, SGPS, S.A., and Red Eléctrica Corporación, S.A. ("REE") appointed, respectively, Mr. Gonçalo Xavier de Araújo, Mr. José Manuel Felix Morgado and Mr. Luis Maria Atienza Serna to carry out the positions of members of the Board of Directors of REN SGPS during the current term (2010-2012).

October

- Beginning of the sale of shares representing the share capital of OMIP -Operador do Mercado Ibérico (Portugal), SGPS, S.A. ("OMIP") by REN, by selling 50% of the share capital of the above mentioned company to entities that operate or hold shares in companies in the energy sector in the Iberian Peninsula, in 5% batches;
- REN acquired shares representing a 10% stake in OMEL, from eight shareholders of this entity. With the acquisition of such shares, REN will now hold a position equivalent to that held by OMEL in this capital of OMIP (10%).

November

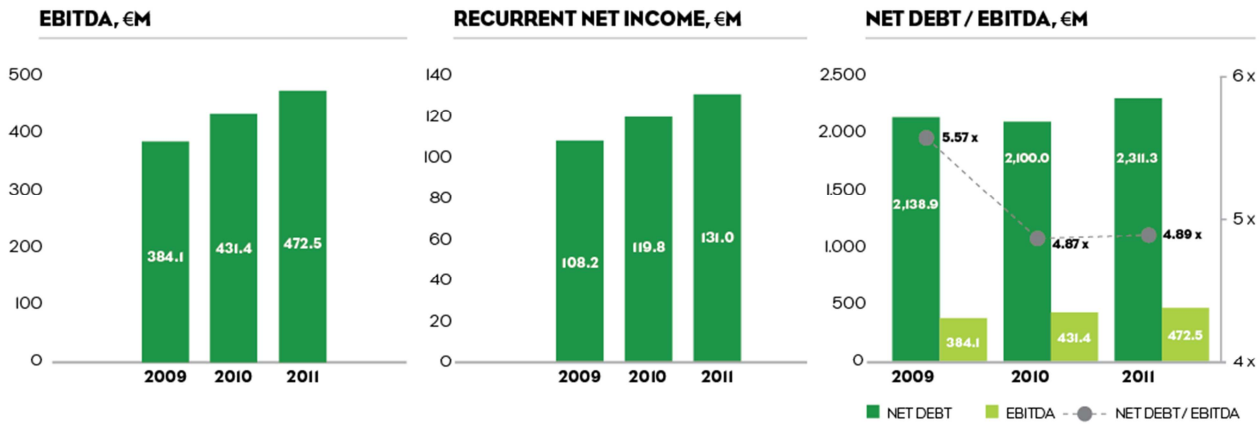
- The Valongo transition station was completed;
- Completion of the leaching work of Cavity TGC-2, owned by Transgás Armazenagem. These works were executed by REN Armazenagem, as the owner of the leaching facility.
- Decision of the *Cour d'Appel* of Paris as part of the Appeal for Cancelling the CCI Ruling which REN brought against Amorim Energia, which dismissed the cancelation request made by the REN;
- The Government approved, pursuant to Decree-Law no. 106-B/2011, of November 3rd, the 2nd stage of privatization of the share capital of REN SGPS. It was decided, pursuant to paragraph 1 of Article 2 of the said law, that a direct reference sale, a direct institutional sales, and a public offering in the domestic market could be held.

December

- The 2nd phase of expansion project of the Sines terminal, which increased its issuing capacity to 1,300,000 m3 (n) / h was completed;
- The new line between Lavos and Paraimo, in the Centre region was completed;
- The new interior shielded substations in the urban areas of Greater Lisbon (Zambujal and Fernão Ferro) and Porto (Ermesinde and Prelada) started to operate;
- Construction and start-off of the regulation and metering station (GRMS) of Benavente, which underwent an increase in delivery capacity;
- As part of the connection projects to the National Natural Gas Distribution Network and to customers, the following delivery points were completed and started to operate:
- Vila Nova de Cerveira, to ensure the supply to EDP-Gas;
- Soure e Lares, to ensure the supply to Lusitaniagás;
- Chaparral, to supply the Sines Refinery.
- Director João Nuno Oliveira Jorge Palma informed REN SGPS, on December 29th 2011 of his resignation as Executive Director and Chief Financial Officer, as of January 1st 2012, and it was therefore resolved that the Chief Executive Officer Chairman of the Board of Directors, Mr. Rui Manuel Janes Cartaxo, shall accumulate such responsibilities until the appointment of a new CFO;
- The Council of Ministers resolved, pursuant to Resolution of the Council of Ministers no. 52-A/2011, of December 7th, that the direct sales of reference under Article 3 of Decree-Law no. 106-B / 2011 of November 3rd, is subject to a maximum of 213,600,000 and a minimum of 26,700,000 shares, representing a maximum of 40% and a minimum of 5% of the share capital of REN SGPS. In addition, it approved the respective list of specifications, which establishes the specific terms and conditions that govern such direct sale.

7. KEY PERFORMANCE INDICATORS

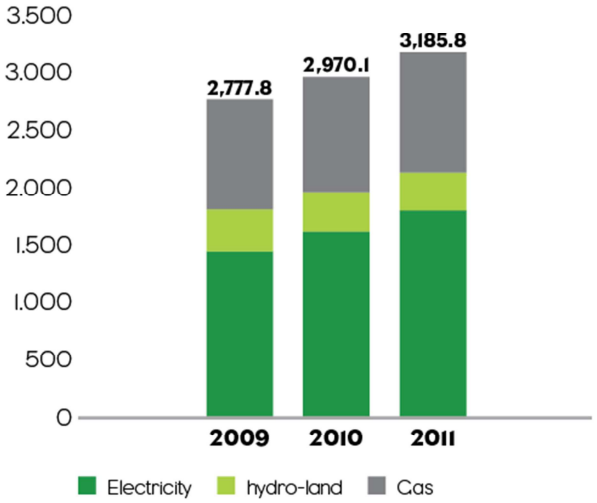
RESULTS [million euros]	2009	2010	2011
EBITDA	384.1	431.4	472.5
EBIT	258.7	250.5	283.2
Net financial income	-73.8	-83.9	-103.4
Income before taxes	184.9	166.6	179.8
Net income	134.0	110.3	120.6
Recurrent net income	108.2	119.8	131.0



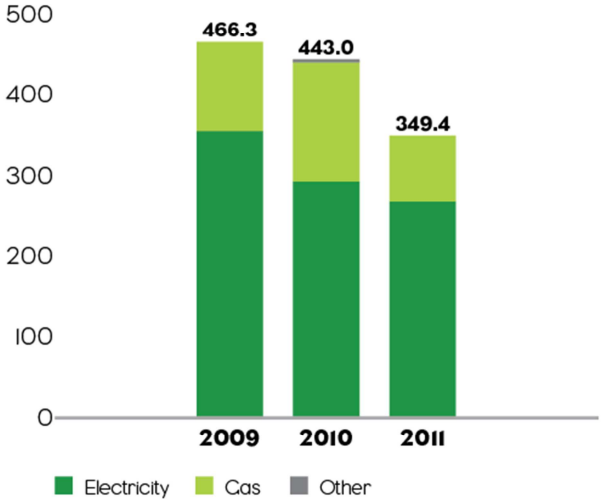
ASSETS, CAPITAL EXPENDITURE AND DEBT [million euros]	2009	2010	2011
Average rate of return on RAB[1], *%*	7.14%	6.89%	7.61%
Capital Expenditure (CAPEX), *million euros*	466.3	443.0	349.4
Net debt, *million euros*	2.138.9	2.100.0	2.311.3
Net debt/*EBITDA, x*	5.57x	4.87x	4.89x

[1] RAB at reference costs.

AVERAGE RAB, €M



CAPITAL EXPENDITURE

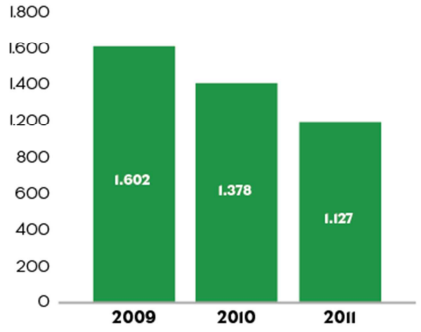


Note:
RAB, at reference costs

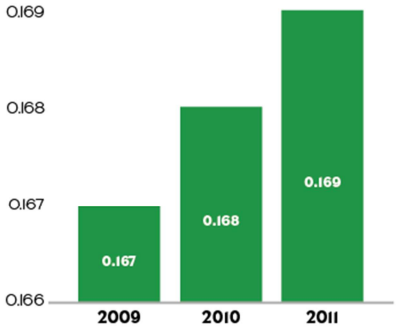
SHARE REN

	2009	2010	2011	
Year-end price, *euros*	3.000	2.580	2.110	
Total shareholder return, *%*	18.2%	7.4%	-7.4%	
Market capitalisation, *million euros*	1,602	1,378	1,127	
Earnings per share, *euros*	0,25	0,21	0,23	
Dividend per share, *euros*	0.167	0.168	0.169	[1]
Payout ratio, *%*	66.5%	81.4%	74.8%	[1]
Dividend yield, *%*	5.6%	6.5%	8.0%	[1]

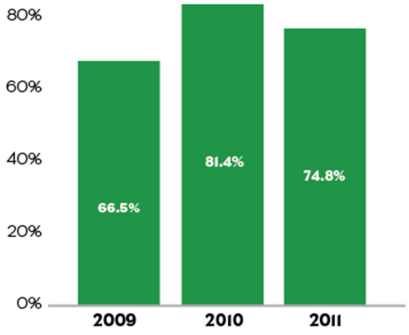
MARKET CAPITALISATION, M€



DIVIDEND PER SHARE, EUROS



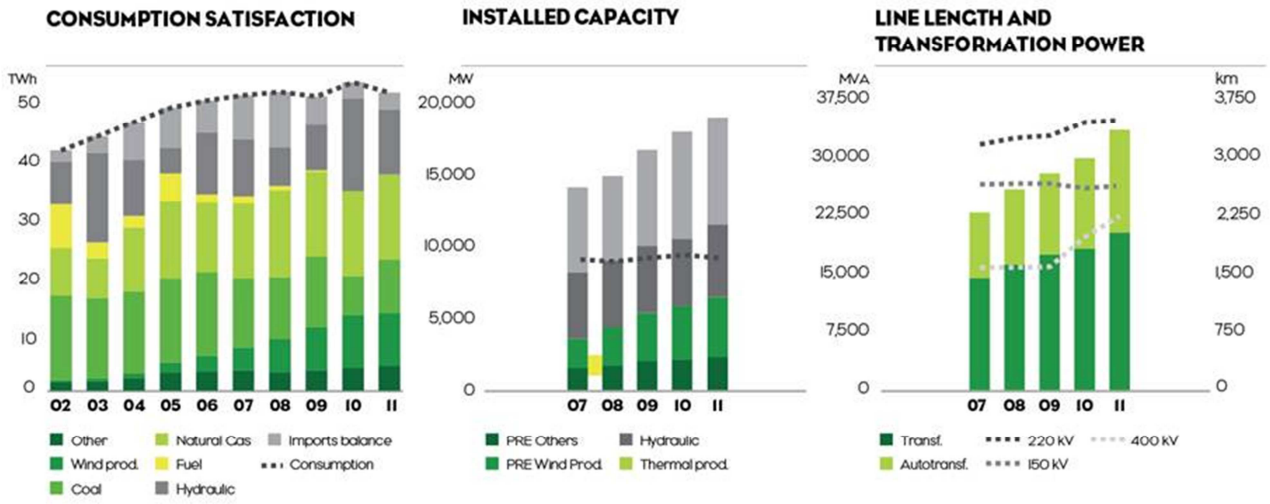
PAYOUT RATIO, %

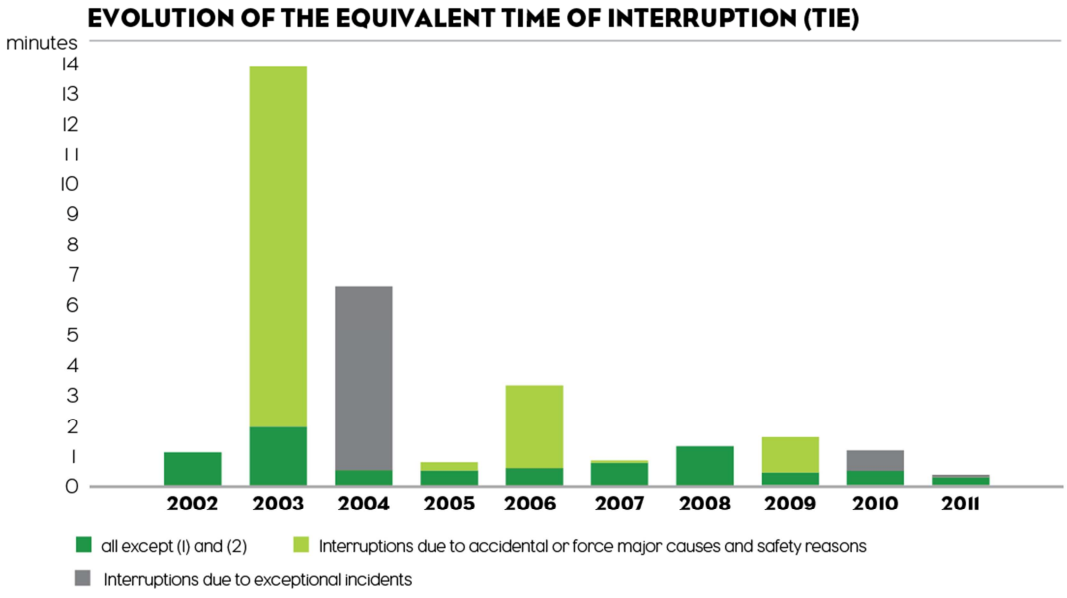


[1] Amount to be proposed at the General Meeting

TECHNICAL
ELECTRICITY

	2007	2008	2009	2010	2011
Annual change in electricity consumption, %	1.8	1.1	-1.4	4.4	3.2
Installed capacity, MW	14,073	14,852	16,643	17,904	18,900
Equivalent interruption time, minutes	0.74	1.29	0.42	1.15	0.27

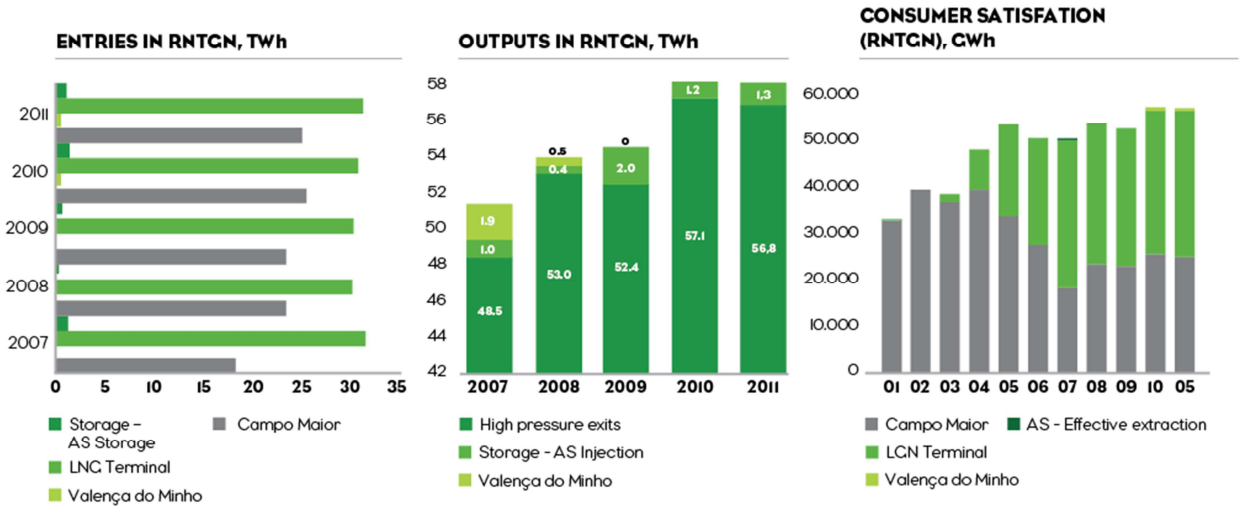


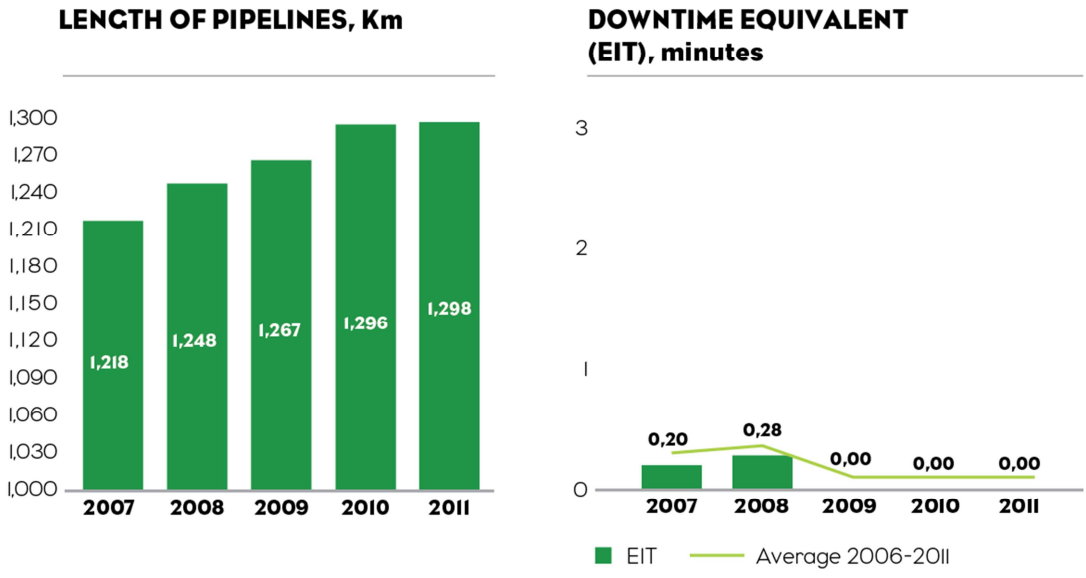


Natural Gas

	2007	2008	2009	2010	2011
Annual growth in consumption of natural gas, %	6.5%	9.4%	-1.0%	9.1%	-0.5%
Entries in RNTGN, TWh	51.1	53.9	54.3	58.3	58.1
Outputs in RNTGN, TWh	51.3	53.9	54.4	58.3	58.2
Expansion of RNTGN, km	1,218	1,248	1,267	1,296	1,298
Underground Storage Capacity Gas (Mm^3) (*)	66.3	66.3	138.2	138.2	132.7

(*)The above volume expressed the maximum capacity available for commercial purposes, which is conditioned by specific thermodynamic natural gas storage in salt caverns at high pressure.





8. REGULATED ASSETS

8.1 ELECTRICITY

The REN Group carries out three regulated activities in the electricity sector:

- Global Use of the System;
- Transmission of Electrical Power;
- Purchase and Sale of Electrical Power by the Commercial Agent, which consists of trading in the Iberian Electrical Power Market (MIBEL) the production from two remaining power purchase agreements (CAE in Portuguese) through *REN* Trading.

The allowed revenue from the first two activities is received by applying two regulated tariffs: the tariff for the Global Use of the System (in Portuguese, UGS) and the tariff for the Use of the Transmission Network (in Portuguese, URT).

The revenues from the third activity is received by applying the UGS tariff, which reflects the cost under CAE, the incentives to optimise the management of these contracts and CO_2 emission licences, minus the revenues from the energy sales on the spot market and system services supplied by the power generators..

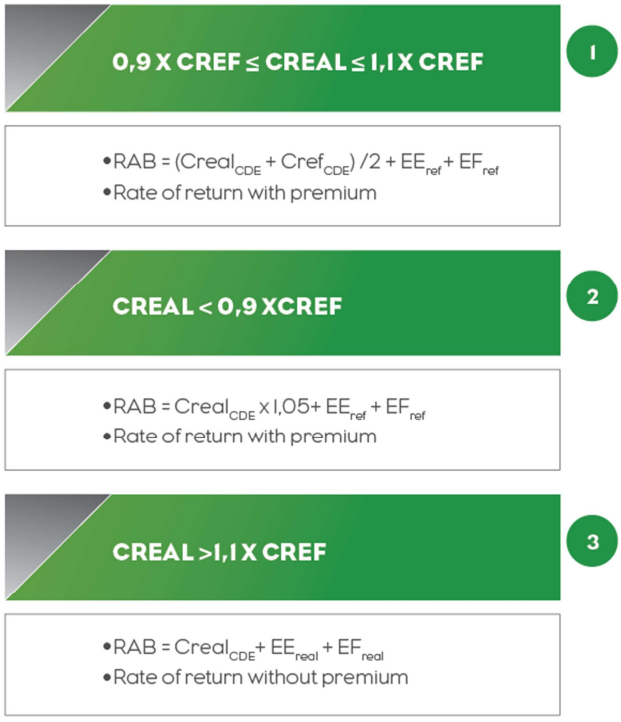
Both tariffs are annually defined by the Energy Services Regulatory Authority [Entidade Reguladora dos Serviços Energéticos - ERSE] based on energy and economic forecasts for demand, costs, revenues and capital expenditures.

The Global Use of System activity is regulated by a remuneration rate applied to the intangible assets allocated to the activity, net of depreciations and subsidies, and also of accepted costs.

The activities related to the Transmission of Electrical Power are regulated by incentives: (I) incentive to efficient investments in the transmission network; (ii) incentive to efficiency in operating costs by establishing a maximum limit for these costs plus a component based on the level of activity of the company; (iii) incentive to maintain equipment at the end of its service life; and (iv) incentive to increase the availability of the elements of the National Transmission Network (RNT).

The investment incentive consists in calculating the remunerated assets base (RAB) and its rate of remuneration based on the level of efficiency achieved by the company.

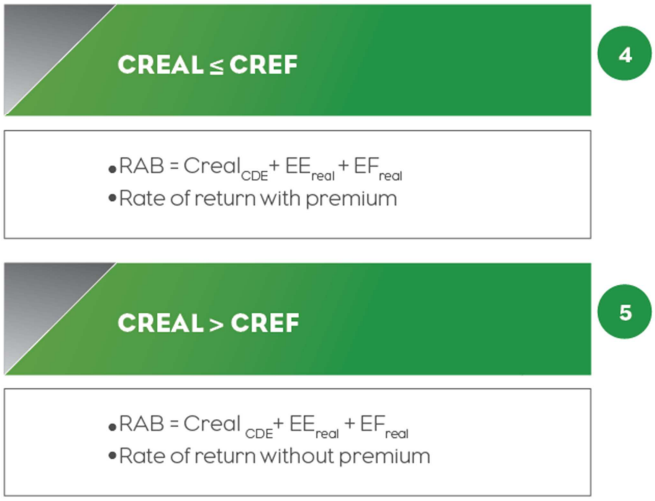
The mechanism introduced by ERSE consists of comparing capital expenditure costs incurred by the company (Creal) and the equivalent cost valued at reference costs (Cref). The following pictures summarise the calculation of the asset base and the rate of remuneration, for assets which started operating on January 1st 2009. For the remaining assets remains the application upon the net amount of depreciations and subsidies of the rate of remuneration without premium.



In the case of refurbishment works in substations that started operating before 2006, the following mechanism is applied:

In cases 1 and 2, the accepted asset base has an extra accounting treatment and its value differs from the figure entered in the statutory accounts (Article 7, and paragraph 3 of Article 8).

Although the treatment of certain costs continues to be the pass through, such as costs under the Plan for the Promotion of Environmental Performance, or the costs with compensations between transmission system operators and other costs arising from legislative changes, most of the operation and maintenance costs (OPEX) are subject to regulation by a revenue cap.



The accepted amount of costs defined for the first year of the regulation period evolves in the following years with the change rate of the Price Index implicit in the Gross Domestic Product, deducted from an efficiency target set out by ERSE, which was 0.5% for 2010 and 2011. To this amount is added the change in the OPEX due to the annual growth of the transmission network (in kilometers of lines and in the number of bays), calculated with the corresponding incremental costs, also set out by ERSE.

The incentive to maintain the equipment in end of economic life intends to stimulate the continuity in service of certain assets that still have technical conditions to operate, but that are already at the end of their economic life. In 2011, the amount of this incentive was 7 M€.

The incentive to increase the availability of the National Electricity Transmission Grid, which was introduced in 2009, aims at promoting a more efficient operation and maintenance of the grid's infrastructure. This incentive is calculated based on values that have already occurred, as a result, it is received with a two-year deferment, meaning the incentive for 2011, in the amount of 0.56 M€, will only be reflected on the tariffs for 2013.

The tariffs set out by ERSE also reflect tariff deviations that, two years later reconcile (to the extent they are justified and accepted by ERSE) predicted and actual values of income and expenses and deviations of demand.

The picture below shows the components of allowed revenues of the Transmission of Electrical Power and Global Use of the System activities.

CAPITAL COSTS		OPERATING AND MAINTENANCE COSTS	INCENTIVES TO MAINTAIN EQUIPMENT AT THE END OF SERVICE LIFE IN OPERATION	INCENTIVES TO INCREASE THE AVAILABILITY OF RNT ELEMENTS		+/- VARIATIONS FROM PREVIOUS YEARS	
(OT(I) + 300p.b.) x RAB (Assets in operation valued at actual costs)	[OT(I)+300p.b.-150 p.b. (premium)] x RAB (Assets in operation as of Jan 1st 2009, calculated according to the mechanism for valuing new investments at reference costs)	**Transmission Activity** OPEX growth limited to (ICDP (2) – 0.5%) Additional OPEX induced by activity growth (network extension and increased no. of panels) on the basis of incremental costs established by ERSE Costs with EPPP (Environmental Performance Promotion Plans), clearing of forests and with the inter-TNO (Transmission Network Operators) compensation mechanism treated as accepted costs. **Global use of system (in Portuguese GGS) Activity** Incurred costs	Incentives to maintain equipment fully depreciated, but in technical conditions to continue in operation	Promote availability as a determining factor for quality of service associated to RNT performance	**AUTHORISED REVENUES FOR YEAR $_N$**	Tariff deviations for year n-2 x (I + Euribor IY_{n-2} + spread[3]$_{n-2}$) x (I + Euribor IY_{n-1} + spread[3]$_{n-1}$)	**REVENUE TO BE RECOVERED WITH THE APPLICATION OF TARIFFS FOR YEAR $_N$**
+ Depreciation	+ Depreciation						

- TB - 10Y PORTUGUESE TREASURY BONDS (CALCULATED BASED ON THE AVERAGE DAILY RETURNS OF 10Y TB BETWEEN SEPTEMBER 1ST OF YEARN-2 AND AUGUST 31ST OF YEARN-1, 4.56% IN 2011).
- IMPLICIT PRICE INDEX IN THE GROSS DOMESTIC PRODUCT.
- SPREAD: 1.25% IN 2010 AND 2,0% IN 2011.

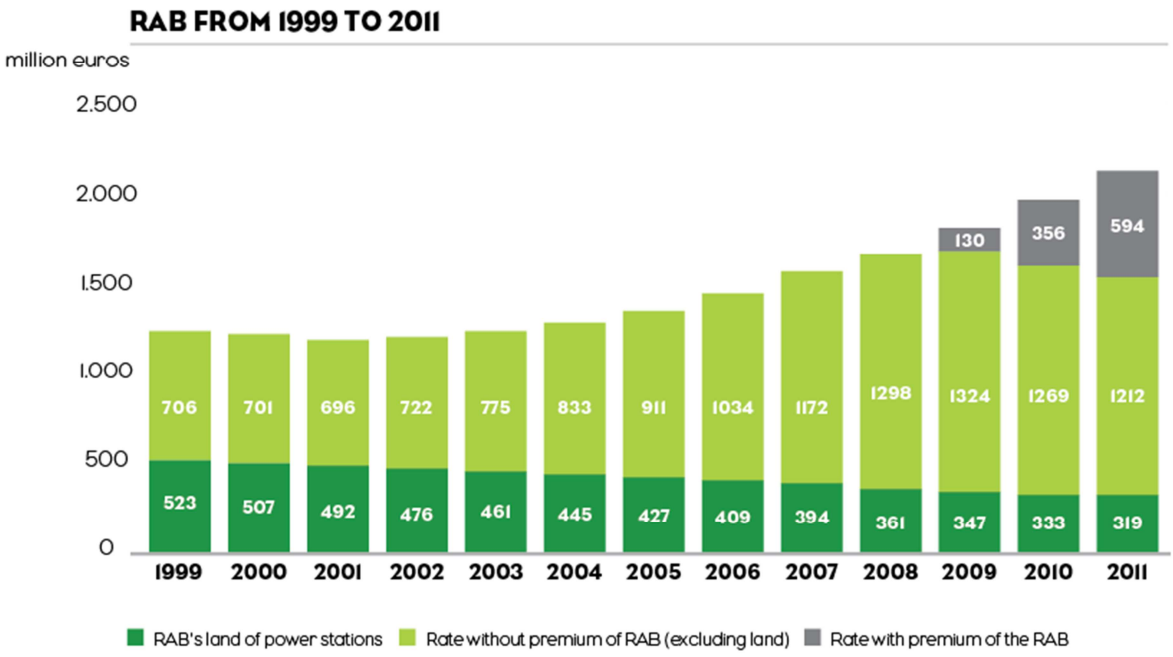
The electricity regulated assets base (RAB) comprises the assets net of subsidies allocated to the activities of Transmission of Electrical Power and Global Use of the System. For the purposes of calculating the remuneration, ERSE uses the arithmetic mean of the RAB value in the beginning and end of each year.

As already mentioned, with the publication of Order no. 14430/2010, of September 15th, the assets base to be remunerated for the activity of Transmission of Electrical Power will include the application of the valuation mechanism of new capital expenditure of the RNT at reference costs starting from January 1st 2009. Thus, in 2011, the average RAB upon which the premium rate of 9.06% is applied, is 594 million Euros, while the remaining 1170 million Euros are remunerated at a rate without premium of 7.56%.

In the activity of Global Use of the System, the principle of RAB valuation is based on historical costs. In these cases, the 7.56% rate of return is applied. The average RAB for the activity of Global Use of the System was, in 2011, 42 M€. The land of the public water domain whose remuneration is given by the interbank swap rate with the maturity closest to the remaining lifetime of each asset, calculated on the 1st day of each period, as disseminated by Reuters, plus 50 base point, pursuant to Ordinance No. 542/2010 of July 21st also belong to the assets allocated to this activity.

In 2011, the average RAB for hydro land was 319 M€ and the remuneration rate was 3.91%.

The following graph shows the RAB for three different asset groups:



STABILITY OF REVENUES – ALLOWED REVENUES

By the end of 2011, the balance of tariff deviations for REN's three regulated activities in the electricity sector amounted to 70.7 M€ to be given back to tariffs.

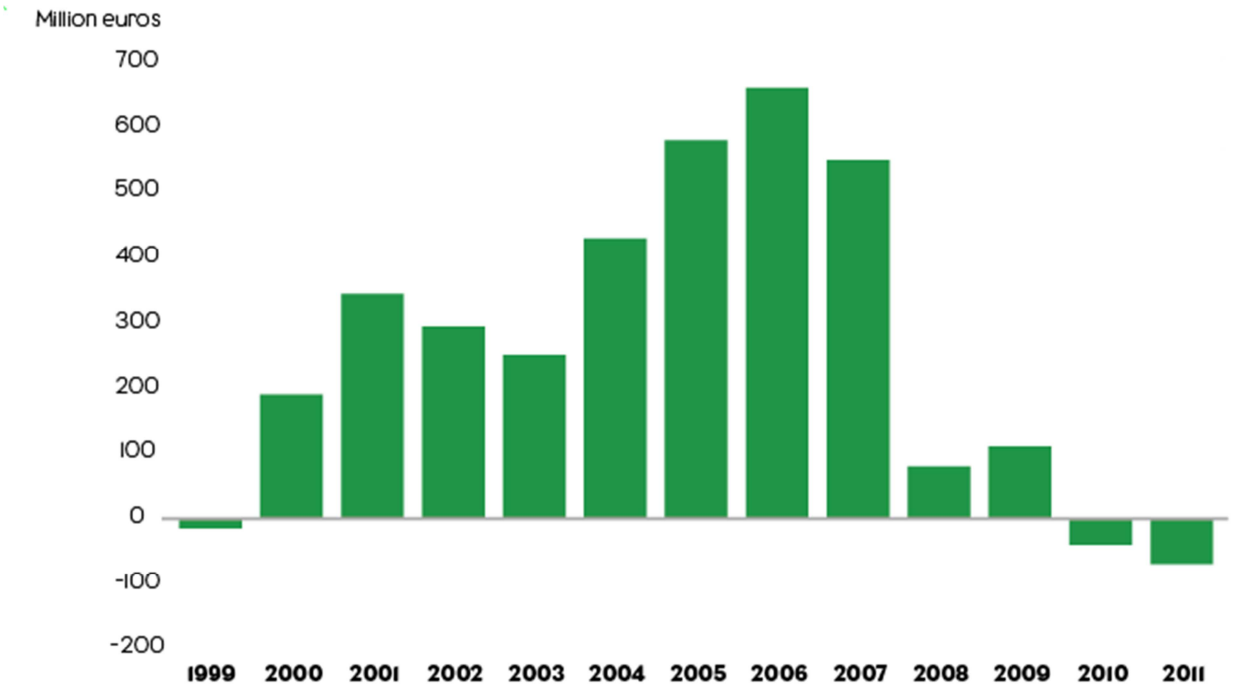
The balance of tariff deviation accounts for the activities of Transmission of Electrical Power and Global Use of the System amounted to 51.4 M€ to be given back to tariffs.

The deviation in 2011 resulted mainly from an overestimation of consumption and an underestimation costs with interruptibility by the regulator.

The balance of the tariff deviations account for the activity of Purchase and Sale of Electric Power in 2011 is 19.3 million Euros to be given back to tariffs

The following graph shows the balance of the tariff deviation accounts by the end of each year for the period between 1999 and 2011:

BALANCE OF THE TARIFF DEVIATION ACCOUNTS AT THE END OF EACH YEAR



The figures of the balance of tariff deviations since 2008 are much lower than those in previous years. This reduction is largely due to the cessation of the activity of Purchase of Electrical Power, which accounted for a large part of the tariff deviation given the difficulty in forecasting fuel prices.

8.2 NATURAL GAS

ACTIVITIES IN NATURAL GAS

The Natural Gas (NG) sector in Portugal is based on REN's high-pressure network and infrastructures, essential for the viability of the natural gas market through three companies associated with public service concessions fully owned by REN:

- REN Gasodutos – high-pressure transmission network;
- REN Armazenagem – underground storage;
- REN Atlântico – reception, storage and regasification LNG terminal.

The high-pressure transmission network is a platform for logistical rotation between the country's sources of supply, the two interconnections with the Spanish gas pipeline network, the Sines terminal and the underground storage infrastructure. The network supplies natural gas to distribution networks, power plants and industries with a direct link to high pressure, regardless of its origin.

Decree-Law 30/2006, Decree-Law 77/2011, which republished the former, and Decree-Law 140/2006, legally framed the activities of these companies, which have, since 2006, a public service concession agreement for a period of 40 years. In particular, REN Gasodutos has the exclusive for the transmission of natural gas in Continental Portugal.

The activity of these companies complies with the law plus with the national and community regulations in force, as well as the public service concession agreements, and technical regulations issued by the Portuguese Directorate General for Energy and Geology (DGEG). They also carry out activities subject to economic regulation as applied by the Energy Services Regulatory Authority (ERSE), of which stand out the following:

- Natural gas transmission under high pressure;
- Overall technical management of the NGNN [Natural Gas National Network];
- Reception, storage and regasification of LNG;
- Natural gas underground storage.

In addition to the transmission of natural gas in high-pressure, REN Gasodutos has the role of global technical manager of the National System of Natural Gas (in Portuguese, SNGN) and, since early 2009, by regulatory enforcement, is the manager of the process of supplier switching.

REN's regulated companies have, from a legal point of view, full decision-making and ownership autonomy in relation to gas trading companies in line with the European Council's Directive 2009/73/EC, which lays down the rules for the natural gas market and which became effective on the 3rd of March 2011.

REN's natural gas infrastructures have a key role in the satisfaction of gas demand and the management of its risks of supply to consumers. The high level of integration and interdependence of the electricity and natural gas markets, in particular the relevance of electricity generation in the Iberian market as a means of valuing the use of natural gas, place REN in a unique position for integrating, in a coordinated way in its activities, the electricity transmission infrastructures and the natural gas logistics system under high-pressure and, in particular, its planning and management.

In 2010, the publication of European Regulation 994/2010 set out the framework to ensure the secure supply of natural gas. A document that, in addition to introducing in the infrastructure and natural gas networks the "N-1", security concept required to ensure the supply in case of failure of an infrastructure, also establishes criteria for the definition, creation and use of gas reserves to be determined by EU member states. This point is under study and implementation.

Under the Tariff Regulation established principles, ERSE announced in June 2011 the tariffs and prices of natural gas for gas year 2011-2012 on the basis of the new regulation parameters published in 2010 for the regulation period 2010-2011 to 2012-2013, which determine the allowed revenues for each regulated activity and the prices for the tariffs.

The 2010-2013 regulatory period, which began in July 2010 ending in June 2013, is half way through in December 2011. Thus, it is important to note that, is was defined by ERSE to apply to regulated natural gas companies the Rate of Return over the calendar year of, within this context, ERSE determined that the effects of the new remuneration rate will be considered starting on January 1st 2013.

Over the same period, incentives were introduced to encourage efficient operation and maintenance costs (OPEX) associated with the transmission network activities at REN Gasodutos and REN Atlântico to all regulated operating costs associated with the reception, storage and regasification activities.

Operating costs were divided by the regulator into fixed amounts, subject to a regulatory approach of the type maximum revenue (revenue cap), while the rest were indexed to the relevant infrastructure dimensions and its use. These are therefore variables subject to a type of approach like a maximum rate (price cap). Both will progress in the following years on the basis of the change in the GDP

- 3.8% in 2010, 0% in 2011 and 0% in 2012 for allowed revenues for the transmission activity of REN Gasodutos; and
- 1% in 2010, 2011 and 2012 for operating costs for the activities of REN Atlântico.

APPROXIMATE PERCENTAGES OF THE OPEX COMPONENTS WHEN IT WAS DEFINED BY ERSE:

TYPE / COMPANY	REN GASODUTOS	REN ATLÂNTICO
Revenue Cap	45%	45%
Price Cap	40%, associated to the length of the gas pipelines, in kms;	30%, associated to the regasified energy
Price Cap	10%, associated to the number of GRMS	25%, associated to the technical issuing capacity
Price Cap	5%, associated to the total energy transported	–

RETURN ON REGULATED NATURAL GAS ASSETS

The remuneration of the REN companies with regulated activities in the natural gas sector is established in the Tariff Regulation defining the calculation of the allowed revenues. For the three-year regulatory period, these parameters remain stable and tariffs are revised annually according to the regulator's estimated quantities.

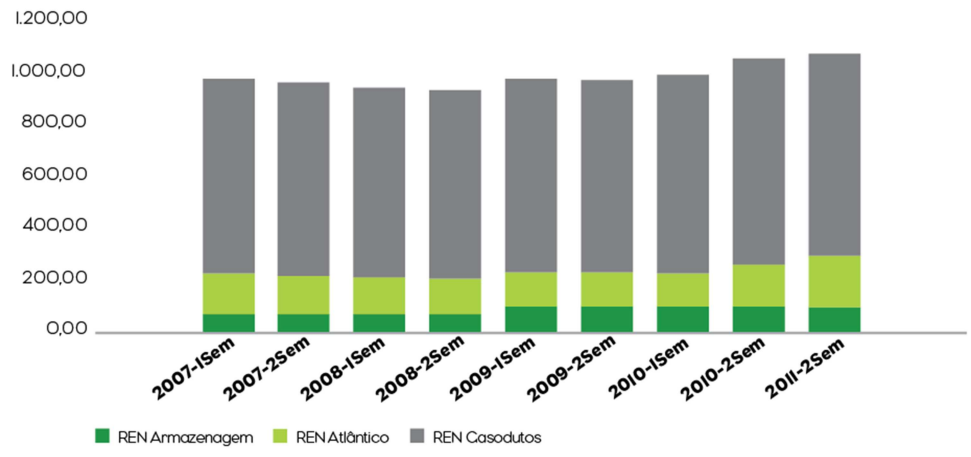
The revenues related to invested capital stem primarily from the return on fixed assets in operation, net of depreciations and subsidies (RAB) at a rate set by the Regulator for each regulatory period added by the corresponding depreciations.

8%
UNTIL DEC 31ST 2012

RETURN ON RAB	RECOVERY OF OPEX	TARIFF DEVIATIONS FROM PREVIOUS YEARS	
+ ROR * Regulated Asset Base (RAB)	For LNG Transportation and Terminal: Revenue cap - for OPEX growth is limited to (1+IPC-X) (*2) OPEX induced by growth and operation is subjected to a price cap with growth limited to (1+IPC-X) (*2)	Tariff deviations in s-2 x (1 + Euribor 3M + 1%) x (1+ Euribor 3M + 2%) and Tariff deviations in s-1 x (1 + Euribor 3M + 2%)	**ALLOWED REVENUES URT/ UGS/ UTRAR/ UAS**
+ Depreciations (net of subsidies) +/- Smoothing mechanism(*1)	For the Global System Management and underground storage: • Accepted costs		

NOTES:
(*1) SMOOTHING EFFECT ONLY APPLIES TO THE TERMINAL UNTIL 2016
(*2) X = 3.8% FOR THE FIRST YEAR 0% FOR THE FOLLOWING REN GASODUTOS AND X = 1% FOR REN ATLÂNTICO FOR THE REGULATORY PERIOD
X APPLIES TO ALL OPEX COMPONENTS, BOTH TO THE REVENUE CAP AND TO THE PRICE CAP
GDPdi – GDP DEFLATOR INDEX

The six months average RAB values for the natural gas companies had the following evolution until the end of 2011:

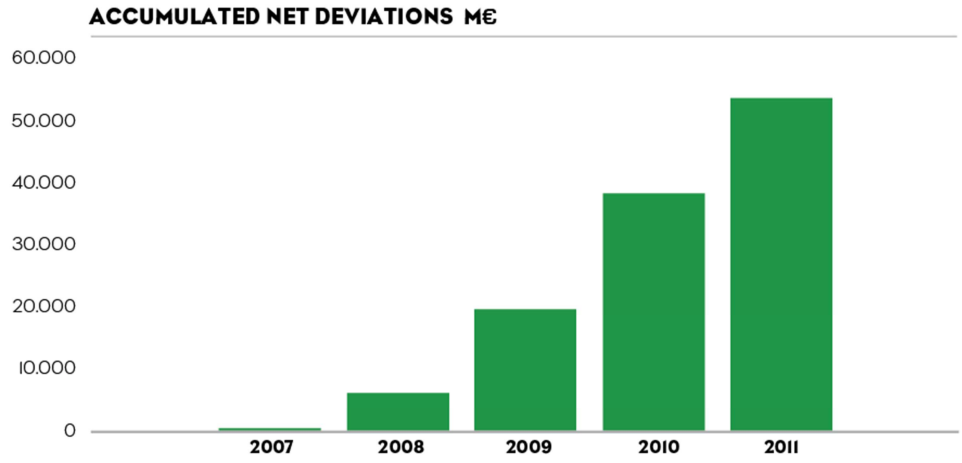


In 2011, the combined RAB for the REN natural gas companies progressed favourably following the investments made to raise the system's capacity in a market where demand has grown above the average of neighbouring European countries, even in economic crisis periods such as between 2009 and 2011. The increase RAB reflects in particular the project to expand the capacity of the LNG terminal, which saw the completion of its second phase in 2011 with the start up of the new regasification systems corresponding to an investment of about 49 million Euros. The completion of this project is scheduled for 2012, with the coming into operation of the 3rd LNG storage tank.

These occurred deviations are calculated each year and settled by including them two years after they occur in the tariff calculation. This value is then paid at a regulated rate equal to the average 3-month Euribor observed in each period until the recovery year, plus 200 base points for the previous period and 100 base points for the deviations incurred in previously.

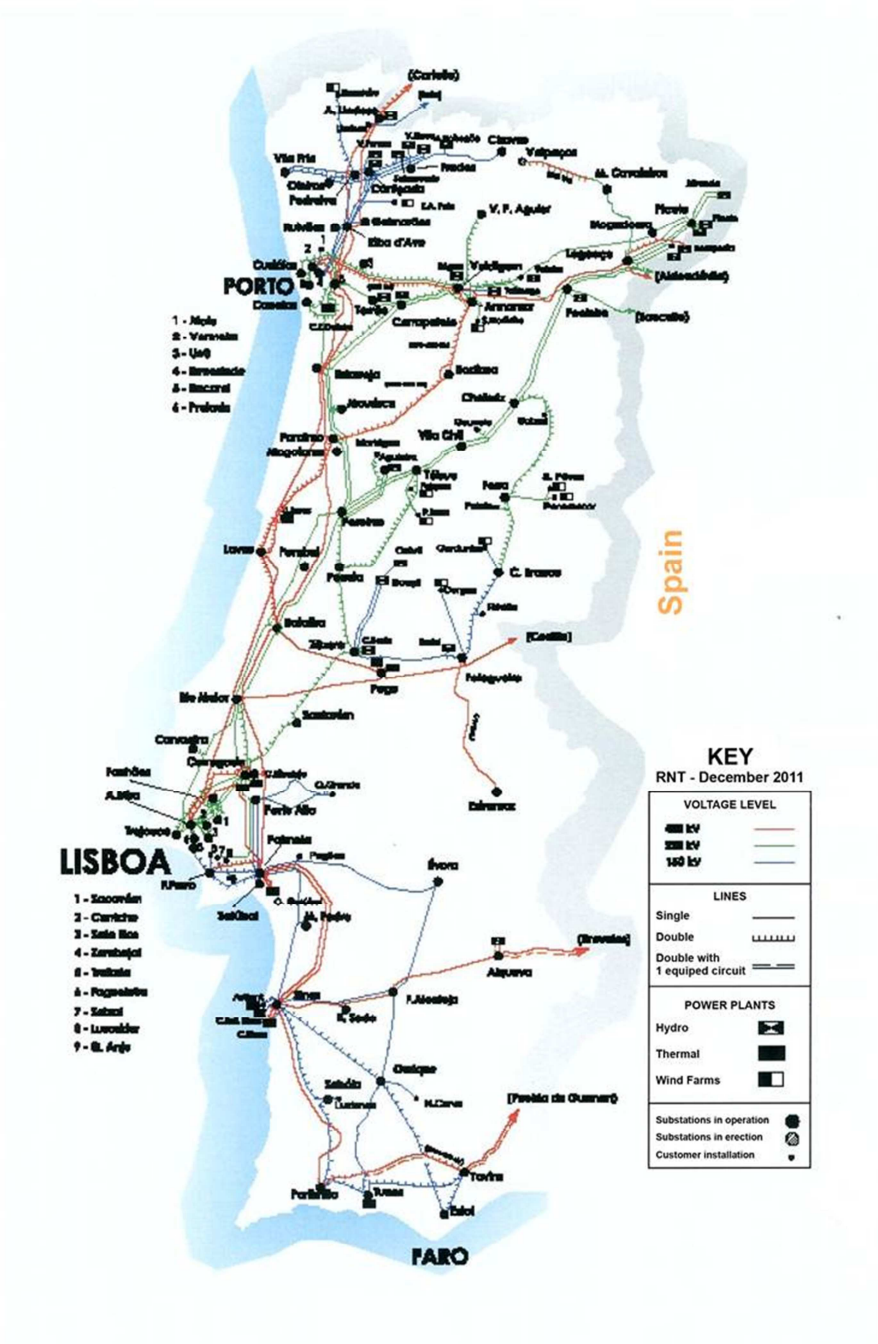
The tariff regulation also includes a mechanism for anticipating the process of recovery / return of estimated deviations from the year preceding the year of the tariff that applies a regulated rate equal to the average of the 3-month Euribor recorded in year plus 200 base points.

The balance of tariff deviations has the following evolution:



9. TECHNICAL INFRASTRUCTURES

9.1 ELECTRICITY



Towards the end of 2011, the National Transmission Grid (RNT) consisted of 275 Very High Voltage (VHV) lines and extensions, including 94 extensions and lines at 150 kV; 126 lines and extensions at 220 kV, and 55 lines at 400 kV; plus 65 Transformer Substations, and 13 Switching Stations.

The National Transmission Grid ensures the flow of electrical power from the Electrical Power Stations till the Transformer Substations, where it is delivered at 60 kV to the National Distribution Grid.

The RNT also provides the connection with the European Transmission Grid through nine interconnections with the Spanish Transmission Grid and delivers energy directly to several end consumers at very high voltage.

The National Dispatch Centre, based in Sacavém (Loures), coordinates the overall operation and ensures the balance of the National Electric System.

The Network Operations Centre, based in Vermoim (Maia), allows the Monitoring and Remote Operation of all the Equipment of the National Transmission Grid (RNT).

The Corporate Telecommunications Network, largely supported by the mentioned infrastructure (fiber optic and hertzian beams), supports data transmission, control commands to network elements and enables the communications required for operating the RNT.

AUTO-TRANSFORMER AT THE SUBSTATION OF PEDRALVA

NATIONAL TRANSMISSION GRID	11	10	VAR (%)
Line Length (km)	**8.371**	**8.049**	**4,0**
400 kV	2.236	1.973	13.3
220 kV	3.492	3.467	0.7
150 kV	2.643	2.609	1.3
Total Transformation Power (MVA)	**33.777**	**30.205**	**11.8**
Auto transformation (VHV/VHV)	13.410	11.925	12,5
Transformation (VHV/HV)	20,367	18.280	11.4

By the end of 2010, RNT had 8,317 km of very high voltage overhead lines supported by 17,845 towers, as well as 54 km of very high voltage underground cables:

150 kV	2.643 km in 5.335 stowers
220 kV	3.438 km in 6.968 towers and 54 km in underground cables
400 kV	2.236 km in 5.542 stowers

The connection with the Spanish Transmission Grid is provided by one 130 kV line between Minho and Galicia, three 220 kV lines in the International Douro and five 400 kV lines, two of which between Minho and Galicia, one in the International Douro, one in the International Tagus, and one between the Alentejo and Estremadura. Between the Algarve and Andalucia the national section of a new interconnection has already been completed.

In 65 Very High Voltage Transformation Substations were installed:

150/60 kV	6.170 MVA	**220/60 kV**	10.997 MVA	**400/60 kV**	3.060 MVA
150/130 kV	290 MVA	**220/150 kV**	970 MVA	**400/150 kV**	5.990 MVA
				400/150 kV	6 300 MVA

NATIONAL GRID CONTROL CENTRE

9.2 NATURAL GAS

REN's natural gas infrastructure is composed of:

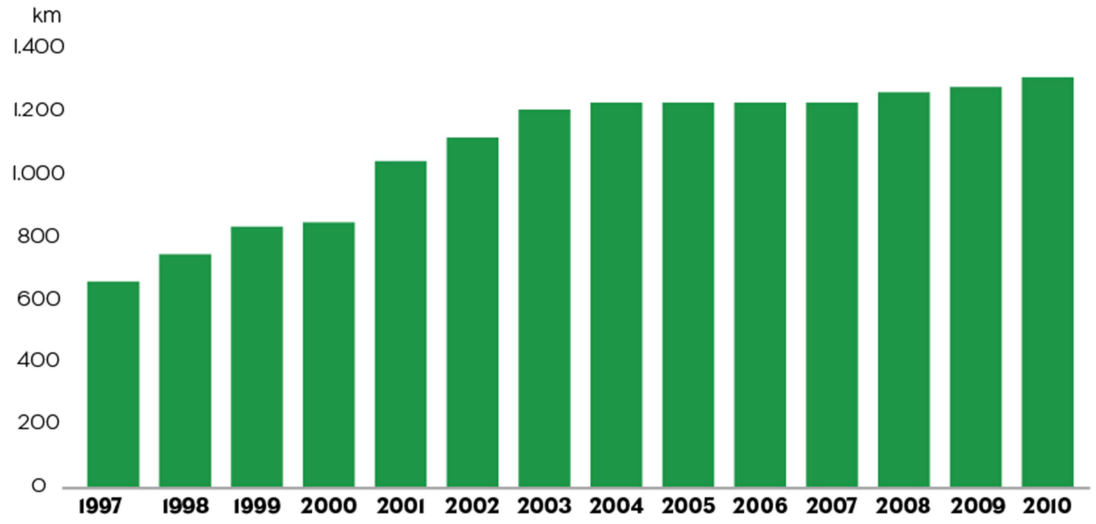
- the National Natural Gas Transmission Network (RNTGN in Portuguese);
- the liquified natural gas terminal (LNG) in Sines;
- the natural gas underground storage facilities at Carriço. (3 caverns and 1 gas station).

In 2011, four new gas regulating and metering stations (GRMS) (Cerveira, Soure, Lares and Chaparral III) started to operate. In terms of gas pipeline infrastructure, the conclusion and entry into operation of the new branch-line of Chaparral should also be mentioned, to supply the expansion of the Sines Refinery.

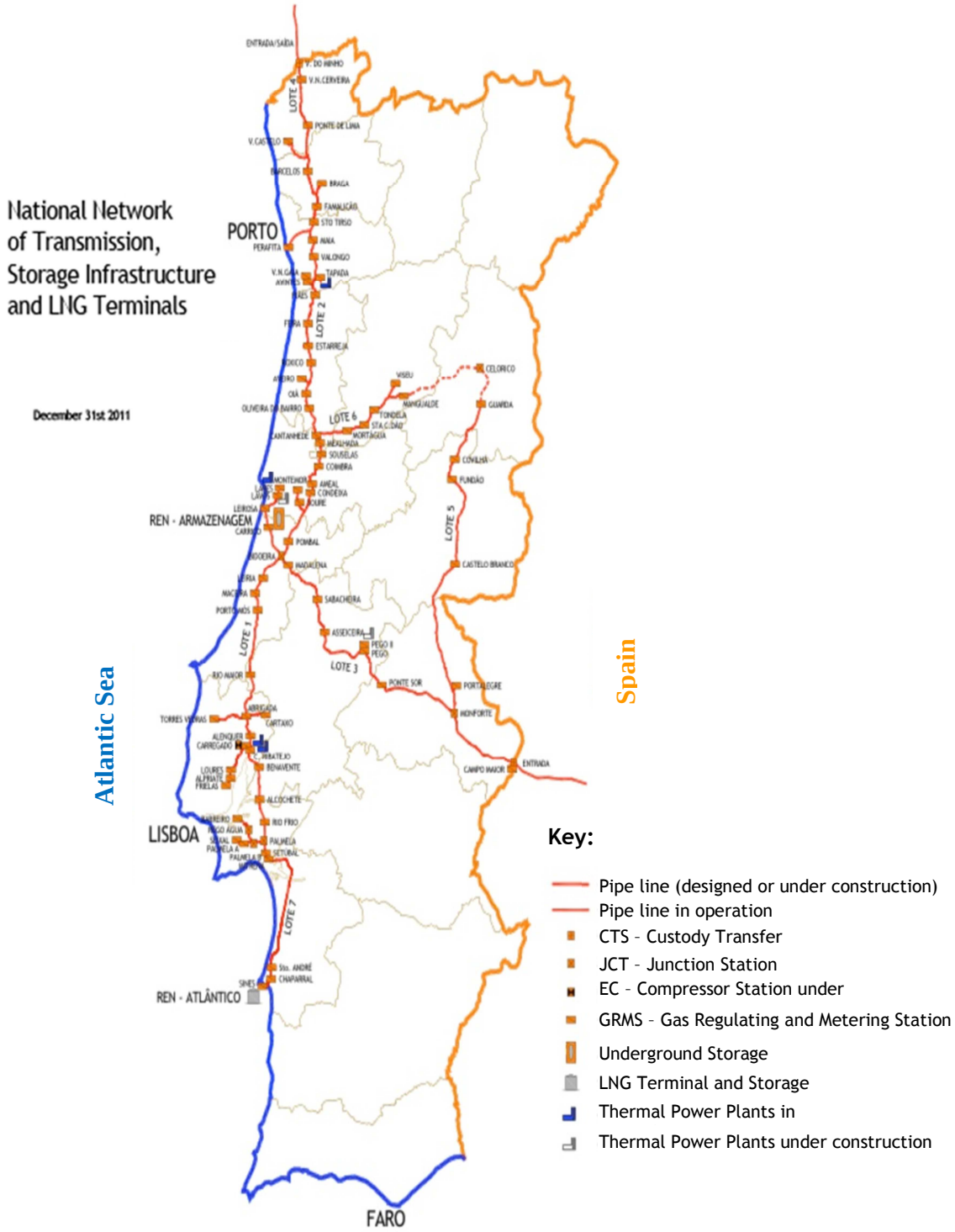
Thus, by the end of 2011, the RNTGN transmission network was as follows:

- 1,298 km of high-pressure gas pipelines;
- 61 junction stations for pipeline branching;
- 43 block valve stations;
- 5 T-branch connection stations;
- 84 gas regulating and metering stations;
- 2 custody transfer stations.

Since it started operation, in 1997, the expansion of the transmission network had the following developments:



NATIONAL NATURAL GAS TRANSMISSION NETWORK



NATIONAL NATURAL GAS TRANSMISSION NETWORK		Ø (mm)	km
Lot 1	Setúbal – Leiria	700	173
Lot 2	Leiria – Gondomar	700	164
	Gondomar – Braga	500	50
Lot 3	Campo Maior – Leiria	700	220
Lot 4	Braga – Valença	500	74
Lot 5	Monforte – Guarda	300	184
Lot 6	Mealhada – Viseu	500	68
Lot 7	Sines – Setúbal	800	87
High pressure branches		150-700	278
Total			**1.298**

As of December 31st, 2011 the available capacity for commercial purposes of relevant points of the RNTGN was as follows:

AVAILABLE CAPACITY FOR COMMERCIAL PURPOSES OF RELEVANT POINTS	GWh per day	$Mm^3(n)$ per day
ENTRY		
Sines	213	17.9
Carriço (Extraction AS)	86	7.2
Campo Maior (IP39)	134	11.3
Valença do Minho (IP40)	40	3.4
EXIT		
Sines	194	16.3
Carriço (Injeção AS)	24	2.0
Campo Maior (IP39)	70	5.9
Valença do Minho (IP40)	25	2.1
Exit by GRMS (total)	**709**	**59.6**

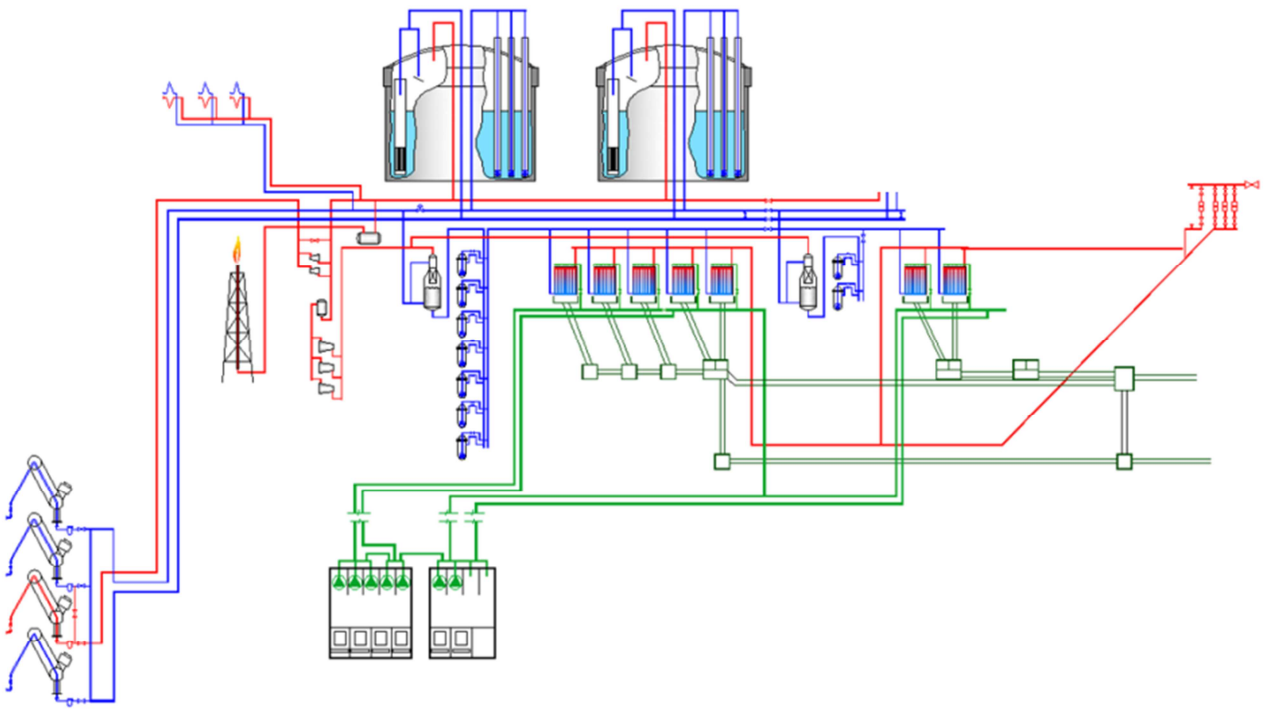
Supervised from a last-generation National Dispatch Centre using redundant telecommunication systems supported over fiber-optic technology, the RNTGN connects the gas pipeline stations with the LNG Terminal of Sines and the underground storage facility at Carriço, in Pombal. All systems are equipped with digital communication, in particular to read the network entry and exit flows, allowing for the best practices in both information quality and supervision response.

Until 2012, the LNG terminal is in the process of increasing its emission and storage capacity.

Composed of a dock to moor and unload ships, two cryogenic LNG tanks and pressurisation and vaporisation systems using seawater without burning fuel, this terminal is a crucial infrastructure in the system. In 2011 the LNG Terminal expansion project continued, and its main features by the end of 2011 were as follows:

- regasification capacity of 7.6 bcm of natural gas per year;
- seven atmospheric vaporizers with a capacity of 225,000 m^3(n)/h each;
- reception capacity for methane ships:
    - volumes between 40,000 and 215,000 m^3 GNL;
    - average unloading time for one ship of 140,000 m^3 LNG: 19 hours;
- operational storage capacity in tanks: 2 x 120,000 m^3 LNG; plus a 3rd tank of 150,000 m^3 LNG is in its last stage of construction;
- emission capacity:
    - nominal: 1,125,000 m^3(n)/h @ 7.6 bcm;
    - peak 1,300,000 m^3(n)/h;
- filling of tanker trucks: 4,500 trucks a year @ 0.12 bcm.

GENERAL SCHEME OF THE LIQUIFIED NATURAL GAS TERMINAL OF SINES



Underground storage is performed in salt cavities at great depth, interconnected with a gas station that allows the management of the quantities stored by injection using natural gas compressors or by extraction with systems of natural gas dehydration for subsequent injection into the transmission network.

REN's gas station also interconnects with cavities of another concession holder. For the construction of salt cavities, REN has a leaching station which, together with a water collection system and a rejection system of brine into the sea, allows the construction of more cavities.

By the end of 2011, the characteristics of the underground storage facilities of natural gas that were part of the REN Armazenagem concession were the following:

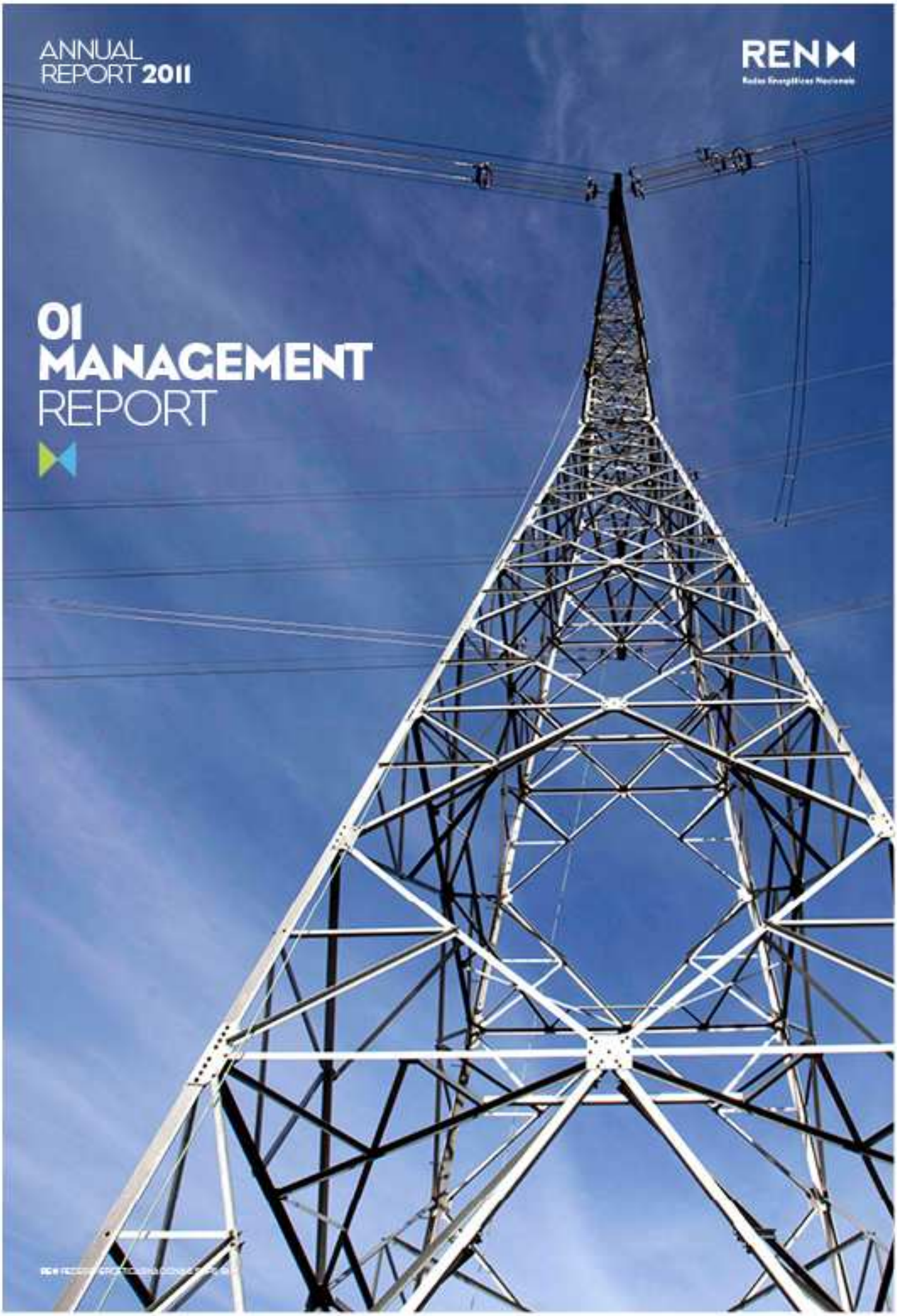
- three cavities under operation;
- maximum capacity: 1.66 TWh <> 142.5 Mm^3(n);
- maximum capacities of the surface stations.
- injection: 24 GWh/day;
- extraction: 86 GWh/day;
- operation of the gas station ensured by REN Armazenagem.

ANNUAL
REPORT **2011**

REN

Redes Energéticas Nacionais

01
MANAGEMENT
REPORT



1.1. MACRO CONTEXT

1.1. ECONOMICAL CONTEXT

WORLD ECONOMY [1]

After a strong recovery in 2010 (GDP growth of +5.0%), the growth of the economic activity slowed down in 2011 to +3.7%. Such decrease can be explained by several factors: i) slow down in the EU economies and in the United States of America (USA), due to the deleveraging of the economy and the sovereign debt crisis in the Euro zone, ii) lower growth rates in emerging economies, affected by the drop of the consumption in the more advanced economies and policies of rising interest rates to curb inflation, iii) extraordinary events such as the tsunami in Japan (which led the country into recession in 2011) and instability in the Middle East (with an impact in commodity prices), but whose effects should fade in 2012.

The combination of these factors resulted in different growth rates between regions. In Japan, the earthquake and tsunami in March 2011 resulted in a drop of -0.4% in its GDP. In the U.S. and the EU growth slowed down to 1.6%, with both regions struggling with high unemployment rates and debt levels. Additionally, the sovereign debt crisis in the Eurozone, and the change from policies to stimulate the economy to policies to contain their public deficit, translated as a strong obstacle to a more sustainable economic recovery. However, the emerging countries continue to achieve high growth rates, well above the world average. In regard to the world's major regions, in 2011 China grew 9.2%, India 7.5%, sub-Saharan Africa 5.0% and Latin America 4.6%.

UNITED STATES [2]

The year was marked by a weak economic recovery, with the GDP growth rate dropping to approximately half (+1.6% in 2011 compared to +3.0% in 2010). This drop was induced by the phase out of measures to stimulate the economy and the need to control the levels of public debt, which led to a contraction of public consumption (-0.8% in 2011, compared to an increase of +1.0% in 2010). Additionally, the recovery of private consumption, the main GDP component, remains weak and surrounded by uncertainties: the real-estate market still does not show any signs of recovery; the unemployment rate remains at historically high levels (estimation of 9% for 2011); and the uncertainty on the fiscal environment continues to weigh on consumer decisions. On the bright side, there is the growth of gross fixed capital formation (+3.3% in 2011), supported by good results and liquidity available in the business sector.

Despite concerns about the deficit and public debt, the deficit in 2011 remains at historically high levels (10.0%, 0.6p.p. less compared to 2010), leading to an increase in public debt from 95.2% of GDP in 2010 to 101.0% in 2011. The inflation rate doubled from 1.6% in 2010 to 3.2% in 2011, as a result of rising commodity prices in the 1st semester of 2011.

EUROZONE [3]

The Eurozone economy has also witnessed a weakening of its recovery, decreasing 0.4p.p. to +1.5% in 2011. Domestic demand was the main contribution to this growth, representing 0.7p.p. of such growth, whereas net exports saw their contribution lower 0.2p.p. to 0.6 % in 2011, following the stabilization of world trade after the strong recovery experienced in 2010.

However, 2011 is marked by a sharp deterioration of economic conditions, induced by the sovereign debt crisis. Although with different impacts in the different countries of the Eurozone, this crisis has placed the reduction of public deficits in the centre of European policy discussion and generated a strong instability and uncertainty in financial markets. As a result, the combination of austerity policies, credit constraints and associated uncertainty were felt as a decrease in the growth rate of private consumption (from +0.9% in 2010 to +0.5% in 2011) and of public consumption (+0.5% to +0.1%). On the positive side, the good performance of investment which grew +2% in 2011 after a contraction of -0.5% in 2010 should be highlighted.

The Eurozone was unable to reduce the unemployment rate significantly, which fell only 0.1p.p. to 10% of the workforce. However, the policies to control the expenditure allowed the reduction of public deficit of -6.2% to -4.1%, while the aggregate public debt increased from 85.6% of GDP in 2010 to 88.0% in 2011. The estimated inflation rate was 2.6% (above the 2% reference of the ECB), as the result of higher commodity prices.

INTEREST RATES [4,5]

Although it rose twice its reference rate (up to 1.5%), the European Central Bank (ECB) annulled this increase in November and December, with interest rates in 2011 closing once again at historically low levels. Thus, the ECB ended 2011 with the reference rate at 1%, while the United States Federal Reserve kept the Fed Funds Target Rate between 0% and 0.25%.

Despite the fact that the ECB's reference rate remained at 1%, the uncertainty generated by the sovereign debt crisis spread to the banking system, leading to an increase in the Euribor rates. As of December 30th, 2011, the Euribor rates for maturities of 3, 6 and 12 months were 1.356% (compared with 1.006% by the end of 2009), 1.617% (vs. 1.227%) and 1.947% (vs. 1.507%), respectively. This represents an increase of about 35-45 basis points from the end of 2010.

NATIONAL ECONOMY [6,7]

2011 in Portugal was marked by the request for assistance to the "Troika" (EU / ECB / IMF), and by the austerity measures included in the signed memorandum. Thus, economic policy became marked by the need for a rapid correction of macroeconomic imbalances, particularly by reducing the public deficit and debt. The combination of actions at the revenue(tax increases) and expenditure levels (reduction of investment and cuts in wages and pensions, among other measures), resulted in a contraction of the GDP of -1.6% in 2011 (after a growth of +1.4% in 2010).

This reduction resulted from the sharp drop in private consumption (-3.6%), public consumption (-3.2%) and investment (reduction of gross fixed capital of -11.2%). On the positive side, we highlight the good behavior of the trade balance: while imports decreased by -4.3%, in line with the reduction of consumption, exports rose by +7.3% when compared to 2010. Thus, and looking at the contributions to GDP variation in 2011, domestic demand contributed -5.6p.p. and net exports to +4.1p.p. the latter as the only positive contribution to Portuguese economy.

In line with the observed recession, unemployment increased once again (from 12.0% in 2010 to 12.6% in 2011), and inflation reached 3.5%, a fact to which contributed the increases in VAT seen in 2011. It should be noted that the goal for the public deficit of 5.9% was fulfilled, although with the use of extraordinary measures (transfer of the pensions fund of the banking sector), thus increasing the pressure on the target of 4.5% for 2012. The public debt continues to increase, and should reach 101.6% of the GDP in 2011 (compared to 93.3% in 2010).

Sources:

1) European Comission, European Economic Forecast, Autumn 2011
2) European Commission: European Economic Forecast, Autumn 2011 – United States
3) European Commission: European Economic Forecast, Autumn 2011 – Euro Zone
4) Reference rates: ECB and FED (http://www.ecb.int; http://www.federalreserve.gov/)
5) Bank of Portugal; Euribor values
6) Bank of Portugal: Winter Economic Newsletter 2011.
7) European Commission: European Economic Forecast, Autumn 2011– Portugal

1.2 SECTORAL CONTEXT

1.2.1 MOVEMENTS IN THE ENERGY SECTOR

Globally, the energy year of 2011 was marked by the economic and financial crisis and by the consequent diversion of the focus of attention of governments from the energy policy. Current news were also characterized by the Fukushima Daiichi nuclear accident and by the upheavals in the Middle East and North Africa, which raised doubts on the reliability of energy supplies. Some key trends point towards directions that seem troubling, such as the increase in CO2 emissions to record levels; the decrease in overall energy efficiency (which happened for the second consecutive year) and the increased spending on oil imports, which are already close to maximum levels.

The International Energy Agency (IEA) in its New Policies Scenario assumes that recent commitments announced by several countries will be implemented cautiously and that, despite a lower rate of economic growth in the short term, this will only have a marginal impact on long-term trends for energy and climate.

According to the New Policies Scenario of the IEA, energy demand is expected to grow significantly, increasing more than 30% between 2010 and 2035.

The world population growth and the average annual growth rate of world economy are mentioned as the main driving forces for the increased demand for services and mobility.

The IEA estimates that non-OECD countries will account for 90% of the increase in energy demand over the next 25 years. China shall represent more than 30%, consolidating its position as the largest energy consumer at world level. In 2035 it is estimated that China will consume 70% more energy than the United States of America (USA), the second largest consumer, although the Asian giant's per capita energy consumption accounts for less than half of the figure recorded in the U.S. The increased growth rates of energy consumption in India, Indonesia, and Brazil and in the Middle East should occur at a faster pace than in China.

Emerging economies are also expected to dominate the expansion of supply. The world will increasingly depend on oil production from the OPEC, and non-OECD countries shall account for more than 70% of the world gas production in 2035.

As far as the energy sources in use, the dominance of fossil fuels will tend to decline, despite being far from ending - the weight of fossil fuels is expected to decline from 81% in 2010 to 75% in 2035. Only in the case of natural gas, several factors at both the level of supply and demand indicate a growth in the use, almost reaching the level of coal. The share of non-conventional gas now represents one fifth of the total gas production in 2035, although its pace of growth varies considerably from region to region.

In the electricity sector it is expected that renewable technologies will constitute half of the total new installed capacity, with a clear lead of hydro and wind energy. The percentage of non-hydro renewable energy sources in power production is expected to rise from 3% in 2009 to 15% in 2035, with government support being critical to this development, given that, in this period, most renewable energy technologies are not competitive in the electricity markets.

Greater electricity production from renewable sources requires additional investments in the transmission networks, representing 10% of the total investment in transmission. At EU level, it will be necessary to allocate 25% of investment to the transmission networks.

As far as nuclear energy, the events of Fukushima Daiichi raised many questions concerning its future role. However, the policies of countries like China, India, Russia and Korea have not changed and shall determine

the expansion of this energy source. In the New Policies Scenario, nuclear output increases more than 70% by 2035.

The IEA estimates that a global investment of 38 billion dollars (2010 values) is required in the energy transmission infrastructure during the period 2011-2035. Almost two thirds of the total investment will be deployed to countries outside the OECD. Together oil and gas account for about 20 billion dollars, taking into account the increase in the medium and long-term up-stream investment needs and the amount of their respective costs. The electricity sector requires most of the remaining amount, with over 40% for the transmission and distribution networks.

Despite the increased use of energy, almost 20% of the world population still has no access to electricity and studies suggest that this situation will remain as such in the long term.

However, according to the IEA, only an investment of about 3% of the total investment in energy by 2030 would be required to ensure universal access.

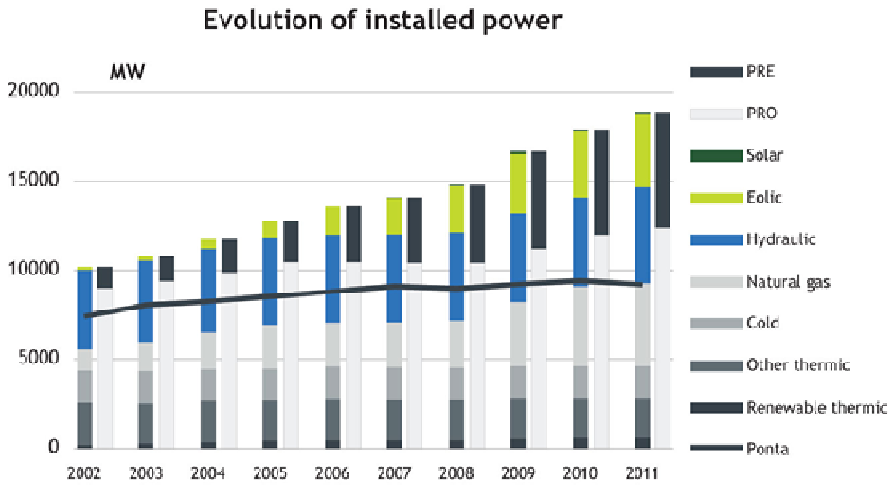
In the long run, political initiatives to restrict demand will be crucial to ensure not only safe supply, but also to achieve the agreed goals to tackle climate changes. In the New Policies Scenario, energy efficiency increases at a rate which is the double of the last 25 years, stimulated by higher standards in all sectors and by a gradual reduction of subsidies for fossil fuels. Despite this effort, the CO2 emissions related to energy use will increase by 20%, a figure that translates into a rise in temperature of 3.5℃ in the long-ter m, above the goal of limiting the global average temperature increase to 2℃.

1.2.2 DEMAND AND PRODUCTION

In 2011 electricity consumption supplied by the public network was 50.5 TWh, representing the biggest drop in Portugal, 3.2% (2.3% considering the correction of the temperature effects and number of working days).

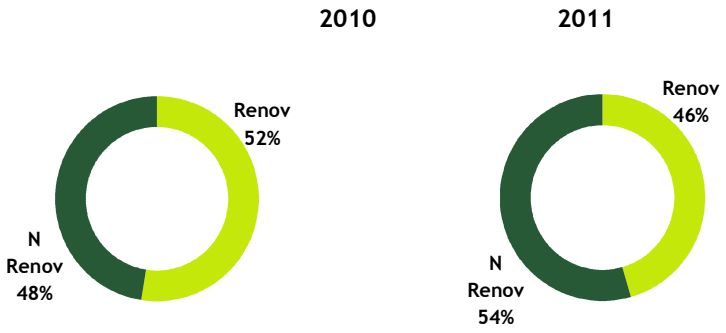
TWh	Consumption	Change	*Fixed*
2007	50,0	1,8%	*2,4%*
2008	50,6	1,1%	*1,2%*
2009	49,9	-1,4%	*-1,8%*
2010	52,2	4,7%	*3,3%*
2011	**50,5**	**-3,2%**	***-2,3%***

The maximum power in the network reached 9192 MW, i.e. 200 MW below the historical peak recorded in 2010. In relation to new equipment entered into operation we would highlight the increase of 375 MW of wind power, which now reaches 4081 MW (including 1918 MW connected directly to the Transmission Network). In the large hydric plants, the power reinforcements of Picote and Bemposta with 431 MW, started to operate.



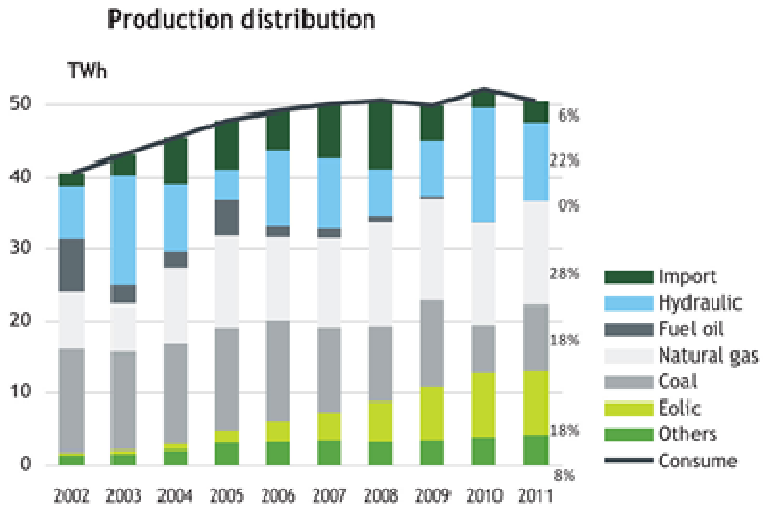
Production from renewable sources supplied 46% of consumption (22% from hydro, 18% from wind and 6% from other renewable sources), less than the 52% of last year, reached under exceptional weather conditions. The hydro and wind capability factors stood at 0.92 and 0.97 respectively.

For the very first time, wind production decreased compared to the previous year, despite the 375 MW increase in installed capacity.



The thermal output in Ordinary Regime increased 12% and supplied 38% of the consumption (20% natural gas and 18% coal).

The import balance increased by 7% over the previous year, representing 6% of consumption. The importing capacity was used at 33% and the exporting capacity at 10%. The congested interconnection periods came down to 8%



In 2011 a total of 42.2 TWh entered the transmission grid, i.e. 0.9% below the previous year. Losses were reduced to 656 GWh, i.e. 1.55% of the energy input.

1.3 THE REGULATORY CONTEXT

EUROPEAN ENERGY POLICY

2011 stands out for the strong impetus given by the European Union to the energy economy and to energy efficiency. In order to achieve the goal of 20% reduction in energy consumption planned by the EU for 2020, a proposal for a directive on energy efficiency has been submitted. This document was the result of estimates that realized that, given the goals defined by each Member State within the context of the strategy Europe 2020, only half of the goal defined for 2020 would be achieved. The legislative proposal aims to transform into binding measures many of the key actions proposed in the previously published Plan for Energy Efficiency.

In the field of energy infrastructure, the European Commission presented a plan that provides a funding of 50 billion Euros for investments to improve the European networks in transport, energy and digital technology.

Through the Connecting Europe Mechanism, the energy sector will rely on an investment of 9.1 billion Euros in the trans-European infrastructure.

This plan also aims to eliminate funding gaps and bottlenecks in the networks. The development of the internal energy market will be strengthened through more efficient interconnections, enabling a safer supply and the possibility of transmitting renewable energy from technologies with a better cost-effectiveness relationship across the EU.

2011 was also marked by the submission of the Energy Roadmap 2050, a document that aims to contribute towards the goal of reducing emissions by more than 80% by 2050. Based on the analysis of a series of scenarios, the document sets out the consequences of a carbon-free energy system and policy framework necessary to make that happen. The script will be followed by other initiatives for specific areas of energy policy in the coming years, starting with proposals on the internal market, renewable energies and nuclear safety, which shall be published throughout 2012.

In line with the strategy Energy 2020 a Communication was published on the security of energy supply and international cooperation, establishing, for the very first time, an overall strategy for the EU's external relations in the energy field. The document proposes to strengthen the external dimension of EU's energy policy by increasing transparency between Member States on their energy agreements with third countries and reinforcing the coordination in relations with partner countries; in being part of international organizations; and in the development of general energy alliances with partner countries.
The EU's priorities include an agreement with Azerbaijan and Turkmenistan, related to the Caspian pipeline, as well as a new partnership on renewable energy projects with the countries of the southern Mediterranean. The proposed approach also estimates that greater importance shall be assigned to improving the access of developing countries to sustainable energy sources.

DOMESTIC ENERGY POLICY

In Portugal, 2011 was mainly marked by the presentation of the energy policy guidelines as part of the Programme of the XIX Constitutional Government.

"In the medium term, the goal of the Government is to make Portugal the country with the lowest intensity in the European Union." It also aims to promote "liberalized, highly competitive energy markets, with transparent mechanisms to define prices and a stable and well applied regulation."

The new energy policy has set forth the goal of substantially improving the country's energy efficiency through a 25% reduction in consumption by 2020, with the State as the first example (30% reduction in consumption by 2020).

On the supply side, the Government intends to strengthen the diversification of primary energy sources, adding to the structural security of supply in the country Thus, the reduction of Portugal's dependence on oil shall be promoted. This goal will also be achieved through increased use of biofuels, through the stake on quality public transport, and through the investment in the rail and sea modes to travel within Europe.

During the year several European directives establishing common rules for the internal market on electricity and natural gas have been transposed. Framed within the EU's "Third Energy Package", their purpose is to contribute towards increased competitiveness; towards the existence of effective regulation and towards encouraging investment to benefit electricity and natural gas consumers.

Additionally, the Government proposes to take steps towards expediting the creation of an operational Natural Gas Iberian Market (MIBGAS), namely through regulatory convergence. It also aims to take up certain policy initiatives with the Spanish authorities in order to eliminate double charging.

Among the various events that took place in 2011, we would also highlight the measures for the implementation of the Memorandum of Understanding on Economic Policy Constraints, signed between Portugal and the International Monetary Fund (IMF), the European Commission (EC) and European Central Bank (ECB).

In terms of taxation, the reduced VAT rate on electricity and natural gas was eliminated by the Government, as so these goods are now subject to the normal VAT rate. The proposal to tax electricity under especial taxes upon consumption is presently being assessed (currently below the minimum required by EU law).

In 2011 the Government updated the reference tariff that is the bases for the subsidized remuneration regime applicable to mini and micro production, and started the establishment of measures to limit the additional costs associated with electricity production under ordinary regimen, as well as the costs related with the production of power under special regimens (cogeneration and renewable). Cogeneration is also

under evaluation, and a proposal of options to adjust to a lower figure the subsidized rate is being considered. The decisions on future investments in renewables, namely in less mature technologies, will be based on a rigorous analysis of costs and consequences for energy prices.

Within the scope of the natural gas system, Decree-Law No. 77/2011 entered into force in June 2011, which transposed Directive No. 2009/73/EC, which is part of the so-called "Third Energy Package" of the EU. New rules in the organizational framework of the sector were also introduced, according to the main strategic goals approved for the 2020 ENE.

As part of these rules, the following stand out:

- Introduction of the certification procedure for transmission system operators, to assess the conditions for separating production and marketing activities from the operation of transmission networks;
- Strengthening of ERSE's role (Portuguese Energy Regulator), namely in terms of the certification of transmission grid operators, in the promotion of regional markets and in the coordination of networks at European level;
- Reinforcement of consumer rights by introducing mechanisms to ensure the change of supplier in less than three weeks, as well as the introduction of mechanisms to ensure the protection of vulnerable customers;
- Maintenance of the regulated access matrix to the national natural gas system infrastructure, opening up, however, the possibility of new concessions for underground storage through a system of negotiated access, although not for the establishment and maintenance of safety stocks.

In April 2011 new regulations for the Acceptance Terminal, Storage and Regasification of LNG, and of the National Natural Gas Transportation Grid were published.

In terms of security of supply, new criteria for counting the minimum security reserves of natural gas for non-interruptible consumption were established in accordance with Ordinance No. 297/2011.

LIBERALISED MARKET IN PORTUGAL

ELECTRICITY

In 2011, with the exception of customers supplied in BTN **(**Normal Low Voltage**),** there was a growth in the number of customers supplied by the free market. As a result, consumption in the reference generation of customers supplied by the liberalized market amounted to 23 TWh, a figure which is about 29% above that that of the same period in 2010. In 2010, the relative weight of the free market was about 46.5% of global consumption, which basically meant the same weight as that of the regulated market.

Throughout the year, the process of liberalization of regulated tariffs for end customers, which started in July 2010 in the sector of natural gas, continued. In early 2011, it was the electricity sector's turn to extinguish the regulated tariffs for electricity to end customers in especial low voltage, medium voltage, high voltage and very high voltage, approved by Decree-Law no. 104/2010 of September 29th. The schedule for gradually phasing out the regulated electricity tariffs to end customers was also approved, by defining a transitional period, which shall not exceed three years, in which consumers may move over to the market system by choosing their supplier.

Currently there are sixteen active trading agents, however only eight of them have a customer’s portfolio.

NATURAL GAS

Following the extinction process of regulated tariffs for end customers, which started in July 1st, 2010 for customers with annual consumption above 10 000 m3, the Resolution by the Council of Ministers No. 34/2011 approved the schedule for the gradual extinction of the remaining regulated tariffs, which should be completed by January 1st, 2013.

This process will necessarily be accompanied by the adoption of protection measures for economically vulnerable end customers. Thus, in September 2011, Decrees-Law No. 101/2011 and No. 102/2012 were published with the goal of creating the social tariff for the supply of natural gas to be applied to economically vulnerable end customers, and to ensure the appearance of an Extraordinary Social Support to Energy Consumers (ASECE).

Still, on market liberalization, by the end of the first half of 2011, the cumulative number of customers in the liberalized market amounted to 2,533, representing about 87% of global consumption, compared to 77% in December 2010.

2. ELECTRICITY

2.1. OPERATION OF NATIONAL TRANSMISSION NETWORK

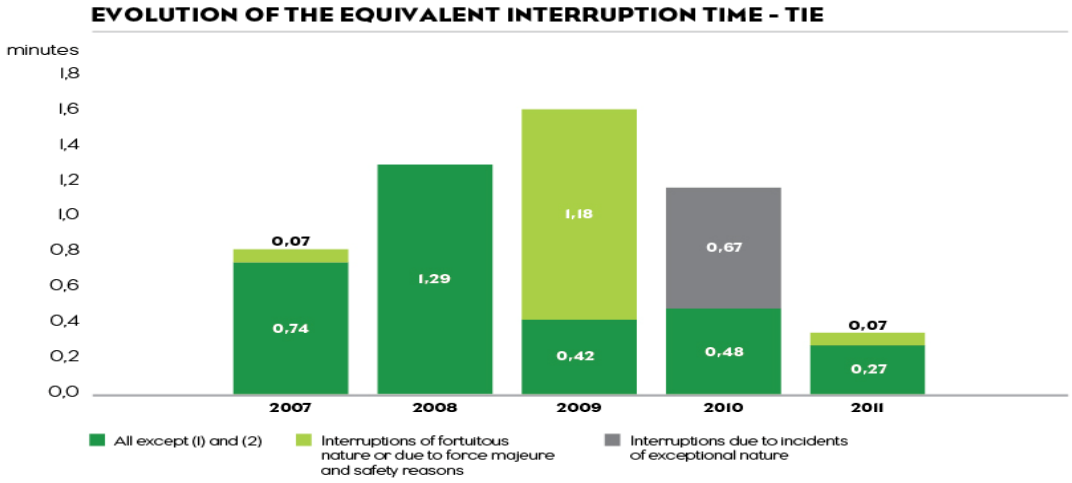
SERVICE QUALITY

The Quality of Service provided by REN, understood as safety and continuity of power supply with the appropriate technical features, stood once again at a high level, maintaining and consolidating the trend of previous years of a gradual and sustained performance improvement of the National Transmission Grid (RNT).

The figures recorded for four (ENF, TIE, SAIFI and SAIDI) of the five general indicators of continuity of service, established in the Service Quality Regulation, were the best figures ever, thereby placing REN among the best European counterparts.

The Equivalent Interruption Time (TIE), an indicator of overall performance of commonly used by electrical utilities, recorded a new historical minimum, with the value of 0.27 minutes (16.2 seconds), corresponding to a non-supply of 25.6 MWh of energy. In other words, REN fed electrical energy into points of delivery to clients 99.99978% of the time (close to 999 hours, 59 minutes and 52 seconds per each 1,000 hours).

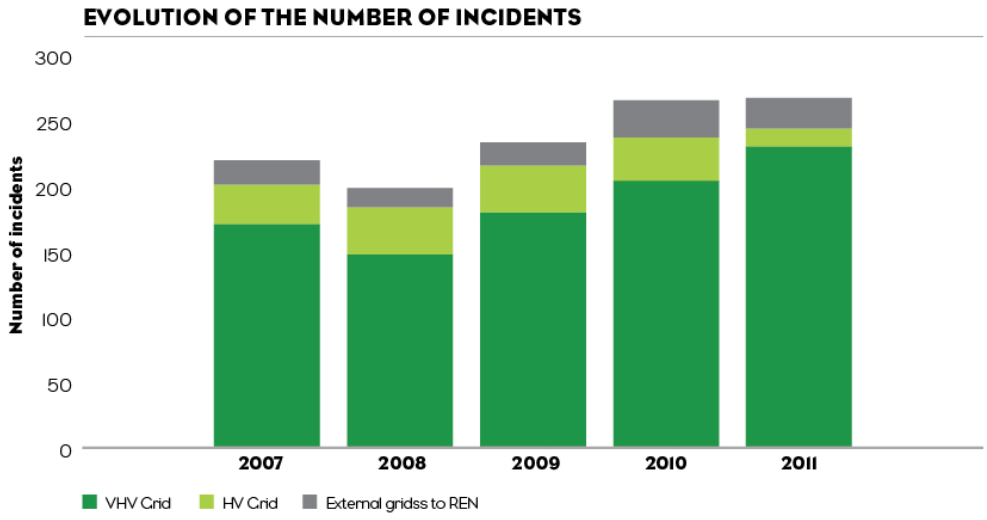
The graph illustrates the sustained improvement in service continuity in recent years, excluding isolated and exceptional situations.



In 2011, REN continued to monitor voltage waveform quality in most of RNT's delivery and interconnection points.

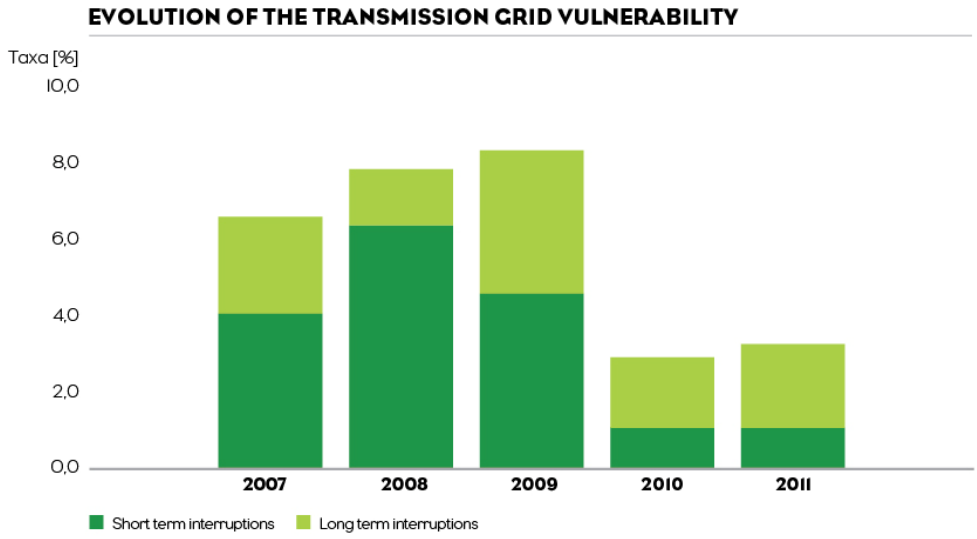
Except for a few isolated cases, the measurements continued to show results within the range recommended by the Service Quality Regulation.

The overall level of the electrical energy quality depends on the number of incidents affecting the transmission grid. In 2011, in what regards incidents and disturbances, there was a similar number to that obtained in 2010, with a total of 275 incidents (0.7% more than in 2010), of which 237 were from Very High Voltage Network (MAT); 14 in the High Voltage Network (HV) and 24 in other grids but with an impact in REN's VHV and HV grids.



Only eight incidents (2.9% of the total) actually caused interruptions in the supply of electricity to clients, having caused 9 interruptions of consumption at the delivery points.
Another way of highlighting the performance of the transmission grid is through an indicator called "Vulnerability", which expresses the ability of the transmission grid not to discontinue the supply of electrical energy to consumers following an incident, regardless of its origin (including incidents caused by force majeure). This indicator is a ratio of the number of supply interruptions to the number of incidents.

In 2011, the transmission grid had, on average, 0.0109 long interruptions (> 3 minutes) and 0.0218 short interruptions (between 1 second and 3 minutes) per incident.



This indicator recorded, in 2011, the second-best figure ever, exceeded only by the figure achieved in 2010, which shows the good performance of the automatisms installed in the transmission grid.

GRID BEHAVIOUR

During 2011, the major congestions that occurred in the RNT were associated with outages of grid elements, which were then solved through the creation of generation constraints or by introducing topological changes introduced into the network.

The fortuitous unavailability that affected the Line Penela - Zêzere, on December 7th, 2010, following a decline of support caused by a tornado in the area of Tomar deserves specific attention. This outage, which lasted until the 1st of February of 2011, revealed the need for changes in the generation profile from the market south of Santarém, particularly in the Ribatejo, Setúbal, Sines and Alqueva power plants.

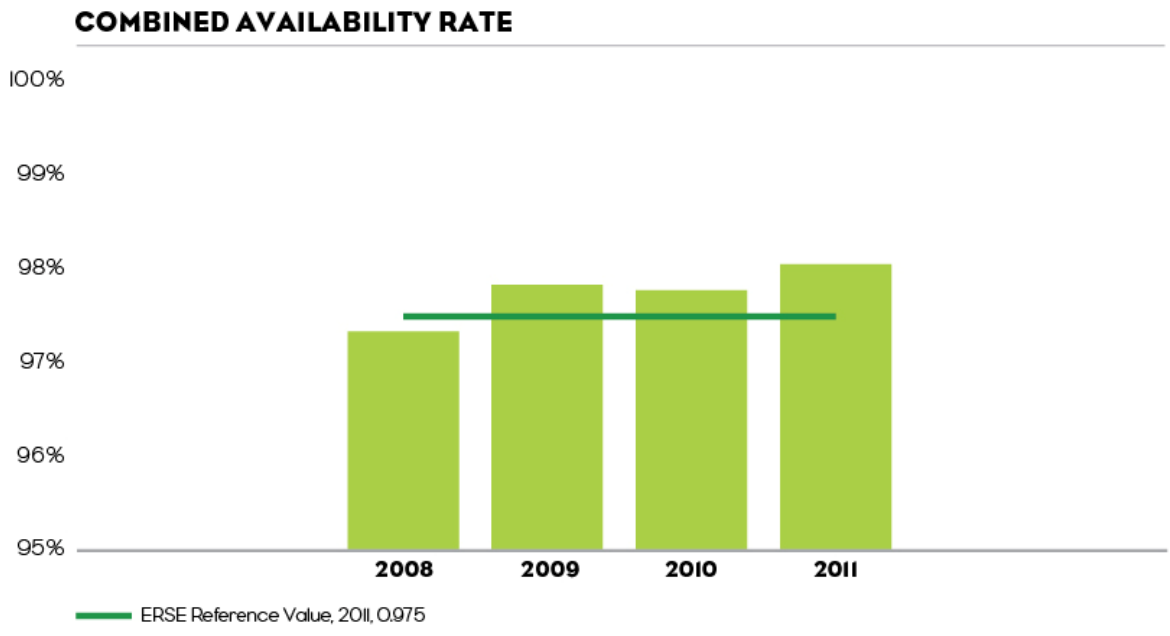
In 2011, as a result of the economic conditions of the country, there was a sharp decline in domestic consumption of electricity. A fact which, coupled with the growth in the length of the RNT (in 2011 the network of VHV lines in service increased 322 km) and the increased weight of non-dispatchable production, resulted at times, in an excess of reactive power in the RNT and hence difficulties in controlling tension.

The above mentioned difficulty was overcome by the use of measures such as disconnecting VHV lines or asking the RND operator to turn off their capacitor banks. By the end of the year the issue was somewhat mitigated by the entry into service of two shunt reactances in the substations of Castelo Branco and Tábua, allowing the consumption of about 150 MVAr.

AVAILABILITY

The Combined Availability Rate, a regulatory indicator introduced by ERSE in 2009, reached, in 2011, a new historic record, with a value of 98.06%. This variable is mainly affected by long lasting works, particularly the increases in line capacity and remodeling of equipment in substations.

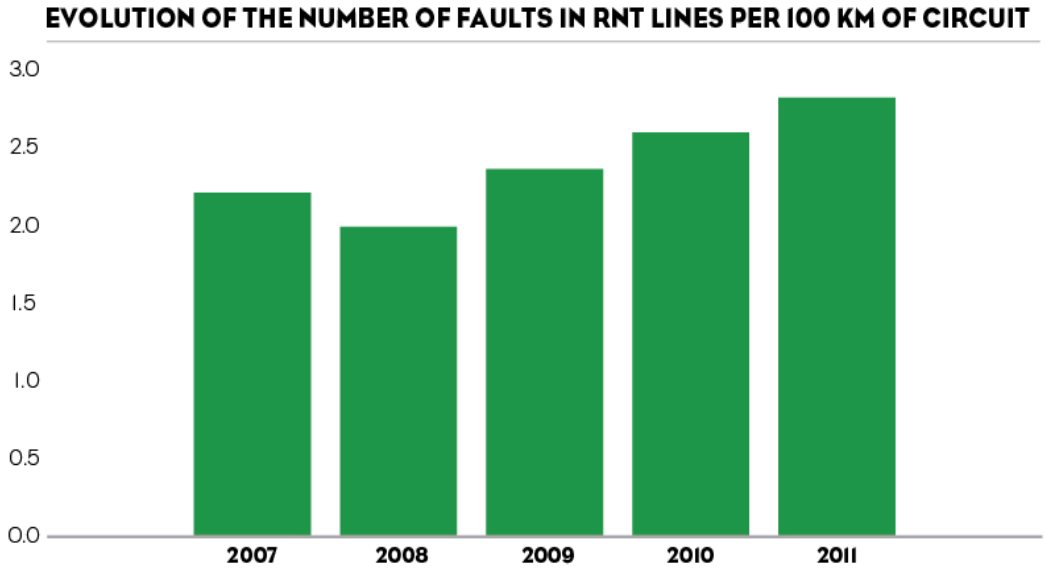
The figure below shows the annual evolution of this indicator since the beginning of its calculation in 2008. Its progressive improvement highlights the obvious evolution in terms of coordination and planning of grid outages during the period at stake.



PERFORMANCE OF LINES

In 2011, the lines of the RNT had an overall satisfactory performance, despite a slight increase in the number of faults per 100 kilometers of circuit. The overall availability rate of line circuits, including terminal panels, was 98.00%, quite above the figure of the former year (+0, 51%).

The graph of the picture below illustrates the performance of lines in the last 5 years, with regard to the number of faults per 100 km of circuit.



The overall index of the VHV network recorded an increase of 8% over 2010, standing now at 2.81 defects per 100 km of circuit. This less favorable evolution is due particularly to the number of faults caused by lightnings, which have increased significantly in recent years (51% vs. 2010, 72% vs. 2007).

As a consequence of this growth, the impact of lightning gained new relevance in all the external factors affecting the lines of the RNT. The company is particularly attentive to this development and has already started, on the one hand, monitoring the most problematic circuits, since these cross areas of high keraunic index and are sitting upon supports with high ground resistance; and secondly, the revaluation of the possible need to review the criteria for insulation coordination of lines.

PERFORMANCE OF SUBSTATIONS

In general, all substations recorded a favourable behaviour in their service performance. The number of faults in transformers was below that of the previous year, contrarily to that observed in circuit breakers, where there was an increase in the number of failures, although in most cases without consequences for the operation of networks. The overall rate of availability of transformers and autotransformers (including their boards) stood at 98.22%, slightly lower than in 2010 (-0.4%), as a consequence mainly of the numerous renovations and replacements of VHV and HV equipment and of power transformers during 2011.

In the Quality of Service Report, annually published by REN, these matters are handled in greater technical detail.

2.2. NATIONAL ELECTRICITY TRANSMISSION NETWORK INVESTMENTS

PROJECTS COMPLETED IN 2011

In 2011 a major batch of new projects in the National Electricity Transmission Network (RNT) was completed, thus contributing towards enhancing network reception capacity, particularly from renewable sources, increasing power exchange capacity with Spain, as well as for safety and reliability of the overall functioning of the system, and in order to improve power feeding conditions to distribution networks.

In the International Douro zone, a large refurbishing of the Picote switching substation was completed, and the Picote power plant reinforcement was connected. The Bemposta - Lagoaça 3 overhead line initiated its 400kV operation so as to connect the Bemposta power plant reinforcement.

Also in Trás-os-Montes, the 220 kV overhead line Macedo de Calaveiros - Valpaços entered into operation, as an important component in the future 220 kV loop between Lagoaça in International Douro and Valdigem, connecting the substations of Macedo de Cavaleiros, Valpaços and Vila Pouca de Aguiar.

In Porto area, in order to reinforce power demand supply, the new 220/60 kV substation of Prelada was put into operation, equipped with a 170 MVA transformer fed through an already existing 220 kV circuit, but so far operating at 60 kV level. As part of the upgrade to 220/60 kV of Ermesinde substation, the 220 kV level of this facility was put into operation, with three 220/60 kV units of 170 MVA and a connection through an underground circuit between Ermesinde and the new transition station of Valongo.

In the central region of Portugal a new 400 kV connection was established between Lavos and Paraimo, in order to facilitate the north-south transmission in the coastal axis at 400 kV and to improve the generation flow.

In the Lisbon region, in order to support demand supply in the municipalities of Oeiras and Lisbon, a new 220/60 kV substation was put into operation in Zambujal, equipped with two 170 MVA transformers and fed by a 220 kV underground circuit from Alto de Mira, that was already built but operating in the 60 kV network. A new 220 kV underground circuit was commissioned, although temporarily operating at 60 kV, between the areas of Sacavém and Alto de São João, provisionally connected between two facilities belonging to EDP Distribuição.

In the Setubal Peninsula, the 400 kV overhead line Palmela - Ribatejo was diverted to the Fernão Ferro substation, under the project of introducing the 400 kV level at this facility.

In Algarve, the new Tavira 400/150/60 kV substation initiated operation, with a 400/150 kV autotransformer of 450 MVA and two 150/60 kV transformers of 126 MVA. The 400 kV overhead lines Portimão-Tavira and the national section of the future international interconnection at 400 kV between Tavira and Puebla de Guzmán (Spain) were also completed. The Tavira substation also reinforces the renewable energy reception capacity as well as demand supply in eastern Algarve.

Also in Algarve, the 150 kV Portimão-Tunes 3 overhead line was completed, as an important step in ensuring supply to the substation of Tunes.

Fifteen new transformers began operating, with a total capacity of 2374 MVA, plus five new autotransformers, corresponding to 1680 MVA.

MAIN INVESTMENTS IN PROGRESS

REINFORCEMENT OF THE INTERCONNECTION CAPACITY BETWEEN PORTUGAL AND SPAIN

In order to reinforce the exchange capacities between Portugal and Spain, a new 400 kV interconnection is planned at the Minho region, connecting the future installation of Viana do Castelo, on the Portuguese side, with "O Covelo" and "Boborás" on the Spanish side.

CONNECTION OF SPECIAL STATUS PRODUCERS TO RNT

• Completion of the 220 kV loop in Trás-os-Montes, with the construction of the Valpaços–Vila Pouca de Aguiar overhead line.

• Implementation of a 220 kV connection between the substations of Vila Pouca de Aguiar and Carrapatelo, skirting the Serra do Alvão on the north. In most of its route, this connection will be built as a double 400+220 kV circuit in order to prepare also the future integration into the National Transmission Network of the PNBEPH power plants located in the basin of the Upper and Middle Tâmega;

• Upgrade of the current 220 kV single overhead line Carrapatelo - Estarreja 1, into a double 400+220 kV line in one section and double 220 kV in the remaining part;

• Construction of a new double 400+150 kV overhead line between Falagueira and Castelo Branco, although it will initially operate at 150 kV only;

• Construction of a new double 400+220 kV overhead line between the areas of Castelo Branco and Ferro, and startup of a new substation in the area of Covilhã, connected to Falagueira at 400 kV.

Connection of new large ordinary status power stations to RNT

• Construction of a 400 kV switching substation in Vieira do Minho and implementation of two connections, also at 400 kV, between that switching substation and Pedralva to connect the power reinforcements of Venda Nova (Venda Nova III) and Salamonde (Salamonde II).

POWER FEEDING TO THE DISTRIBUTION NETWORKS TO IMPROVE THE SUPPLY OF LARGE LOAD CENTRES

• In Minho, construction of the 400/60 kV substation in the area of Fafe, which also supplies the neighbouring counties of Guimarães, Vizela and Felgueiras.

• In the region of Trás-os-Montes, a new 220/60 kV setting-up of new substation in Valpaços, which will also improve the supply to the neighbouring counties, especially Chaves, where an old and less reliable installation might be disabled.

• In the south of Porto by the coast side, setting-up of the 400/60 kV substation of Feira, supplying the consumption in the counties of S. João da Madeira, Feira and Arouca.

• In the north of Lisbon, upgarding the current single 220 kV overhead line Carregado - Rio Maior 1 into a double 400+220 kV one, thus reinforcing the north-south capacity to feed the Greater Lisbon area.

• In the City of Lisbon, setting-up of the 220/60 kV substation of Alto de S. João, fed by two underground circuits, from Sacavém / Prior Velho.

• In the Peninsula of Setúbal, setting-up of the 400/60 kV substation of Montijo; introduction of 400 kV in the substation of Fernão Ferro; completion of the second 150 kV overhead line between the substations of Fernão Ferro and Trafaria.

• In the coastal area to the north and south of the Tagus, completion of the new 400 kV connection Marateca-Pegões-Fanhões, an improving the reliability of the north-south axis at 400 kV and also the load supply at the region of Lisbon / Peninsula of Setúbal.

FEEDING OF MAJOR CLIENTS WITH VERY HIGH VOLTAGE (VHV)

To power the high-speed railway line on the Portuguese stretch between Lisbon and Madrid an extension of the 400 kV connection between the substations of Falagueira and Palmela has now been planned, through a new axis Falagueira - Estremoz - Divor (Évora) - Pegões - Palmela, and through the setting-up of connections to power the railway traction substations from the RNT substations of Estremoz, Divor and Pegões. However, the completion of this set of works depends on the schedule for the completion of this railway line.

The location of the main short and medium term reinforcements is duly shown on the RNT map included in this report.

2.3. SPECIAL STATUS PRODUCTION

The share of electrical power consumption from renewable sources, particularly from wind power, in which special status production is included (PRE), has grown significantly in recent years.

PRE is governed by specific legislation and includes small hydroelectric power plants, mostly with an installed capacity of less than 10 MVA (mini-hydros), wind farms, photovoltaic power plants, biomass plants, and waste power plants plus other technologies that use renewable energy sources, such as the use of wave energy, cogeneration plants and micro-production (<11.04 kW) and mini-production (<250 kW).

REN has been actively involved in the work developed in Portugal in the field of renewable energies. REN is responsible for an important share of the effort made with the respective promoters for safe and effective integration of renewable energy sources in the National Electric System (SEN).

In 2011 there was an increase in the PRE power installed in the Public Service Power Grids (RESP), which amounted to new 676 MW, especially for cogeneration (172 MW) and wind (453 MW) - see table. The increase in wind power was mainly due to the connection of new wind farms and new wind generators to the wind farms already in operation, but whose construction had not yet been completed. Such increase was also due to situations of expansion and renovation of some wind farms already in operation.

PRE POWER GROWTH IN 2011

PLANTS	INSTALLED POWER [MW]	CONNECTION POWER(1) [MVA]
Micro-production	27	27
Mini-hydric	2	2
Wind	453	368
Photovoltaic	2	2
Cogeneration	172	199
Biogas	19	20
Total	**675**	**618**

(1) POWER ALLOWED TO BE INJECTED IN THE CONNECTION POINT TO THE RESP

In 2011, the connection to the RESP of wind farms of the winning consortium of Stage B of the tender for the construction of new wind farms in Portugal, whose contract was signed in September 2007, was also

initiated. The connecting power at this stage of the tender was 400 MVA. The first wind farm of this consortium - the Vale Grande wind farm with six turbines - was connected to the National Transmission Grid (RNT) on July 28th, 2011, using the internal 30 kV network of the Toutiço wind farm, then draining its production through the 220 kV of the Tábua substation, through the line Pampilhosa da Serra - Tábua. REN's activities in coordinating connection processes and integrating special status production projects into the grid, particularly those connecting into the RNT, were deployed on several fronts:

- in the planning of the reception capacity for new production, of the necessary network reinforcements and of the technical conditions for connection (see image below);
- in project development, in the planning of construction works, in the execution of works under the REN's responsibility, and in the monitoring of the works under the promoters' responsibility;
- in taking part in and following-up on inspections and in the execution of connections to the grid; in the definition of protection systems to the communication systems, and to the command and control systems; in the definition of the metering and frontier systems with the markets; and in the operational control of the undertaking and in executing the operations through the control centres.
- in the forecast of energy volumes produced and in solving the issues arising from the management of the electrical production needed to satisfy demand.

Wind farm of S. Macário II: as of June 3rd, 2011 it ceased to have limitations on its power connection, following a restructuring of the network topology, allowing to redirect its output towards the 60 kV of the Carrapatelo substation instead of the 60 kV of the Torrão substation.

3. NATURAL GAS

3.1. OPERATION IN RNTGN

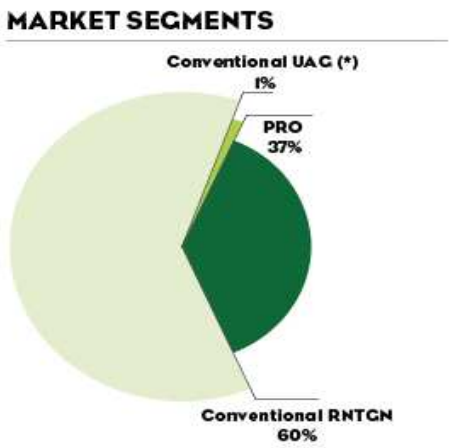
In 2011, the intake of natural gas into the infrastructure operated by the concessionaire of RNTGN was predominantly made through Sines (55%) from the regasification of liquefied natural gas at the Sines Terminal of REN Atlântico. The imports through the entry point of Campo Maior, which interconnects with the Maghreb pipeline and supplies Portugal with gas coming mostly from Algeria, contributed with 44%. As in 2010, the intake through Valença accounted for merely 1% of total entries into the national system.

In 2011, the 58,157 GWh (around 4,90 bcm) of natural gas transported by the RNTGN included the domestic high-pressure consumption and the injection of natural gas into underground storage. The latter amounted to 1,324 GWh (around 0,11 bcm) and the offtake of natural gas to Spain through the interconnection of Valença do Minho amounted to 36 GWh / about 0.003 bcm.

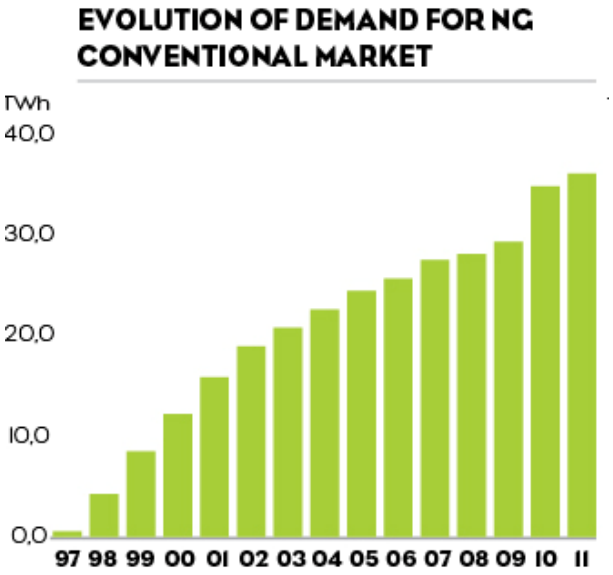
The demand for natural gas in Portugal, detailed in the following table, suffered a 0.5% drop when compared to 2010.

MARKET SEGMENT	DEMAND FOR NATURAL GAS (GWH)		VARIATION (%)
	10	11	
Electricity generation under the standard	22.296	21.317	-4,4%
RNTGN conventional market	34.828	35.480	1,9%
UAG conventional market	677	717	5,9%
Total	57.801	57514	-0,5%

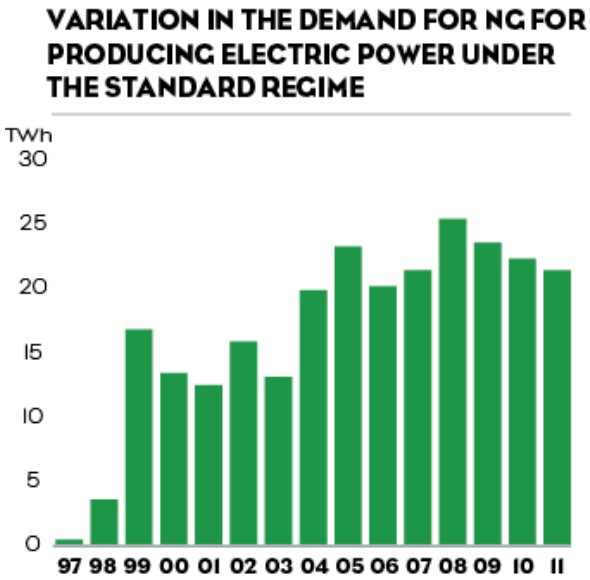
The following graph shows the weight of the several market segments in 2011.



The following picture shows the consumption of the conventional sector since natural gas was introduced in Portugal.



The next graph shows the evolution of natural gas demand for power generation under standard regime since the introduction of natural gas in Portugal.

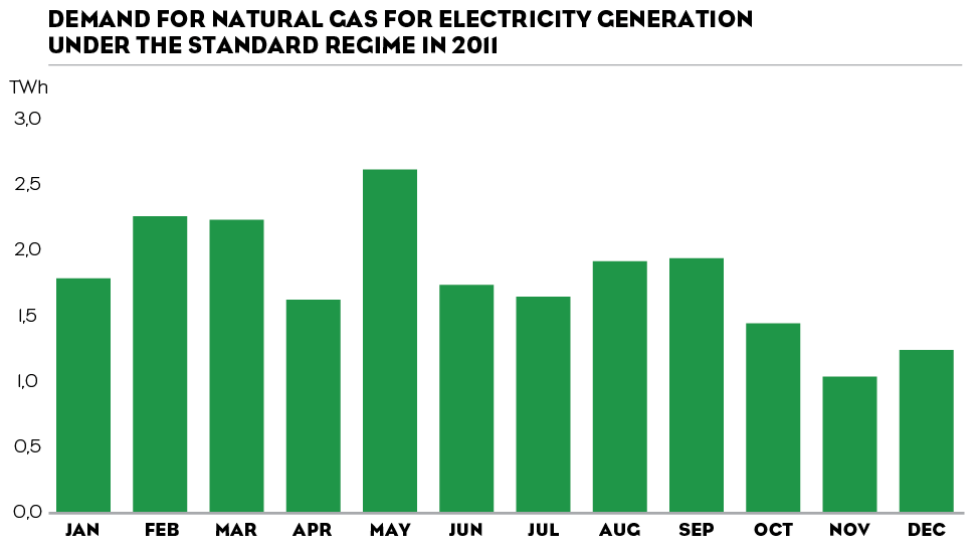


In the conventional market the evolution from 2010 to 2011 was lower than the growth of previous years. This way mainly due to the stabilization of the level of demand by major customers supplied at high pressure.

In the market segment of power generation under the standard regime, annual consumption according a function of the installed thermoelectric capacity, of the hydrological conditions and of the contribution of

power generation under special regime. In the latter segment, wind power has a significant weight, having increased about 10% when compared with the installed power by the end of 2010.

The reduction of the demand for electricity, as well as the economic competitiveness of coal when compared to natural gas have influenced the consumption of gas in 2011, especially towards the last quarter of the year and explain its decrease with regards to 2010. The demand for this segment had the following variation:



THE SINES LNG TERMINAL

In 2011 the works on the expansion of the LNG Terminal continued, namely in terms of its storage and emission capacity, and the 2nd phase of the project was successfully completed, . The final completion of the project is scheduled for the second quarter of 2012.

As a result, the LNG Terminal of Sines increased its capacity for the emission of natural gas from 1,125,000 m³(n)/h to 1,300,000 m³(n)/h. In terms of its send out capacity, the terminal is already prepared to allow future expansions, up to 1.800,000 m3 (n) / h with minimum impact on the operation of the plant.

In what concerns its operational activity, the LNG Terminal received in 2011, 37 ships, amounting to a total of 32.7 TWh of unloaded energy and it regasified of 31.3 TWh into the network. During this same period, 2,639 tanker trucks were loaded (an 18.6% increase over 2010), corresponding to a total energy of 799 GWh.

The total downtime was 70 hours of which 65 were planned and due to activities associated to the expansion project. These figures reflect a total availability of 99.2%.

In internal terms about 190,000 hours of work were performed without any accidents.

New sea water intake - Sines

The company conducted seven audits, all with positive results, 3 of which under the SEVESO directive and two in connection with the verification of integrated quality, environment, safety and occupational health management.

A safety drill was conducted with the participation of external entities, which tested the response capacity of REN Atlântico and other bodies involved in the protection of the facility (ISPS) and Safety (PEI-SEVESO).

REN ARMAZENAGEM

In total, 926 GWh of natural gas were withdrawn from and 1,078 GWh were injected into the caverns of REN Armazenagem in 2011, with a global self consumption of 8 GWh. Regarding the operation ofthe gas station, the total processed energy was 2,447 GWh, consisting of 1,123 GWh withdraw and 1,324 GWh injection, with 10 GWh of self-consumption. By the end of the year, compared with the situation in late 2010, the following balance amounts and average daily level of physical and commercial stocks in the caverns were observed:

STOCKS OF NATURAL GAS AT REN ARMAZENAGEM (GWH)*

AS OF DECEMBER 31st **10**	AS OF DECEMBER 31st **11**	VARIATION **10/11** (ENERGY)
1.295	1.439	11 %

* THE FIGURES MENTIONED DO NOT INCLUDE THE *CUSHION GAS.*

AVERAGE DAILY LEVEL OF STOCKS OF NATURAL GAS AT REN ARMAZENAGM (GWH)

	10	**11**	VARIATION **10/11** (ENERGY)
Physical	1.180	1.377	16,6 %

* THE FIGURES MENTIONED DO NOT INCLUDE *CUSHION GAS.*

Note:
Cushion gas: volume of gas immobilised to maintain the pressure of structural stability in the caverns;

The quantities stored by the end of 2011 represent an increase of 11% compared to those recorded by the end of last year, while the use of infrastructure, measured by the average daily physical stock over the year, saw a positive change between 2010 and 2011 of 16.6%.

As of December 31st 2011, the different capacity figures of REN Armazenagem's three caverns in operation were the following:

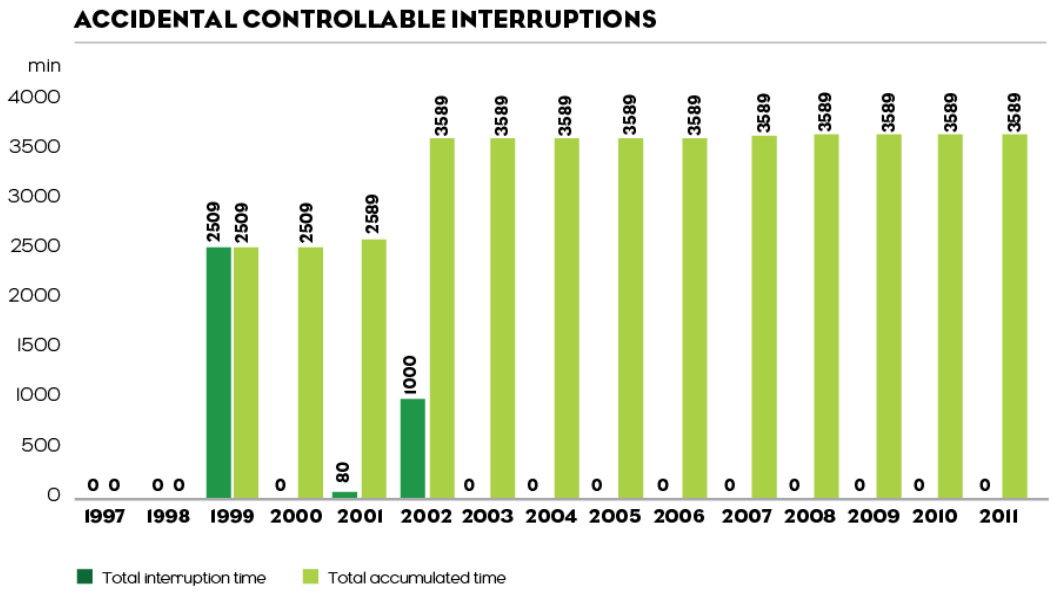
CAPACITY OF REN ARMAZENAGEM'S INFRASTRUCTURES [GWH]	**10**	**11**
Maximum capacity	1.699	1.659
Maximum effective capacity after technical restrictions	1.521	1.483
Commercially available capacity	1.461	1.403
Cushion gas	1.591	1.591

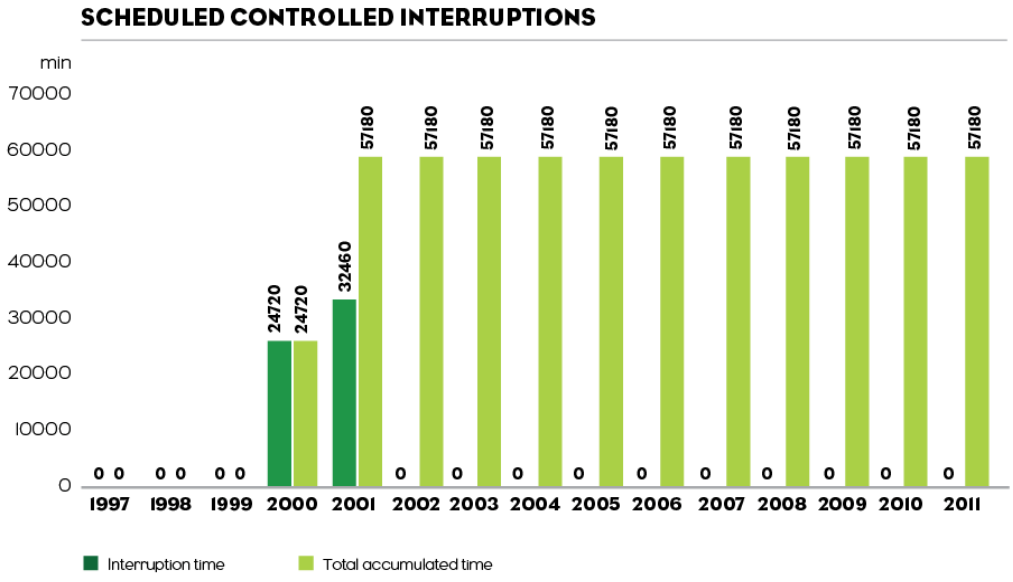
Nota:
Cushion gas: volume of gas immobilised to maintain the pressure of structural stability in the caverns;
Maximum capacity Maximum capacity: maximum capacity minus cushion the gas;
Maximum effective capacity after technical restrictions maximum capacity minus the technical restrictions for using the caverns;
Commercially available capacity: effective maximum capacity after technical restrictions minus the capacity allocated to the overall technical manager of the SNGN for operating reserves.

Service quality

Service levels were once again excellent in 2011, since no supply interruptions occurred and all the indicators of the characteristics of natural gas were within the limits set out in the Quality of Service Regulation (QSR).

The historic values, annual and cumulative, for controllable, accidental and programmed outages from the beginning of the operation of RNTGN are presented in the following graphs:





During the year, the goal of zero incidents per year per each 1000 km of high-pressure transport infrastructure of the accumulated indicator of incidents of unintentional gas release, published by the European Gas Pipeline Incident Data Group (EGIG), was reached.

Regarding article 13 of QSR, for the underground storage, the values of the respective annual indicators were the following, as of December 31st 2011:

General indicators of REN ARMAZENAGEM's quality of service

Fulfilment of the nominations of natural gas withdrawal	100.0%
Fulfilment of the nominations of natural gas injection	100.0%
Fulfilment of energy storage	100.0%

Notes:
Fulfilment of the nominations of natural gas withdrawal: the quotient between the number of duly fulfilled nominations and the total number of nominations;
Fulfilment of the nominations of natural gas injection: the quotient between the number of duly fulfilled nominations and the total number of nominations;
Fulfilment of energy storage: it is determined based on the mean square error between nominated and real energy values resulting from the total requests by the users of both injection and withdrawal of gas.

As far as REN Atlântico, and as already mentioned, 2011 was characterized by a significant increase in the workload associated with the expansion project, which involved sometimes strong impacts upon the commercial operation of the LNG Terminal. Still it was possible to maintain high standards of service quality, which translate, among others, into the following indicators:

General indicators of REN ATLÂNTICO's quality of service

Compliance with commercial service (nominations)	100.0%
Injection of natural gas into the network (injected / requested)	99.62%
Compliance with natural gas characteristics (RQS)	100.0%
Availability of the installation	99.19%
Complaints from customers/external bodies	0%

In 2011 REN continued the implementation of the development and investments plan in the National Transmission Network, in the Underground Storage Infrastructures and in the LNG Terminal (RNTIAT). This plan included projects related with the development and expansion of the RNTGN, also considering internal system reinforcement and refurbishment investments, and the connection of the high pressure grid to new delivery points to the RNDGN and customers.

Within the context of the connection projects of the RNDGN and clients, REN Gasodutos erected new GRMS's and delivery points in Vila Nova de Cerveira, Soure, Lares and Chaparral III, and increased the capacity of the GRMS of Benavente.
The upgrades of three additional simple "tee" branch stations tofull junction stations (JCT), namely Maceira, Rio Frio and Alcochete were successfully accomplished within the scope of the project that began in 2008, covering 14 facilities.
The new extension of Chaparral to supply the expansion of the refinery of Galp Energia in Sines has also been completed and commissioned..
Tenders for the works and supervision of the construction works of the pipeline Mangualde Celorico Guarda, planned for 2012, were also launched. This project was considered eligible under the EU European Energy Programme for Recovery (EEPR).

In 2011 REN Armazenagem developed a set of activities aimed at ensuring the security of supply and the availability of natural gas underground storage, of which we would highlight the following:

- Beginning of the construction of cavern RENC-6. All the land were acquired and the platform and access ways were completed, and a 1,451 meters deep bore was opened. On October 24th the leaching activities were started and it is expected that they will extend till March 2014.
- In November 2011 the leaching works of cavern TGC-2, owned by Transgás Armazenagem, were concluded. These works were performed by REN Armazenagem, as owner of the leaching facility.
- The environmental impact study and base engineering of Cavity RENC-8 were awarded and under development, following what was stipulated in the Memorandum of Understanding between REN Armazenagem and Transgás Armazenagem for the joint construction of three new cavities.

In what concerns REN Atlântico, 2011 was characterized by the on-going construction works of the LNG Terminal expansion project, with the completion of its second stage namely the construction / installation of new process equipment, including: 1 recondenser, 2 high pressure pumps, 2 seawater open-rack vaporizers, and a bay for filling tank trucks.
During this year, just in the terminal expansion project, there was an amount of labor of about 1 million man hours worked, and there were only two minor accidents, with no casualties. The success of the achieved results was largely driven by the attention that REN Atlântico has always put on safety issues.

The total amount of revenues of the companies operating in REN's natural gas infrastructure in 2011 was approximately 65.4 million Euros.

Gas storage cavern in Carriço

MAIN PROJECTS IN 2011

The amount of investment in natural gas infrastructures amounted to 81.4 M€ and the revenues under operations reached a total of 65.4 M€.

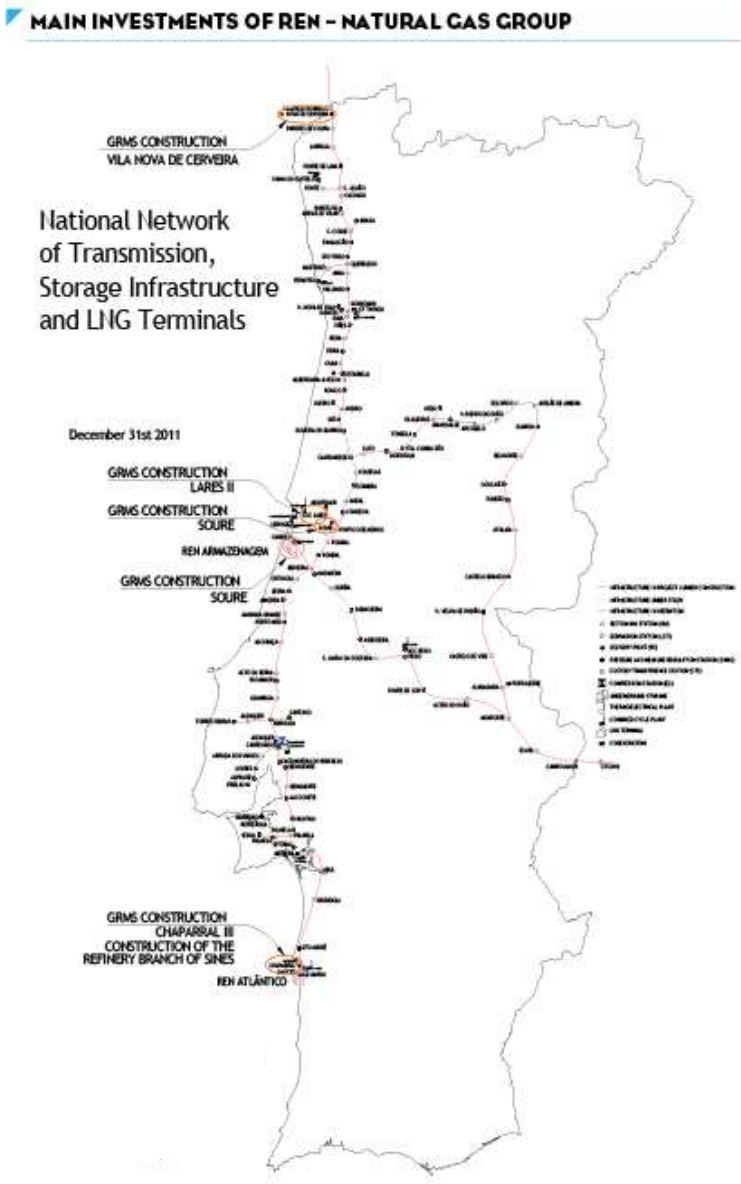
In REN Atlântico the construction works associated with the expansion project of the LNG Terminal continued, and the second phase of this project was completed. This second stage consisted in the construction / installation of new process equipment (recondenser, high pressure pumps, seawater open-rack vaporizes and a bay for filling tanker trucks), as well as increasing to send out capacity of natural gas into RNTGN from 1,125.000 m³ (n) / m³ to 1,300,000 h.

3.2 MAIN INVESTMENTS REN GAS

REN Gasodutos continued with the implementation of the development and investment plan in the RNTGN in 2011, in which the most significant investments were the starting of four new gas delivery stations (Cerveira, Soure, Lares and Chaparral III) and the capacity increased of another station (Benavente), as well as the completion of three more upgrades from “tee” branch stations into junction stations (Maceira, Rio Frio and Alcochete), following the project started in 2008, which aimed the upgrade of a total of 14 stations, now completed.

The new extension of Chaparral to supply the expansion of the refinery of Galp Energia in Sines has also been completed and commissioned.

REN Armazenagem initiated the construction of cavern RENC-6, with the drilling of a bore (up to 1451 meters deep) and the beginning of the leaching process. The leaching works of cavernTGC 2 (owned by Transgás Armazenagem) were also completed. The environmental impact study and base engineering study of cavern RENC-8 were also awarded. The tender for the installation of individual fiscal metering systems for each cavern was completed, as well as the construction of the manifold to enable the connection between cavern TGC-2 and the Gas Station.



4. OTHER BUSINESSES

4.1. REN TRADING

MANAGEMENT OF POWER PURCHASE AGREEMENTS (PPA)

Power Purchase Agreements (PPA) not subject to early termination in compliance with Decree-Law No. 172/2006, of August 23rd, are managed until they expire by REN Trading, a company 100% owned by REN - Redes Energéticas Nacionais, SGPS.

In this context, REN Trading manages the Power Purchase Agreement (PPA) with Tejo Energia, relating to the thermal power plant of Pego (600 MW), and Turbogás' PPA for the thermal power plant of Tapada do Outeiro (990 MW). The object of the company is to maximize profit by selling energy and system services in the market, coupled with the minimization of the costs of PPAs, in compliance with Order No. 11210/2008, from ERSE.

Within the scope of management of the respective PPAs, REN Trading purchases all energy and system services from the plants of Pego and Turbogás. As part of this activity the company also monitors fuel markets (coal and natural gas) and their benchmarks, as well as the Agreement on the Management of Natural Gas Demand (AGC) signed with GALP Gás Natural, S.A. In 2011 there were no renegotiations of contracts or modifications of procedures worth mentioning.

Within the context of implementation in the European Market of emission licenses (ETS- *Emissions Trading Scheme*) its active participation continued in the Bluenext and ICE (Intercontinental Exchange, formerly ECX) stock markets.

REN Trading is responsible for managing the portfolio of CO_2 emission licenses allocated to the two power plants and for establishing a management strategy for these environmental obligations, which includes the purchase and sale of licenses, as well as swap operations of *the EUAs* (European *Unit Allowances*) per CER (Certified *Emissions Reductions*). 2011 was marked by the sharp decline in this market both of volumes and prices, as a result of several factors. REN Trading's role was therefore much smaller, and the results of the corresponding Incentives are lower than in previous years.

The sale of electricity in the market is mostly done through REN performance in the Iberian Electricity Market (placement of offers to sell and daily and intraday repurchase in the OMIE) and in the market of System Services, operated by the System Manager. An active participation in the market for System Services in Portugal was also recorded, with good overall results.

To improve the results with sales, and as a means for diversifying risk, REN Trading took part in several CESUR auctions held throughout 2011, with very positive outcomes.

Through its Financial Products valence, the most relevant market trends for the sector are monitored, with greater emphasis on coal, energy and CO2 emission. Term hedges are conducted (in the derivatives market) and some purely financial transactions as a service provision to REN SGPS are also traded.

As it is a regulated company, the Energy Services Regulatory Authority (ERSE) provided in its Order No. 11210/2008, of April 8th, a set of incentives that define methods of sharing the benefits of regulated activities among energy consumers and the company. The final figure for the incentives results from the activity in the various aspects of the business, related either with optimization of sales of enery from the power plants or with minimizing the costs of purchasing natural gas or CO_2 emission licenses.

Thus the company's operating results in 2011 correspond to the calculated value for the incentives set by ERSE, which are identified below:

I_1 – Incentives related to the efficient supply of energy from the Turbogás Power Plant in the daily market (limited to 1 M €, fully achieved in 2011)

I_2 – Incentive for the efficient procurement of natural gas consumed in the Turbogás Power Plant (limited to 1 M €, reached an estimated value of about 0.5 M €)

I_3 – Incentive on production optimization of Tejo Energia Power Plant (limited to 1 M € and it reached 0.7 M €)

ICO_2 – Incentive for the efficient management of CO2 emission licenses (limited to 2.72 M €, while the figure achieved in 2011 was 0.1 M €)

Swaps - Incentive for the optimization of exchanges (*swaps*) of EUA for CER in the CO_2 emission licenses trading market (this incentive has no ceiling, the figure achieved in 2011 was 0.2 M€).

Thus, the total incentives obtained in 2011 is 2.53 M €, a figure below that of the previous year (due to the negative evolution of the market for CO2 licenses and to the few business opportunities in the swaps area).

4.2. RENTELECOM

The REN Group is in the Information and Communication Technologies market through RENTELECOM, a company 100% owned by the Group and certified by APCER in accordance with NP EN ISO 9001, NP EN ISO 14001 and OHSAS 18001 standards.

RENTELECOM was incorporated in 2002 with the primary goal of maximizing the surplus capacity of the security telecommunications network of REN - Rede Eléctrica Nacional and it subsequently expanded the scope of its activity to the infrastructure of REN Gasodutos when this company integrated the REN Group in 2007. Currently RENTELECOM continues to attend to the internal needs of the Group although it has been strengthening the focus of its activity on external customers, operators and large companies, which already represent almost 90% of its turnover.

RENTELECOM's offer is diverse covering infrastructures, managed services and consulting. The company provides rental services of dark fibre optic; rental of spaces for shared location of equipment, housing and associated services; leased lines and several projects in the fields of management and maintenance of telecommunications systems.

In 2011 the team involved in RENTELECOM's business was reinforced with the goal of ensuring a more proactive and systematic approach to the domestic and international markets of companies (57% weight) and operators (30% weight).

This strategy contributed towards the increase of turnover in those which are seen as the main business areas of RENTELECOM, namely space rental and housing services (26% highlighting the 41% growth in housing); rental of fibre optic (10%) and leased lines (6%). Also the maintenance of wind farms has increased their turnover when compared to 2010 (8%), in line with the growth trend initiated in 2005.

In 2011 RENTELECOM increased its commercial prospecting activity also accompanying the Group's efforts towards diversification and internationalization of business. Significant investments have also been pursued, such as the strengthening of the infrastructure in the Datacentre of Ermesinde, which helps to consolidate RENTELECOM as a provider of excellence in the field of Information and Communication Technologies.

4.3. ENONDAS

BRIEF BUSINESS DESCRIPTION

ENONDAS is a company dedicated to public service which aims at supporting the development of energy production from ocean waves, managing a maritime area of about 320 km2 and providing it with the necessary infrastructure for the development of marine energy.

ACTIVITIES OF ENONDAS

One year and two months after the signing of the concession contract, 2011 was the starting year of the development of the PA, with the begging of the following set of activities:

- Geophysical characterisation;
- Environmental characterisation;
- Previous studies of the infrastructure to be built in thePA;
- Signing of agreements with the science and technology system regarding the production of marine energy.

From what has already been established, the PA has a quality seabed for mooring systems; good energy potential in terms of waves, as well as room for further expansion. The promoter may move from a proof of concept project into a park in the same area, with a simplified licensing procedure. These features, combined with the enquiries made by the various developers and technologists, are positive signs for a commercial success in the future.

MAIN INVESTMENTS

In 2011 the main investment was the geophysical characterization of the PA through a contract with the Hydrographic Institute, in compliance with the norms governing the concession.

Additionally, a database on sea wave propagation developed by another entity and collected by the Hydrographic Institute was purchased.

The project for the creation and start-off of the PA is budgeted in 15 million euros, according to an investment plan which spreads over four years.

FUTURE PERSPECTIVES

It is anticipated that 2012 ENONDAS is the starting year for the engineering and infrastructure studies, as well as for other legal pieces (access regulation) in order to begin operating the PA in 2013.

Thus, we expect 2012 and 2013 to be investment years, with the begining of the construction of the physical and operational infrastructures.

The initial estimation of having the PAZP prepared to receive the first machines for the production of offshore energy under the regimen of proof of concept ready by late 2013 is, therefore, maintained. .

4.4. STRATEGY AND NEW BUSINESS

GEN conducts its activities bearing in mind that REN, in its capacity as the operator of the electricity and natural gas transmission systems, has as main function to ensure compliance with contractual commitments under its four concession agreements.

In line with this responsibility, GEN sought, in a logic of Group sustainability:

- to leverage the existing intellectual capital within the REN Group through the analysis, study and implementation of new business opportunities and provision of services, outside the scope of its current concessions;
- to identify partnerships with energy network operators of reference at international level, which may translate into operational cooperation agreements for technical exchanges and assessment of business oportunities of common interest;
- to establish and formalize relationships with international multilateral agencies to support infrastructure development and funding.
-

Thus, GEN has focused its activities in areas where REN has expertise in the state of the art, either in designing new greenfield projects, or seeking *to* , diversify the sources of institucional funding.

Thus, REN was involved in several business missions in South America, Africa (Maghreb and Central Africa), as well as in negotiating equity participations, still ongoing, in companies holding energy infrastructure in Brazil and Mozambique.

The following should be highlighted:

- partnership agreements made with similar companies in Mozambique, Colombia and China;
- the launching of new relationships with the African Development Bank (ADB) and the European Bank for Reconstruction and Development (BRED), making it possible to access tender opportunities for projects funded by these entities, while also generating the ambition to reach new funding possibilities for projects of REN's interest.

Simultaneously, several opportunities in various geographical areas (Africa, Central-Eastern Europe and South America) to provide services and consultancy were also promoted, some of which quite successful and yielding results in 2012, in conjunction with the Consulting and Services Office.

With regard to monitoring the development of the Strategic Plan, both in relationships *with* Stakeholders and in the monitoring legislative procedures, an intense activity was developed, particularly in relation to new European regulations within the package of infrastructure in conjunction with the European Affairs Office.
In 2012, and in line with the Strategic Plan, GEN will intensify the identification of opportunities that may help develop a portfolio of high added value businesses and that may maximize the skills and resources available to REN.

5. FINANCIAL PERFORMANCE

5.1 RESULTS 2011

MAIN INDICATORS

2011 was marked by a good operational performance by REN, which saw its EBITDA increase by 9.5% compared to 2010 (+41.1 M €). Such improvement is the result of 3 crucial factors: i) increase in the average Regulatory Asset Base (RAB) as well as in its respective rate of return, ii) changes to the remuneration formula of hydric lands, iii) Opex reduction, reflecting an improvement in operating efficiency and changes in the consolidation perimeter.

On the other hand, net financial income have registered a decrease (-19.5 M€, +23.2%), reflecting the quick deterioration of the sovereign debt crisis to which REN was not immune. Yet, despite the higher cost of funding, REN's good operating performance enabled an increase in net income to 120.6 M € (+10.3 M €, +9.4%).

Capex dropped from the peaks of investment seen in previous years (-93.6 M€, -21.1%), a decrease that was more pronounced in Natural Gas, as a result of the company's strategic decisions. However, transfers to RAB increased when compared to 2010 (15.2 M €, +3.7%), enabling the growth of the average RAB in 7.3%. Net debt increased 211.3 M € (+10.1%), reaching 2.311 M€, and its average cost rose to 4.72%, a 0.73 percentage points increase compared to 2010.

Main Indicators [€M]	**2010**	**2011**	**Change.%**
EBITDA	431.4	472.5	9.5 %
Net financial income	-83.9	-103.4	23.2%
Net income	110.3	120.6	9.4%
Recurrent net income	119.8	131.0	9.3%
Total CAPEX	443.0	349.4	-21.1%
Average RAB	2,970.1	3,185.8	7.3%
Net debt	2,100.0	2,311.3	10.1%

OPERATIONAL RESULT – EBITDA

EBITDA rose 41.1 M€, (+9.5%) compared to 2010, to 472.5 M€. Among others, the following items are worthwhile highlighting:

- Increase of 7.3% in the average RAB, as well as the corresponding average rate of return (as a result of the annual update of the rate of return on electricity, and of a change in the asset mix, favouring the weight of assets with premium), leading to an increase of 24.0 M € (+11.7%) in the remuneration of RAB when compared to 2010;
- Increase in income from recovery of depreciations of 8.7 M € (+5.7%), in line with the increase in RAB;
- Review of the compensation mechanism for hydric lands (whose calculation is no longer associated with the inflation rate but, instead, is calculated based on the interbank swap rate with the term closest to the legal depreciation horizon of the respective land, increased by 0.5%), allowing gains of 12.5 M € in 2011 compared to a loss of -1.3 M € in that same period the year before;
- Decrease in OPEX by 28.5 M € (-19.4%) to 118.2 M €, with the components of personnel costs and external services and supplies decreasing by 2.9M€ (-5.7%) and 27.5% (-34.2%), respectively. The decrease in OPEX reflects an improvement in operational performance, as well as the beginning of the full consolidation of the natural gas transportation JV companies.

EBITDA [M €]	**2010**	**2011**	**Change.%**
1) Total Revenues:	**977.1**	**917.3**	**-6.1%**
Revenues of assets	399.0	430.2	7.8%
Return on RAB	205.1	229.0	11.7%
Hydro land remuneration	-1.3	12.5	
Lease revenues from hydro protection zone	0.8	0.8	3.5%
Remuneration of fully depreciated assets	5.5	7.0	26.5%
Tariff smoothing effect (natural gas)	12.3	1.8	-85.2%
Recovery of Depreciation(net from subsidies)	152.9	161.6	5.7%
Subsidies depreciation	23.7	17.5	-26.2%
Revenues of OPEX	**111.5**	**109.4**	**-1.9%**
Recovery of net OPEX	105.4	106.8	1.4%
of which gains / (losses) in OPEX efficiency (C0 - real OPEX)	3.7	11.5	211.2%
Recovery of cross border costs	5.0	2.1	-58.0%
Recovery of lines rerouting costs	1.2	0.5	-59.3%
Other Revenues	**46.2**	**28.4**	**-38.5%**
Commercial gains (trading)	3.2	2.5	-21.6%
Interest on tariff deviation	4.0	2.5	-38.1%
Availability incentive	0.3	0.6	100.0%
Hedging	5.9	0.4	-93.4%
Telecommunication sales and services rendered	5.9	4.9	-16.4%
Service provision from the Market operator	2.5	1.9	-24.1%
Gains with equity sales	0.0	10.3	
Other Services Provided (consulting)	5.0	1.3	-74.3%
Gains in NG transportation companies	8.1	0.0	-100.0%
Service provision to NG transportation companies	4.7	0.0	-100.0%
Others	6.6	4.0	-38.7%
Own works (capitalised in Investment)	**25.9**	**33.0**	**27.1%**
Construction costs	**394.5**	**316.3**	**-19.8%**
2) OPEX	**146.7**	**118.2**	**-19.4%**
Personnel Costs	51.2	48.3	-5.7%
External supplies and services	80.4	52.9	-34.2%
Other Operational Costs	15.0	17.0	13.0%
3) Construction Costs	**394.5**	**316.3**	**-19.8%**
4) Provisions	**12.8**	**15.2**	**19.3%**
5) Impairment of receivable debts	**0.0**	**2.7**	
5) Nonrecurring items	**8.3**	**7.6**	**-8.3%**
Provision to cover the litigation with Amorim Energia	12.5	15.3	22.4%
Extraordinary subsidies depreciation	-4.2	0.0	-100.0%
Impairment of receivable debts	0.0	2.7	
Gains in related companies	0.0	-10.3	
EBITDA (1-2-3-4-5+6)	**431.4**	**472.5**	**9.5%**

NET INCOME

Net income in 2011 was affected by the negative behaviour of the **financial income**, which, due to the increase in net debt (+10.1%) and in the cost of funding (average cost increase from 3.99% to 4.72%) decreased by 19.5 M€ (+23.2%). Despite this effect, the good operational performance allowed an increase in **Net Income** to 120.6 M€ (+10.3M€; +9,4%).

The **Recurrent Net Income** (i.e. the net income purged of non-recurring items) increased 9.3% (+11.2 M€). Considered non-recurring items for 2011 and 2010 are as follows:

In 2011 – i) increase of the provision for the Amorim B.V. case, amounting to 15.3 M€, ii) recognition of 3.6 M€ in income tax for the non-recognition in 2008 of the Holding's funding costs as a tax cost; iii) gains of 10,3 M€ related to the valuation of REN's equity share in OMIP and iv) a provision for impairment of debts receivable amounting to 2.7 M€.

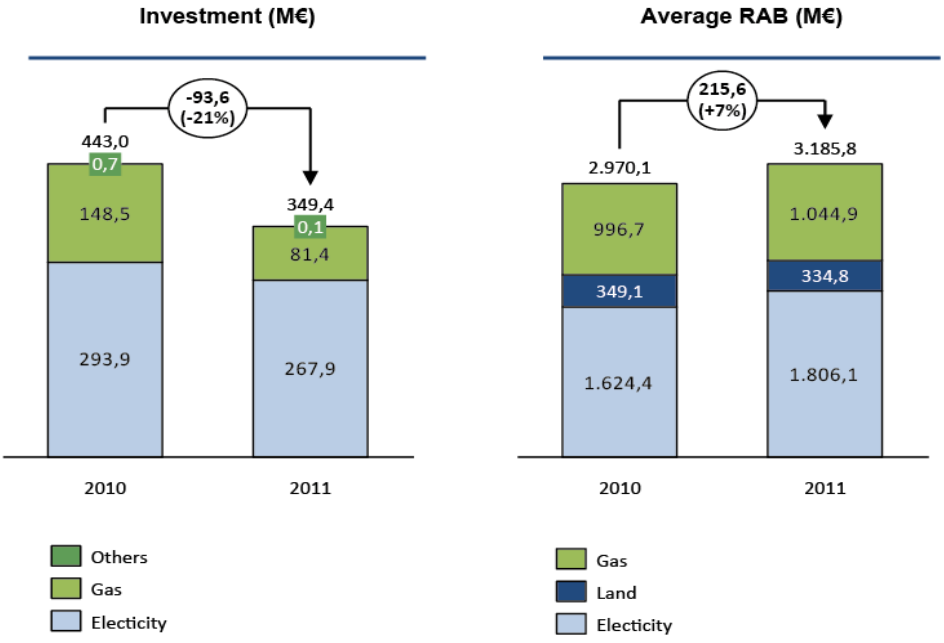
In 2010 – i) provision of 12.5 M€ to cover the case with Amorim Energia and ii) extraordinary subsidies depreciations for investment in gas resulting from the adjustment of the value of corporate equity gas pipeline (4.2 M€, 3.0 M€ after IRC (Corporate Income Tax)).

Net result [€ M]	**2010**	**2011**	**Change.%**
EBITDA	**431.4**	**472.5**	**9.5%**
Depreciations	172.6	181.8	5.3%
Financial Income	-83.9	-103.4	23.2%
Income Tax	56.4	59.3	5.1%
Net Income	**110.3**	**120.6**	**9.4%**
Non-recurring items	**9.5**	**10.4**	**9.1%**
Provision to cover the litigation with Amorim Energia	12.5	15.3	22.14%
Correction of income tax related to previous years	0.0	3.6	
Extraordinary subsidies depreciation	-4.2	0.0	-100.0%-
Gains in related companies	0.0	-10.3	
Impairment of receivable debts	0.0	2.7	
Fiscal effect	1.2	-0.8	
Recurrent Net Income	**119.8**	**131.0**	**9.3%**

5.2 CAPEX AND AVERAGE RAB

Total **CAPEX** decreased by 93.6M€ (-21,1%) when compared to 2010. This decrease was higher in natural gas (-67.1 M€; -45.2%) than in electricity (-26.0 M€, -8.8%), as a result of the Company's strategic decision to reschedule some of its investments in this segment.

Despite the reduction in investment, transfers to RAB increased by 15.2 M€ (+3.7%) when compared with 2010, reaching the amount of 426.5 M€ in 2011. **Average RAB** increased 215.6 M€ (+7.3%), reaching 3,185.8 M€. It should be noted that the growth of the average RAB was focused on the categories with the highest rate of return, and its increase, 237.9 M€, were in electricity with premium (RoR 9.1%), while the categories with a lower rate of return (hydro land, RoR 3.9%, and electricity without premium, RoR 7.6%) saw the value of their average RAB decrease 13.5 M€ and 56.3 M€, respectively. In natural gas, the average RAB increased 48.2 M€ (4.8%).



INVESTMENT

In the electricity sector, the projects related to the reinforcement of energy reception capacity stand out, particularly those from renewable sources; as well as the ones related to increasing the inter-connection capacity with Spain and also the safety and reliability of the overall system operation and the strengthening of feeding conditions to distribution networks.

It is worth mentioning the development of the network in the Algarve area, where 33.3 M€ were invested; the reinforcement of the surrounding grid in the region of Lisbon / Setúbal Peninsula, where 54.0 M€ were invested; and the improvement of power transits between the North and the South through the construction of the Paraimo-Lavos connection, with a total investment of 25.6 M€.

In the gas segment the expansion of the Sines natural gas terminal capacity stands out, where about 54.4 M€ were invested, and the construction of another natural gas storage cavity, with an investment of 11.0 M€.

In 2011 the amount of the Group's transfers to RAVB amounted to 426.5 M€, which represents an increase of 3.7% compared to 2010.

MAIN PROJECTS IN 2011

REN, REDE ELÉTRICA
(MAIN PROJECTS)

15.2 M€ - Network development in the area of Tras-os-Montes

13.7 M€ - Network development in the area of Greater Porto

25.6M€ - Connection Lavos-Paraimo at 400kV

21.0 MM€ - Network reinforcements in the Lisbon area

54.0M€ - Strengthening of the 400 kV grid surrounding the region of Lisbon / Setúbal Peninsula

33.3M€ - Network development in the Algarve

105.2 M€ - Other Projects

REN ATLÂNTICO
(MAIN PROJECTS)

54.4 M€ - Project for the Expansion of the Sines Terminal

0.2 M€ - Other Projects

REN ARMAZENAGEM
(MAIN PROJECTS)

11.0 M€ - Cavity 06

0.3 M€ - Other Projects

REN GASODUTOS
(MAIN PROJECTS)

2.5 M€ -Change of 3 branching stations to junction stations

2.0 M€ - Branch of Chaparral III

1.5 M€ - CRMS of V. N. Cerveira

0.9 M€ - CRMS of Lares

0.9 M€ - CRMS of Soure

7.5 M€ - Other Projects

	ELECTRICITY: 267,9 M€	GÁS: 81,4 M€	OTHER BUSINESSES: 0,1 M€	
GROUP INVESTMENT in 2011: 349,4M€				

ELETRICITY

Capital expenditure on electricity amounted to 267.9 M€ (-8.8 %) and transfers to RAB to 361.1 M€, +25.0%. In the region of Trás-os-Montes, the 220 kV overhead line Macedo de Cavaleiros - Valpaços entered into operation, as an important component in the future 220 kV loop between Lagoaça in International Douro and Valdigem, connecting the substations of Macedo de Cavaleiros, Valpaços and Vila Pouca de Aguiar.

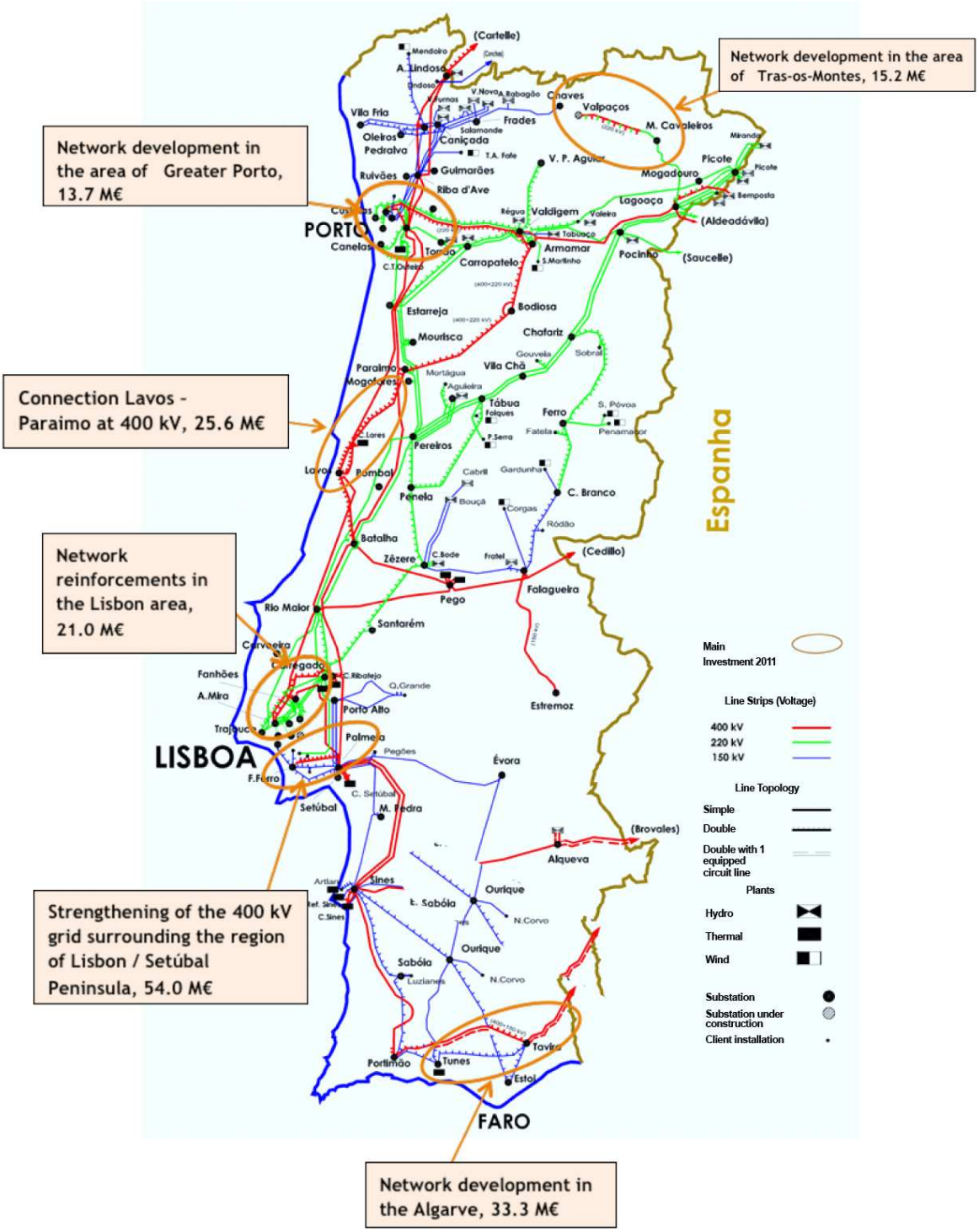
In Porto area the new Prelada substation 220/60 kV was put into operation. As part of the remodelling of the Ermesinde substation to 220/60 kV, level 220 kV of this substation was placed in service, including an underground circuit connection between Ermelo and the new transition station of Valongo.

In the central region of Portugal a new 400 kV connection was established between Lavos and Paraimo, in order to facilitate the north-south transmission in the coastal axis at 400 kV and to improve the generation flow.

In the Lisbon area the new 220/60 kV injector of Zambujal was placed in service, fed by a 220 kV underground circuit from Alto de Mira, which was already built but operating in the 60 kV network. A new 220 kV underground circuit also was placed in service, although temporarily operating at 60 kV, between the areas of Sacavém and Alto de São João, provisionally connected between two facilities belonging to EDP Distribuição.

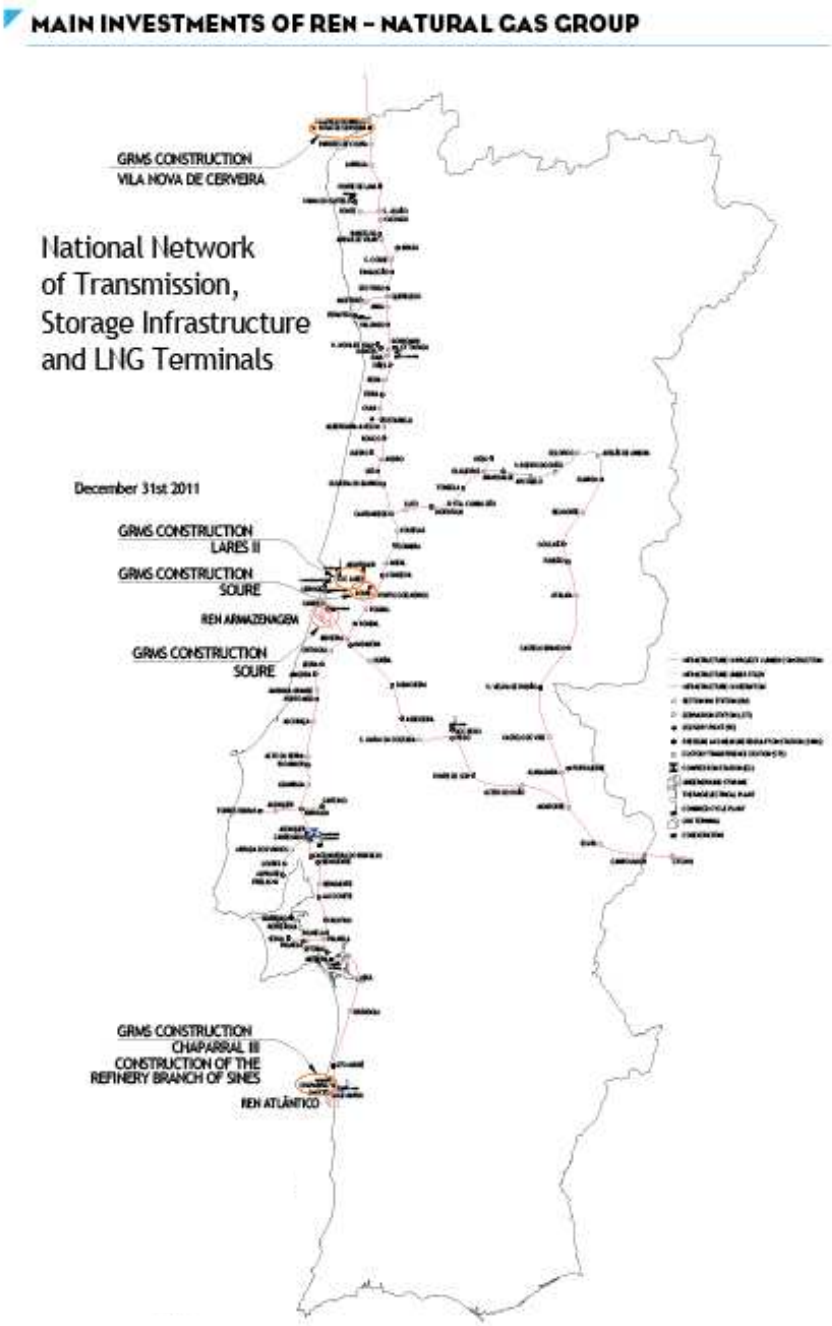
In the structuring, the grid surrounding the region of Lisbon / Setúbal Peninsula was strengthened and its safety increased, and the 400 kV diversion line Palmela - Ribatejo to the Fernão Ferro substation was completed, under the project for the introduction of the 400 kV level in this facility.

In Algarve the new Tavira 400/150/60 kV substation was initiated operation, and the 400 kV overhead lines Portimão-Tavira and the national section of the future international interconnection at 400 kV between Tavira and Puebla de Guzmán (Spain) were also completed. Tavira substation also reinforces the renewable energy reception capacity as well as demand supply in eastern Algarve.



NATURAL GAS

Capital expenditure on natural gas amounted to 81.4 M€ (+45.2%) and transfers to RAB amounted to 65.4 M€, or 46.6% below the figure of 2010.



In REN Atlântico the construction works associated with the expansion project of the LNG Terminal were continued, and the second phase of this project was concluded. This second stage consisted in the construction / installation of new process equipment (recondenser, high pressure pumps, seawater sprays

and a bay for filling tank trucks), as well as increasing the capacity of emission of natural gas from 1,125,000 m³ (n) / m³ to 1,300,000 h (n) / m.

REN Gasodutos continued the implementation of RNTGN's development and investment plan in 2011, among which the most significant were the entries into operation of four new gas delivery stations (Vila Nova de Cerveira, Soure, Lares and Chaparral III) and the increased capacity of another station (Benavente). Also worth noting is the conclusion of three more changes of derivation stations to junction stations (Maceira, Rio Frio and Alcochete), following the project started in 2008, which provided for the modernization of a total of 14 stations, now completed.

The new extension of Chaparral to fuel the expansion of the refinery of Galp Energia in Sines has also been completed and entered into operation.

REN Armazenagem marked the start of construction of cavity RENC-6, with the execution of a bore (up to 1451 meters deep) and the beginning of the leaching process. The respective leaching works of cave-TGC 2 (owned by Transgás Armazenagem) were also completed. The environmental impact study and engineering based Cavity RENC-8 was also awarded, and the tender for the installation of a surveillance system in each of the cavities, as well as the construction of the manifold to allow the connection of cavity TGC-2 with the Gas Station were completed.

MAIN INVESTMENTS REN GAS

REN Gas continued the implementation of development plan and its investments in the RNTGN in 2011, among which the most significant were the entries into operation of four new gas delivery stations (Vila Nova de Cerveira, Soure, Lares and Chaparral III) and the increased capacity of another station (Benavente). Also worth noting the conclusion of three more changes of derivation stations to junction stations (Maceira, Rio Frio and Alcochete), following the project started in 2008, which provided for the modernization of a total of 14 stations, now completed.

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5.3 FUNDING AND DEBT

The degradation of the national economic condition in a context of international aid to Portugal resulted in a general deterioration of the national issuers' ratings, significantly aggravating their already difficult access to international capital and banking markets.

Despite the difficult economic conditions experienced in 2011, Ren has continued the consolidation of its debt structure so as to prolong the average maturity, diversify funding sources and increase the amount of credit lines. The debt reorganization developed in recent years, reinforced by funding operations carried out in 2011, has improved the company's liquidity position and strengthened its capacity to face the current challenges in terms of funding.

In 2011, the following transactions were completed:

• In april, a bond was issued through a private placement in the amount of 100 M€ with no guarantees and with a period of 3 years and six months;

• In july, a bond was issued through a private placement in the amount of 50 M€ with no guarantees and with a period of 3 years.

• During the year, several commercial paper programmes were renegotiated with firm underwriting commitment prolonging their term.

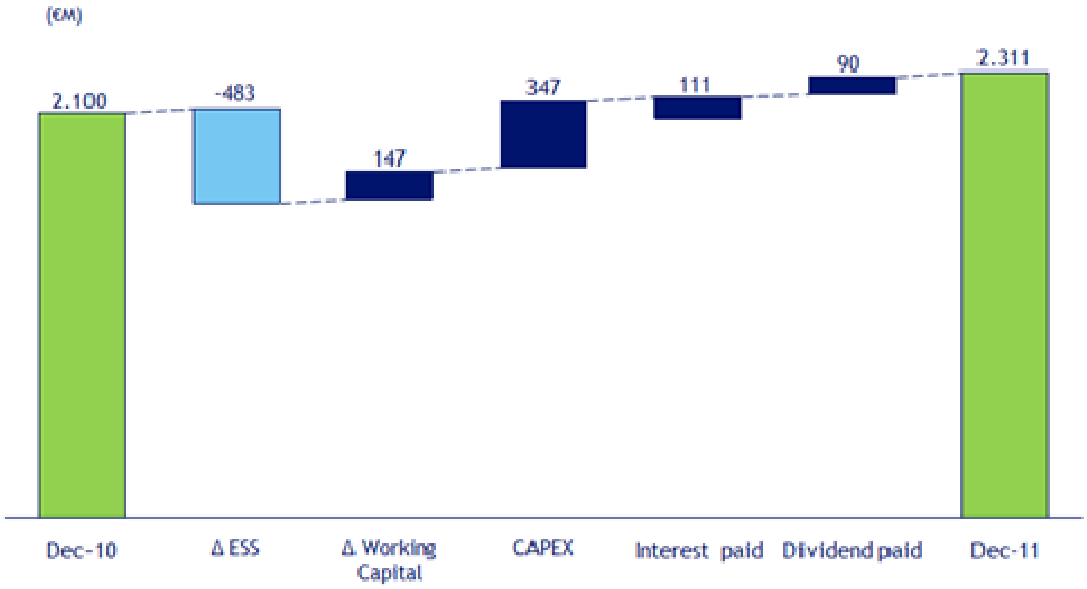
In a particularly difficult context, ren managed to ensure the complete renewal of its maturing funding contracts, guarantee the extension of the time limit of existing contracts and negotiate new funding (albeit with a natural aggravation of funding costs), thus improving the balance between the various funding sources and the refinancing risk.

By the end of 2011, the Ren Group's consolidated net debt stood at 2,311 M€, 211 M€ more than a year earlier. This increase resulted mainly from the amounts of investment and taxes paid in 2011.

TABLE 1 - Financial debt (M€)

			Change	
(IFRS)	**2011**	**2010**	**Amount**	**%**
Gross debt	2,407.6	2,257.8	149.80	6.6%
Minus swaps	26.9	19.1	7.80	40.8%
Minus cash and cash equivalents	69.4	138.6	-69.20	-49.9%
Net debt	2,311.3	2,100.0	211.30	10.1%

TABLE 2 – Debt variation (M€)



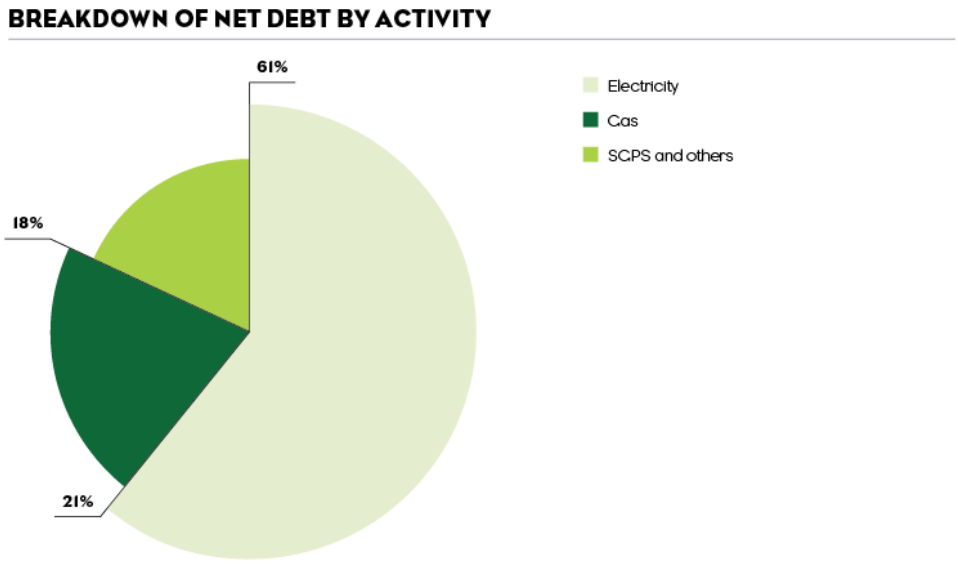
On December 31st 2011, non-current debt accounted for 98% of the Group's consolidated debt – against 85% a year earlier – and the average maturity of total debt was approximately four years.

TABLE 3 – Funding sources

			Change		
(Unpaid balance)	**2011**	**2010**	**Amount**	**%**	**Weight 2011**
Bond issues*	1,072.9	922.9	150.0	16.3%	45.26%
EIB	739.4	780.2	-40.8	-5.2%	31.20%
Commercial paper	555.0	487.0	68.0	14.0%	23.41%
Bank overdrafts	1.1	36.7	-35,6	-97.0%	0.05%
Financial leases	1.8	3.0	-1.2	-40.0%	0.08%

* Includes foreign exchange hedging derivative (26.9 M€)

In 2011, approximately 61% of the Group's debt was allocated to the electricity business; 21% to the gas business, and the remaining 18% to REN SGPS and other uses.



In 2011 the net funding charges rose 20.2 M€ in relation to 2010; from 87.7 M€ in 2010 to 107.9 M€ in 2011. This rise can be explained by two reasons: (i) the increase in the average cost of debt in 2010, especially due to the general rise of credit spreads resulting from the country's worse economic situation, and (ii) the increase in average debt throughout the year.

The average cost of debt in 2011 was 4.72%, 73 basis points more than in 2010.

The interest rate risk management policy remained geared towards reducing the volatility of financial expenditures. Taking advantage of a market framework with historically very low interest rates, there was yet an extension of the fixed rate coverage in terms of period and amount through interest rate swaps.

By the end of 2011, REN SGPS' credit ratings was BBB- by Standard & Poor's, and Ba1 by Moody's. The revisions of REN's rating in 2011 were driven by the downward revisions of the credit risk notation of the Republic of Portugal.

6. INTERNAL AUDIT

The Audit Committee is bound by its obligations as set forth by law and in REN's Articles of Association, in particular:

• Supervising the management of the Company and monitoring compliance with the law and the Articles of Association;
• Verifying the accuracy of the accounting documents as prepared by the Board and monitoring the relevant technical review;
• Overseeing the preparation and dissemination of financial information;
• Proposing to the General Assembly the appointment of the statutory auditor;
• Summoning the General Assembly whenever the Chairman of the Board fails to do so.

The mission of the Internal Audit Department (GAI) is to verify the existence, functioning and effectiveness of the risk management control model and of the Group's governance and internal control systems, through objective, independent and systematic monitoring. It reports functionally to the Audit Committee, notwithstanding its hierarchical relationship with the executive management of the Company.

Of the various tasks of the Internal Audit Department, the following stand out:
• Review of the risk and internal control policies in force;
• Assessment of the extent of implementation of internal control;
• Performance of financial, IT, operational and management audits in various areas of the Group;
• Definition, together with the different areas, of corrective actions for weaknesses and noncompliances identified in the audits;
• Monitoring the implementation of corrective measures, through follow-up reports;
• Support to top management in defining and / or implementing control and governance measures.

The internal audits conducted by GAI follow a plan based on risk assessment, whether corporate or of GAI itself, the latter including an assessment of how risks are managed in terms of processes, systems and business units.

GAI's Plan of Activities for 2011, approved by the Audit Committee, has defined and characterized the audits to be carried out. The Plan of Activities was designed based on the following goals:
• Focus audits mainly on areas of greatest risk;
• Assess the level of effectiveness of the implemented Internal Control systems;
• Cover all Group companies;
• Add value to the Group.

In the implementation of the various audits, especial at-tention was given to the assessment of internal control systems; to the compliance with outlined procedures; to the efficient use of resources; to the effective monitoring and evaluation processes; and to the mitigation of the identified risks.

In 2012, the audit procedures will be maintained and, for GAI's future Plan of Activities, we highlight the following goals:

7. PERSPECTIVES FOR 2012

The second phase of REN's privatization marks the beginning of a new stage in the company's life. The main shareholder is now State Grid, the largest utility in the world, with 25% of REN's share capital, and the second largest one is now Oman Oil with 15%. These shareholders bring in a global perspective that helps promote the internationalization of the company.

In its 2010-2016 strategic plan, REN defined as one of its goals the operation of business outside of Portugal. This is particularly relevant as a way to promote growth and the creation of shareholder value, especially after most of the domestic investments are over.

With the Framework Agreement signed with State Grid, that goal is clearly pursued. REN and State Grid have agreed to establish joint ventures to bid for projects in Angola and Mozambique, and agreed to compete as a consortium for projects in Brazil. The Agreement also includes activities to provide services in China and Brazil.

On the other hand, REN can access funding coming from China, which helps face a future of growth that would otherwise be difficult, at least while the critical situation in the Euro zone remains.

In turn, the Framework Agreement between REN and Oman Oil also opens prospects for services to be sold in the Gulf area.

With these two strategic partnerships REN will consolidate its leadership position in the management of energy infrastructures in Portugal and will begin its process of growth abroad. Therefore REN will continue to create value for its stakeholders, while at the same time it will decrease the concentration of geographical and regulatory risks.

8. PROPOSED ALLOCATION OF NET PROFIT

The consolidated net profit of REN SGPS, S.A. in the 2011 financial year amounted to 120 576 499.52 Euros (one hundred and twenty million, five hundred and seventy-six thousand, four hundred and ninety-nine euros and fifty-two cents). Considering the above stated, the Board of Directors, pursuant to article 28 of the Articles of Association of REN SGPS, S.A. and articles 31 to 33 and 66 paragraph 5 of the Portuguese Companies Code, proposes that the net profit for the financial year of 2011, verified in the individual financial statements according to the National Accounting System's norms and rules, amounting to 112 552 875.21 Euros (one hundred and twelve million, five hundred and fifty-two thousand, eight hundred and seventy-five euros and twenty-one cents), has the following implementation:

- For legal reserve - 5 627 643.76 (five million, six hundred and twenty-seven thousand, six hundred and forty-three euros and seventy-six cents);
- For dividends 90 246 000.00 Euros (ninety million, two hundred and forty-six thousand euros), corresponding to a distribution of 75.845% of the consolidated net profit of REN SGPS, S.A. in the 2011 fiscal year, amounting to 120 576 499.52 Euros (one hundred and twenty million, five hundred and seventy-six thousand, four hundred and ninety-nine euros and fifty-two cents), which corresponds to the distribution of a gross dividend per share value of 0.169€;
- For free reserves, the amount of 16 679 231.45 (sixteen million, six hundred and seventy-nine thousand, two hundred and thirty-one euros and forty-five cents).

ANNUAL REPORT 2011

REN

Redes Energéticas Nacionais

02 REN'S SUSTAINABILITY

1. SUSTAINABILITY APPROACH

A question to the *stakeholders*:

Would you consider that REN has a clear vision of its economic, environmental and social responsibilities?

Average score - 4.3 (in a scale 1-5)

1.1 INTRODUCTION

The sustainability information provided in this integrated report is related to REN performance in 2011 and covers the activities of the following companies: REN – Rede Elétrica Nacional S.A., REN Gasodutos S.A., REN Armazenagem S.A., REN Atlântico S.A., REN Trading S.A., REN Serviços S.A., REN Telecom S.A. and ENONDAS S.A.. Whenever possible, the indicators reported herein are presented in a detailed manner, except for the economic indicators which are presented on a consolidated basis for the whole Group. Whenever the indicators do not correspond to the mentioned scope, this fact is explicitly stated in the document.

This report was prepared in accordance with the third version of the Global Reporting Initiative guidelines, based on protocols for general indicators and in the sectoral supplement for the electricity sector, having adopted and fully responded to the requirements corresponding to level of application A+ of the GRI.

	C	C+	B	B+	A	A+
Self-reporting						√
Verified by external entity						√

REN respects the commitment, arising from having joined in 2005 the United Nations initiative "Global Compact", to provide information on its progress in implementing the ten principles, as indicated throughout this report.

Human Rights Principles
1 Respect and protec human rights
2 Stop violations of human rights

Principles of Employment Law
3 Support freedom of association at work
4 Abolish all forms of forced and compulsory labour
5 Abolish child labour
6 Eliminate discrimination at work

THE GLOBAL COMPACT
WE SUPPORT

Environmental Protection Principles
7 Support a preventive approach to environmental challenges
8 Promote environmental responsibility
9 Encourage environmentally-friendly technologies

Principle Against Corruption
10 Fight corruption in all its forms, including extortion and bribery

Point 1.1 from annexes has a table with the correspondence between the contents of this report and the mentioned requirements. This report was verified by an external independent entity, Deloitte & Associados, SROC S.A., according to the principles of standard ISAE 3000 (International Standard on Assurance Engagements3000) and with reference to the GRI and to standard AA1000APS Accountability Principles Standard (2008)

AA1000APS Accountability Principles Standard (2008)

The application of the principles of standard AA1000APS, which are summarized below, was reflected in the strategic drivers and in the contents of the report as well.

• Inclusion (participation of stakeholders in the development and implementation of the sustainability strategy): methodologies and processes for involvement and participation of various stakeholders were defined, as described in chapter "3. Dialogue with stakeholders". The results were incorporated in the review of REN's Sustainability Strategy, a fact also mentioned in the chapter under analysis.

• Relevance (definition of the relevant issues for REN and its stakeholders): for the identification of relevant topics, a benchmark analysis to *the leading* companies and to the main industry trends was carried out, while the results of stakeholder consultations held in 2011, as described in chapter 3 "Dialogue with stakeholders" were also considered.

• Response (REN's response to relevant issues, through its decisions, actions, performance and communication): REN seeks to meet the expectations and concerns raised specifically by each stakeholder, either individually or globally. Overall, this report is the main form of communication used to disseminate the company's strategy, initiatives and performance achieved.

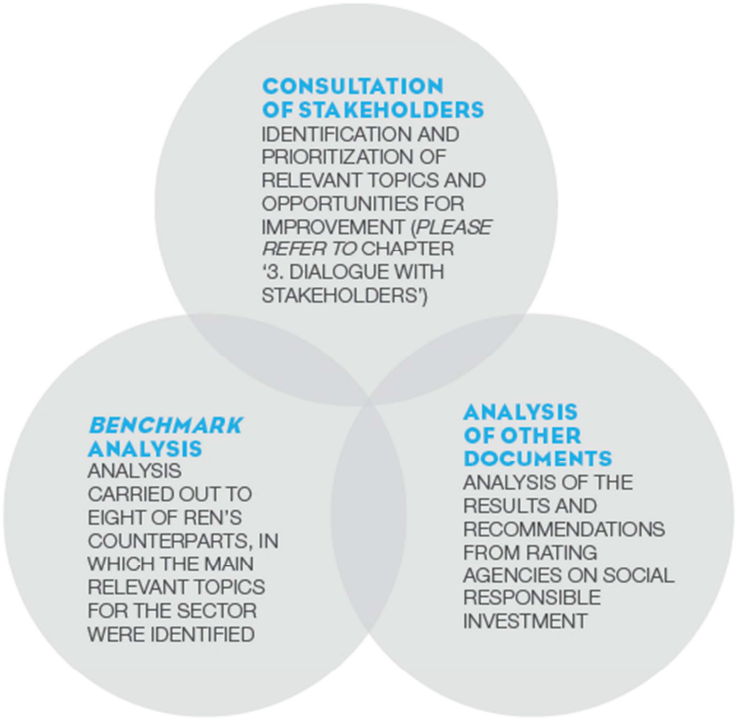
In this chapter and in chapter “3. Dialogue with stakeholders “more detailed information is provided on the application of these principles.

Social Responsibility Policy Statement
http://www.ren.pt/vEN/RENGroup/Sustainability/Pages/grupo-ren_sustainability.aspx

1.2 WHAT WAS DONE

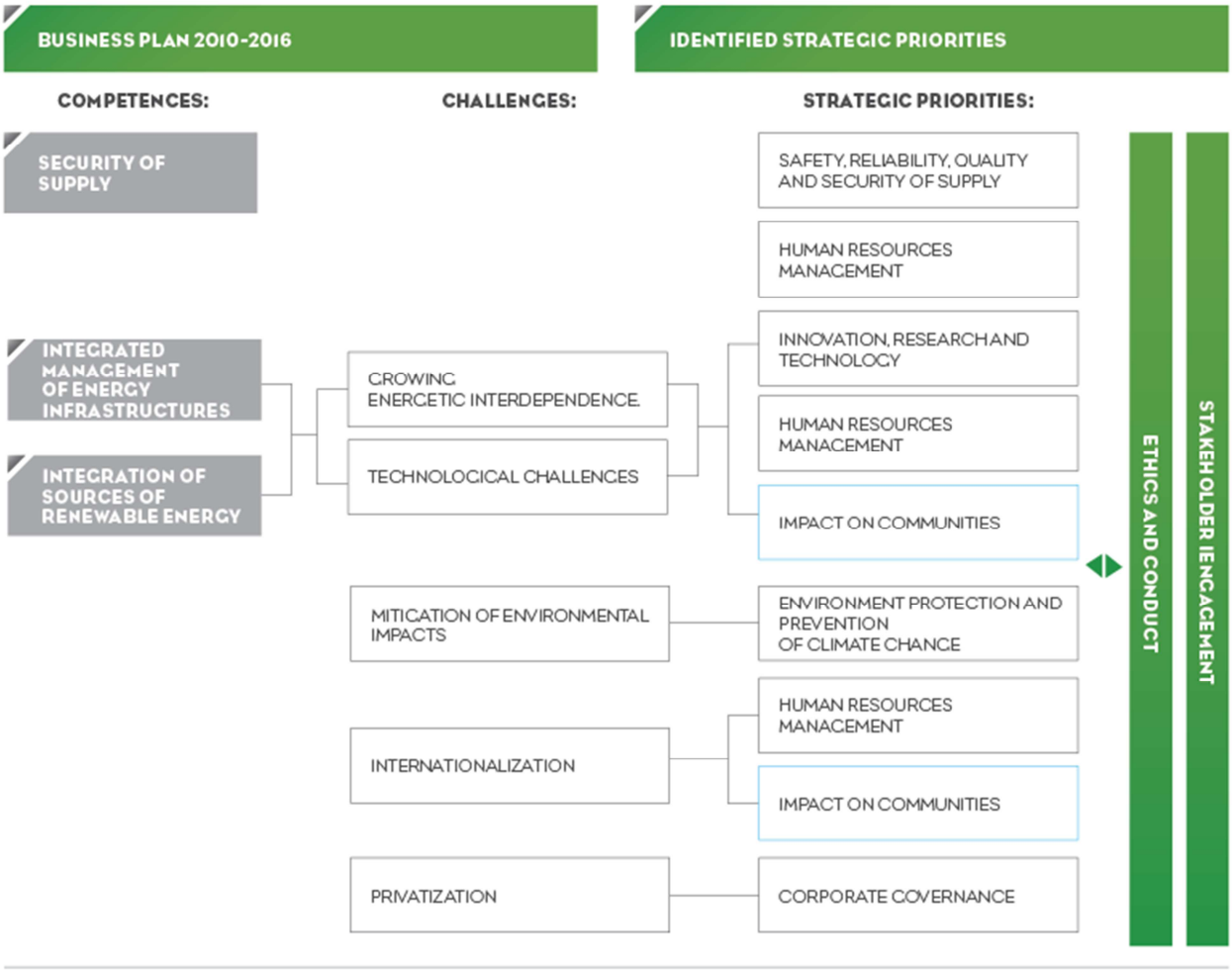
In 2011 REN fulfilled the commitment previously made to reassess the most relevant issues to stakeholders in order to ensure that the company strategy meets its expectations and concerns and remains appropriate to the challenges it is currently facing.
The process of reviewing the strategic priorities in terms of sustainability was conducted in 2011 under the second stage of the project "+ Sustainability". This activity, with the aim of improving the integration of aspects of sustainable development in different business processes of the company, was achieved through the joint analysis of different sources of information:

- Results of the consultation process to stakeholders;
- Results of the benchmark analysis to eight of REN's counterparts;
- Results from assessments and recommendations received from rating agencies on Social Responsible Investment



The work carried out helped to identify the following strategic priorities for REN, as far as sustainability is concerned:

These priorities, once aligned with the business plan 2010-2016 of the company, allowed the identification of new commitments on sustainability for the period 2013 to 2015.



1.3 RECOGNITIONS

Engagement rating 2011

- Sair da Casca, in a partnership with the Exame magazine published, in the end of 2011, the study "Engagement Rating 2011". This, study, which has been being published since 2008, and it is based on the Accountability Rating methodology, placed REN among the top-10 most transparent companies in the Iberian market, occupying the 7th place naccionaly..
- REN was honoured as one of the leading companies in the Iberian Peninsula for its performance and public information on human resources, occupational health and safety at work. This study also rated the company in the 2nd position in the field of environmental reporting (information on energy, emissions and impacts on biodiversity) and the 3rd position in the dimensions of strategy and management.

Vigeo rating

- REN was ranked in the 1st position in the Iberian Peninsula and in 2nd position at European level in the energy sector, on a *rating* assessment on corporate social responsibility promoted by Vigeo I.
- That agency analyzed information on 28 European energy companies in six different domains:

environment, human resources, human rights, community engagement, corporate behaviour and corporate governance.

Oekom rating

- Still in the field of social responsibility, REN achieved the B + category in the rating of the agency Oekom Research AG.
- REN was one of the two companies with the best score in a universe of 43 utilities in the energy sector at international level, having been rated as a Prime company for its performance.

World Finance Award (Portuguese Company of the Decade)

- The World Finance, a London-based international publication, available in print and online, specialized in financial affairs, recognised REN as the Company of the Decade in Portugal (2000-2010). The award was based on criteria as diverse as solutions developed for the market, innovation, sustainability, history and ability to adapt to global business changes. Concerns with the community, longevity and prospects for growth were also considered.
- Thus, REN joins Apple (USA), Nokia (Finland), Toyota (Japan), ENI (Italy), Sonangol (Angola), or Samsung (South Korea), also previously awarded.

APAI (Best Non-Technical Summary of an Environmental Impact Assessment awarded by APAI)

- The Portuguese Association for Impact Assessment (in Portuguese, APAI) recognised REN with the award for best non-technical summary (NTS) of environmental impact assessment (EIA). The award recognised the NTS of the EIA for the line Armamar - Recarei and confirmed the technical excellence of the approach and of the company teams.

Carbon Disclosure Project 2011

- For the third consecutive year, REN aswered to the survey promoted by Carbon Disclosure Project, having, for the first time, disclosed its answers to the public. Also for the first time, an analysis of the Iberian companies that participated in the *CDP* ("*CDP Iberia* "125 Report 2011) was published and in which REN was ranked in the 8th position at national level in terms of transparency and disclosure of information on its emissions of greenhouse gases and policies to prevent climate changes, with a score of 69%.

2. COMMITMENTS

Without prejudice to other initiatives and actions developed, which are referenced in throughout this report, the assessment of commitments for 2010-2012 in terms of sustainability is presented as follows:

DIMENSION	MOTIVATIONS	ACTIONS 2010-2012	STATUS	ACTIONS DEVELOPED IN 2011
1. Code of conduct	• Accession to principles of ethics and integrity by employees and all other stakeholders	• Assess the suitability of the code of conduct to social responsibility principles	◖	• Review of the code of conduct with the inclusion of new articles and the reformulation of existing ones
		• Reinforce the dissemination of the code of conduct	◖	• Preparation of a questionnaire for employees on the code of conduct, so as to prioritise training and awareness sessions
2. Technical and specialised know-how in the energy sector	• Maintenance of technical and specialised know-how among employees	• Ensure the transfer of technical and specialised know-how among the different generations of REN's employees	●	• FORMAR Programme • VIVA programme • Knowledge Management Project • Management Meetings
3.Risk management	• Minimisation of threats and risks at strategic level	• Reinforce the implementation of the risk management model	●	• Systematisation and implementation of the new risk management process aligned with ISO 31000
4. Corporate social responsibility	• Systematisation of corporate social responsibility practices in social responsibility management system, integrating it with the quality, environment and safety management system	• Extend the scope of procedures that are common to the integrated quality, environment and safety management system	◖	• Review documentation of transversal application to the system in order to address various aspects concerning corporate social responsibility
		• Implement the requirements of standard SA 8000 so as to strengthen REN's practices and policies	◖	• Carry out the planning of the work to be developed

(CONTINUATION)

DIMENSION	MOTIVATIONS	ACTIONS 2010-2012	STATUS	ACTIONS DEVELOPEDIN 2011
5. Involvement with stakeholders	• Increased motivation of employees • Improved relationships with REN's stakeholders	• Reinforce commitments with employees	●	• Strengthen employees' skills and promote internal communication through the new VIVA and STAR Programmes • Hold REN Meetings
		• Develop a community involvement programme	◖	• Voluntary service sessions • Cultural patronage sessions • Support to national and local associations working for social inclusion
		• Strengthen the relationship and involvement with land owners	●	• Reinforce activities related to the fulfilment of standard AA1000 through surveys to REN's stakeholders, including land owners
		• Promote the sharing of information and specialized know-how between companies and entities in the energy sector	●	• Establishment of regular scientific and academic partnerships • Participation in national and international working groups on sectoral organisations and associations. • Publication of scientific papers and active participation in international conferences and discussion fora internacionais e fóruns de debate
6. Climate changes and resource consumption	• Reduced greenhouse gas emissions and improved efficiency of resource consumption	• Increased energy efficiency of facilities and operations	●	• Implementation of energy efficiency measures at the premises of REN Armazenagem and REN Atlântico resulting from energy audits
		• Reinforce the use of renewable energies in the energy consumption at the facilities	●	• Industrial exploitation of solar panels installed in GRMS 1109 (Seixal) and 1209 (Frielas)
7. Communication	• Recognition by society and employees of REN's sustainability practices in various business aspects • Satisfaction of REN's stakeholders • Consolidation of REN's positioning in the field of new technologies, innovation and research	• Enhance communication of REN's corporate social responsibility practices	●	• Interventions and speeches carried out in several events • Provision of information in rating assessments by international agencies and response to questionnaires on sustainability and social responsibility
		• Incorporate principles of social responsibility in the selection and evaluation process of of suppliers	◖	• Review of supplier qualification process with inclusion of corporate social responsibility issues

3. STAKEHOLDERS DIALOGUE

Carrying on with work undertaken in 2007 and 2009 and fulfilling the commitment taken up in the sustainability report of 2010, in 2011 the stakeholders mapping was revised and a new consultation to relevant REN stakeholders was conducted under the second phase of the project "+ Sustainability". This initiative, started in March 2009, has the main goal to improve the integration of different aspects of sustainability into the company's different business processes.

Framework of the stakeholders' consultation process

The consultation process began with a thorough review of the stakeholders mapping, with reference to the best practices adopted at international level (e.g., standard AA1000APS - Assurance Principle Standards - 2008). REN's main stakeholders were thus identified and prioritised, taking into account the binomial impact of each group in REN's decision-making process versus REN's impact on the activity and performance of that stakeholders group.

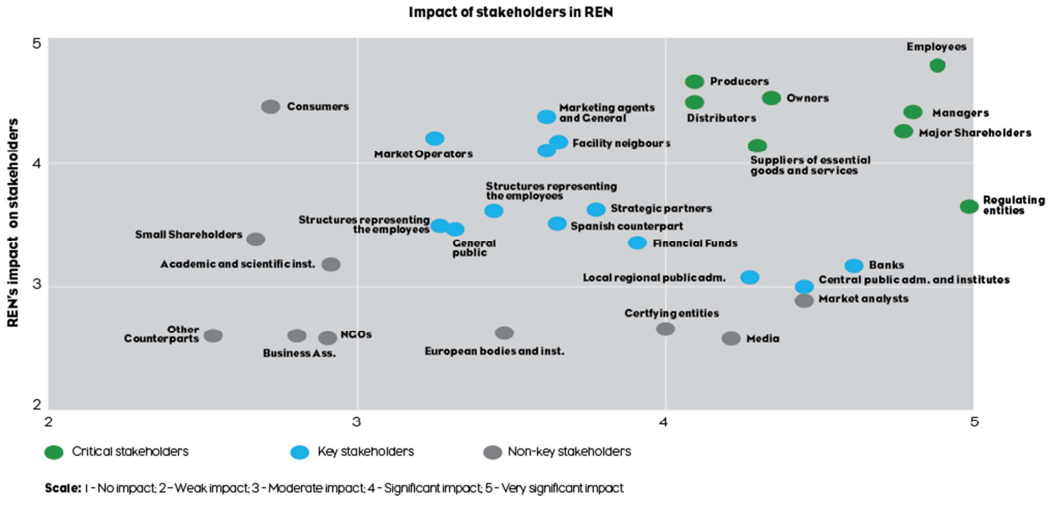
The stakeholder mapping review was done by conducting several internal focus group meetings, with the participation of 21 employees from various functional areas of the company, with the aim of:

- Identify and prioritise stakeholders according to standard AA1000 APS criteria;
- Select the entities to consult;
- Identifyand prioritise the relevant issues for each group or subgroup of stakeholders, based on the consultation and work previously performed, as well as the results of the benchmarking study on REN´s counterparts;
- Assess REN's performance and make suggestions for improvement, in order to review the priorities of the company's operations aligned with sustainable development;

Assess the perception and expectations of REN´s employees on the sustainability performance of the company.

As a result of the review of the stakeholder mapping, the stakeholders were categorised into three sets, by order of importance: critical, key and non-key stakeholders.

Employees, owners, producers, distributors, major shareholders, suppliers of essential goods and services and the regulatory authorities are the most critical subgroups, broadly confirming the results of the last mapping exercise of stakeholders held in 2009.



GROUPS AND SUBGROUPS OF REN'S STAKEHOLDERS

CLIENTS AND USERS OF INFRASTRUCTURES

- PRODUCERS
- MARKET AGENTS AND GENERAL AGENTS
- DISTRIBUTORS
- CONSUMERS
- MARKET OPERATORS
- SPANISH COUNTERPART
- OTHER COUNTERPARTS

SHAREHOLDERS

- MAJOR SHAREHOLDERS
- SMALL SHAREHOLDERS
- FINANCIAL FUNDS

EMPLOYEES

- MANAGERS
- EMPLOYEES
- PENSIONERS
- WORKERS' REPRESENTATIVE BODIES

SUPPLIERS AND SERVICE PROVIDERS

- SUPPLIERS OF ESSENTIAL GOODS AND SERVICES
- SUPPLIERS OF OTHER GOODS AND SERVICES
- CERTIFYING AUTHORITIES

GOVERNMENTAL INSTITUTIONS

- CENTRAL PUBLIC ADMINISTRATION AND GOVERNMENT INSTITUTES
- REGIONAL AND LOCAL PUBLIC ADMINISTRATION
- EUROPEAN INSTITUTIONS AND BODIES
- REGULATING ENTITIES

FINANCIAL SECTOR

- BANKS
- MARKET ANALYSTS

COMMUNITY

- ACADEMIC AND SCIENTIFIC INSTITUTIONS
- BUSINESS ASSOCIATIONS
- NGOS
- MEDIA
- LANDOWNERS OF RIGHTS OF WAY AND PROPERTY
- FACILITY NEIGHBOURS
- GENERAL PUBLIC

ASSOCIATIONS AND STRATEGIC PARTNERS

- ASSOCIATIONS AND STRATEGIC PARTNERS

CRITICAL STAKEHOLDERS (2009)

- EMPLOYEES
- POWER DISTRIBUTORS
- POWER PRODUCERS
- OWNERS
- SHAREHOLDERS
- REGULATING ENTITIES
- SUPPLIERS OF GOODS AND SERVICES
- GOVERNMENTAL INSTITUTIONS
- FINANCIAL INSTITUTIONS

CRITICAL STAKEHOLDERS (2011)

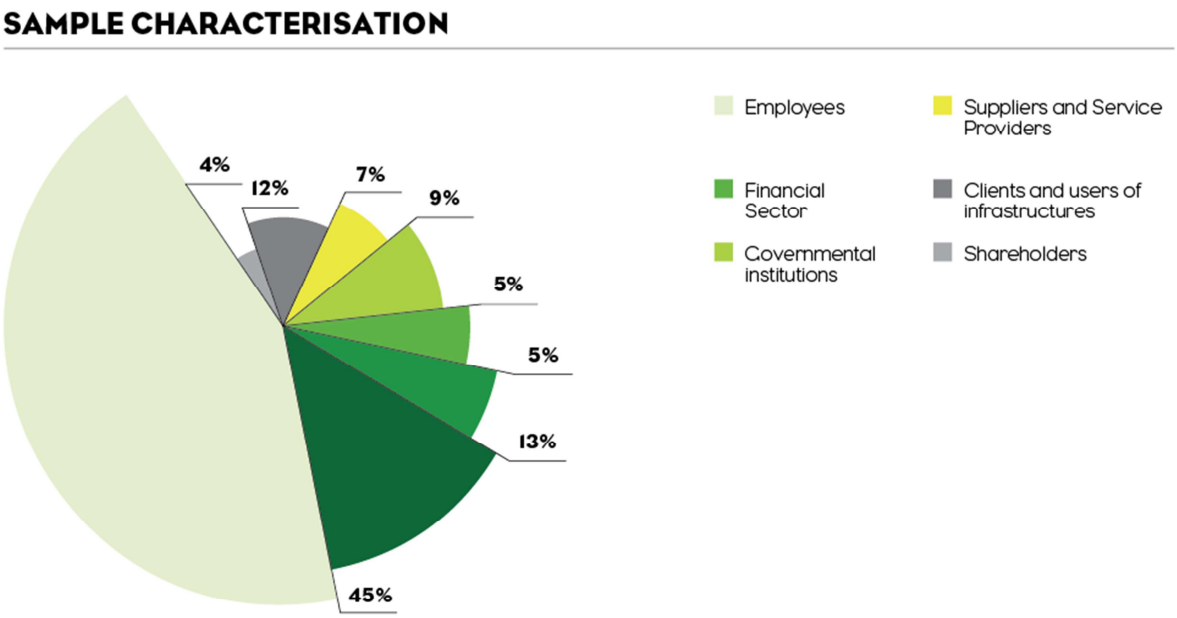
- EMPLOYEES
- MANAGERS
- POWER DISTRIBUTORS
- POWER PRODUCERS
- OWNERS
- MAJOR SHAREHOLDERS
- REGULATING ENTITIES
- SUPPLIERS OF GOODS AND SERVICES

After validating the stakeholders mapping and identifying entities to be consulted, REN developed a new round of consultation to gather information on these stakeholders perceptions on:

- REN's vision and sustainability performance;
- REN's reputation and image;

- The engagement level of REN involvement with its stakeholders and the main media and communication channels used;
- Identify and prioritise the issues deemed as most relevant to their relation with REN.

The consultation was held based on a questionnaire that was answered in personal interviews, by telephone or in writing. The sample included 65 people from eight stakeholder groups, distributed as follows:



Given the particular relevance of the stakeholder group "employees", the questionnaire was also made available through the company's corporate intranet.

The rate of responses to this consultation process was:

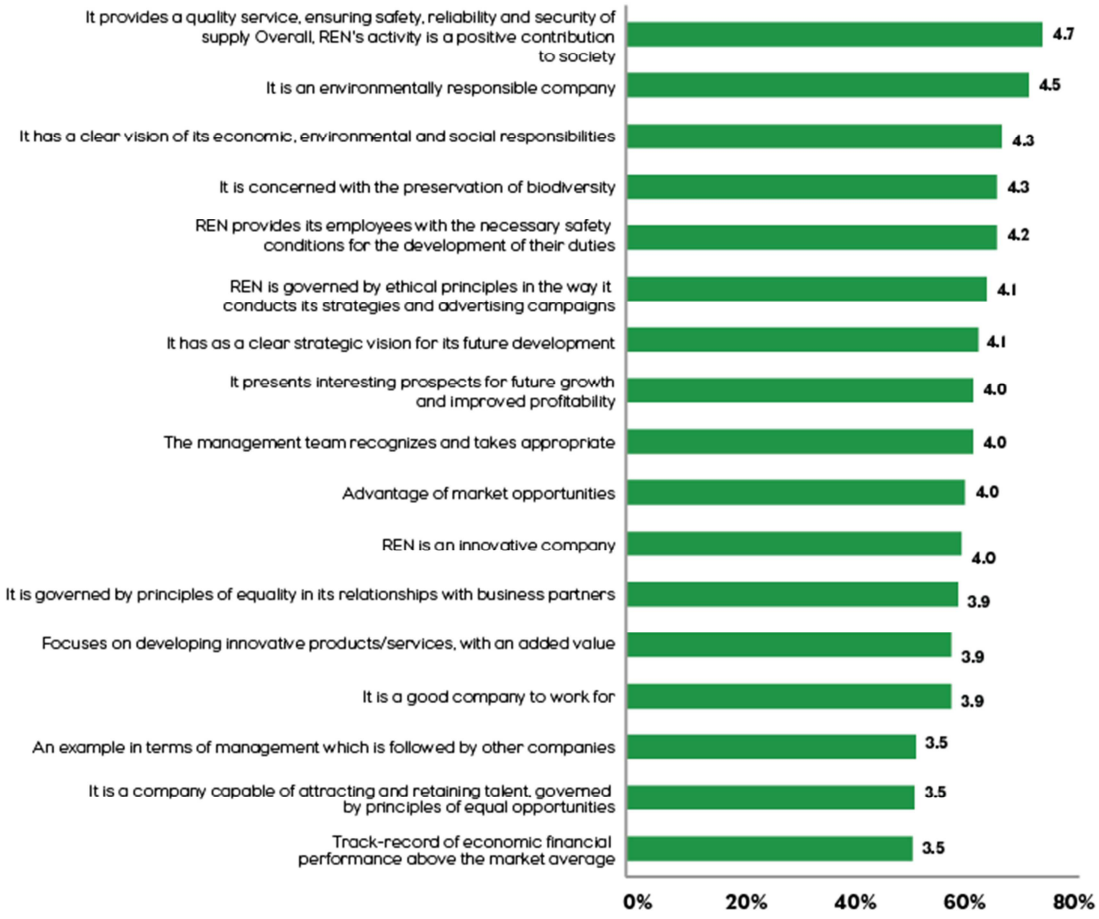
- 86.1% of the persons in the sample (56 out of 65);
- 36.8% of REN employees via the questionnaire in the intranet (270 out of 734 employees).

RESULTS OF THE CONSULTATION TO STAKEHOLDERS

The results are presented below on an aggregate basis. In addition, throughout the sustainability tab of this report, the answers to the questions asked in the sustainability report of 2010 are also presented.

Reputation and image

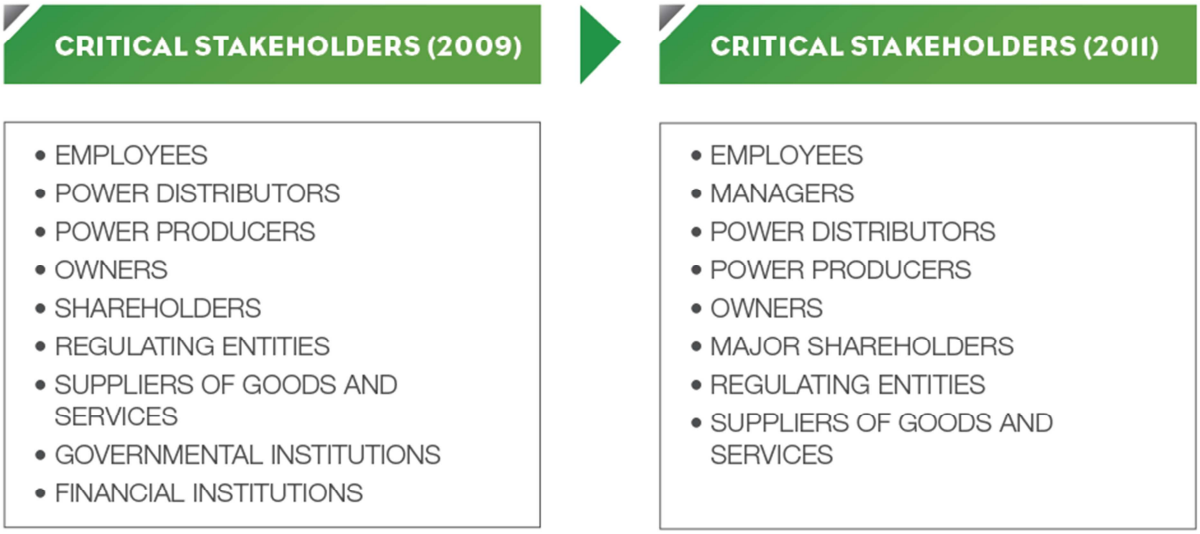
The aspects that stand out as best rated on a scale of 1 to 5, are: i) REN's service in terms of quality, reliability and security of supply (4.7); ii) the positive contribution of the Company to society (4,5) and, iii) the REN´s commitment to environmental issues (4.3).



These aggregated results were calculated taking as reference the average of responses from each stakeholder group to each of the questions, weighted for the calculation of the overall results according to relevance of each group identified in the stakeholders mapping done in 2011.

RELEVANT ISSUES AND SUSTAINABILITY PERFORMANCE

The topics "Qualification of human resources and employee satisfaction," "Innovation, research and technology" and "Safety, reliability, quality and security of supply" were those with a higher percentage of referrals and those that were considered as most important. Of these topics, REN's performance was rated as very positive in relation to the theme "Safety, reliability, quality and security of supply." One of the topics whose performance had a less positive evaluation was "Internal and external communication."



STAKEHOLDERS ENGAGEMENT

From the consultation process it is possible to conclude that the type of involvement and communication that REN has with its key stakeholders is considered very positive by the entities consulted, with 82% of answers revealing their satisfaction. With regard to the answer time of the company to the needs, opinions and expectations of key stakeholders, the weighted overall average rating was 4.11 on a scale from 1 (poor) to 5 (very good). It is worth highlighting that improvement opportunities were identified for the process of engagement / communication, in the stakeholders groups "clients and users of infrastructure," "community" and "employees."

Recognizing the importance of client satisfaction as well as the services provided by the company to the infrastructure users, it is crucial to monitor and measure theire degree of satisfaction. For this reason REN developed a system for assessing the perceived quality and client satisfaction, having conducted the first studies in 2008 and 2009, which focused on the electricity and natural gas businesses, respectively. In those studies we used a client satisfaction model consistent with the methodology used byECSI (European Client Satisfaction Index), comprising a structural and a measurement models with a wide range of indicators.

EVALUATION OF CLIENT SATISFACTION IN 2011

In the last quarter of 2011 a new satisfaction survey to clients/users of electricity and natural gas infrastructures was begun in order to monitor progress against the previous studies. In the 2011 survey, the universe of participants doubled, with a total of 184 participants (30 for natural gas and 154 for electricity).
The study aims to address issues that may help REN identify opportunities for improvement of strategies, services, processes as well as understand which are the characteristics valued by clients, in order to strengthen loyalty/trust, perceived quality and satisfaction, in particular:

- Calculate the levels of overall satisfaction, and by business segment, as well as the results by indicator;
- Identify strengths; points to improve and areas of priority action, in order to increase client satisfaction and loyalty/trust;
- Provide information for identifying actions to be taken to improve perceived quality;
- Compare the results of this study with those of previous studies; with those of other sectors at national level; and with those of foreign organisations in the energy sector;
- Assess the response of market players to new platforms.

In order to implement the survey, an external and independent institution was contracted and it collected the data through an online questionnaire and also carried out its statistical treatment, which ensures the appropriate level of confidentiality of the answers. This organisation follows the code of conduct of ESOMAR - European Society for Opinion and Marketing Research Association; ensures the implementation of the study according to the Portuguese Code for Opinion and Market Research Studies (in Portuguese, CODEMO); and acts in accordance with the law for data protection.
Following is a table with a summary of the survey results, including the satisfaction and loyalty/trust indexes and other indicators in line with issues considered as relevant by clients.

RESULTS OF THE 2011 SURVEY	GLOBAL	ELECTRICITY	NATURAL GAS
Satisfaction	**7.0**	**6.9**	**7.3**
Loyalty/trust	**7.7**	**7.6**	**7.9**
Contributes towards sustainable development	7.2	7.2	7.0
Engages with local communities	6.8	6.7	7.0
Is concerned with environmental issues	7.6	7.6	7.8
Security of supply and meeting quality and safety criteria	7.7	7.5	8.3

SCALE FROM 1 TO 10, IN WHICH 1 REPRESENTS THE LOWEST LEVEL AND 10 THE HIGHEST. A RESULT EQUAL TO OR GREATER THAN 6 IS CONSIDERED AS A POSITIVE RESULT.

After having identified the expectations of REN's stakeholders, validated through the process of consultation and engagement, a set of solutions and answers were defined, briefly presented below, in connection with business priorities on sustainability.

STAKEHOLDERS	EXPECTATIONS	RESPONSE	PRIORITIES
Shareholders	• Company results sustainability • Dividends • Sustained growth • Greater results • Listing on the stock market • Sharing of information • Communication on indicators related with safety, reliability, quality and security of *supply*	• Management improvement and efficiency • Clarity and transparency of information disclosed • Publication of the 2011 Integrated Report, including information on sustainability, management, corporate governance, separate and consolidated accounts • Quality of Service Reports	**Stakeholders engagement** **Ethics and Conduct**
Financial Sector	• Creation of business opportunities • Strengthening relations with REN • Sharing of information	• Close relationship • Provision of relevant information • Publication of the 2011 Integrated Report, including information on sustainability, management, corporate governance, separate and consolidated accounts	**Stakeholders engagement** **Ethics and Conduct**
Community	• Community consultations • Relationship and communication with owners and neighbours of facilities • Creation of partnerships and closer relations with the business environment • Impacts and constraints generated by infrastructures • Specialised support to the community	• Consultation of stakeholders held in 2011 • Public consultations within the scope of environmental assessments • Provision of necessary clarifications and direct contact with property owners • Knowledge Sharing • Partnerships in R&D • REN Award • Integration of young trainees • Development of expert opinions on the feasibility of possible construction • Maintenance of the right-of-way	**Stakeholders engagement** **Ethics and Conduct** **Impact on Communities** **Innovation, Research and Technology**

(CONTINUATION)

STAKEHOLDERS	EXPECTATIONS	RESPONSE	PRIORITIES
Employees	• Career management system • Adequate and specific training for employees • Performance appraisal • Benefits attributed • Sharing of information • Code of Conduct communication and training Incubators of ideas / projects • Partnerships with colleges and institutes in order to allow the study and development of advanced technologies • Internal environmental awareness	• Human Resources Management Policy • Career plans • REN's Training Policy and the FORMAR programme • VIVA programme • REN's Knowledge Management Project • STAR Performance Management Policy and programme • Development of a questionnaire on the Code of Conduct to apply to employees in 2012 for further training in the most relevant topics • Consultation of stakeholders held in 2011	**Stakeholders engagement** **Ethics and Conduct** **Human Resources Management** **Innovation, Research and Technology**
Governmental Institutions	• Use of construction best practices • Network planning taking into consideration territorial planning and minimisation of environmental impacts • Regulatory and tariffs models • Tariff deviations • Operational compliance • Technical quality of service • Investment in innovation and technological development • Sharing of information	• Information sessions for plans and programmes (PDIRT and PDIR) • Project review • Preparation of technical reports and expert opinions • Publication of monitoring reports • Quality of service reports • Clarity and transparency of information disclosed	**Stakeholders engagement** **Ethics and Conduct** **Safety Reliability, Quality and Security of Supply**
Associations and strategic partners	• Increase and improve communication with communities affected by the construction of lines as well as implement measures to compensate such communities	• Increased communication and implementation of projects in partnership	**Stakeholders engagement** **Ethics and Conduct** **Impact on Communities**
Clients and users of infrastructures	• Sharing of information • Conditions of access and connection to the transmission system • Environmental constraints and territory planning • Network connections • Compliance with the planning • Infrastructure needs Network development, location, terms and contracts	• Evaluation of client satisfaction • Reports follow-up • Quality of service reports • Preparation of the RNT characterisation for network access and interconnections • Development and Investment Plan of the Electricity Transmission Network (PDIRT) • Publication of the energy availability programme (gas) • Adequacy of existing regulation (gas) • Preparation of the operational manual (gas)	**Stakeholders engagement** **Ethics and Conduct** **Environment Protection and Prevention of Climate Change** **Safety Reliability, Quality and Security of Supply** **Innovation, Research and Technology**

(CONTINUATION)

PARTES INTERESSADAS	EXPETATIVAS	RESPOSTA	PRIORIDADES
Suppliers, contractors and service providers	• Technical capacity and quality of product/service • Identification, selection and qualification of suppliers • Cooperation to improve safety • Establishment of partnerships • Sharing of information	• Creation of conditions for market diversification • Awards for best safety performance • Suppliers qualification and evaluation system with requirements that include technical components and quality of service; plus aspects related to social responsibility, occupational safety and environmental management • Publication of a ranking with the results of supplier assessment • Training for contractors in the field of Security	**Stakeholders engagement** **Ethics and Conduct**

REN adopts a differentiated set of forms and means of communication to answer the needs and expectations of different stakeholder groups, summarised in the following table:

TYPES OF COMMUNICATION	INVESTORS/ SHAREHOLDERS	POWER DISTRIBUTORS	POWER PRODUCERS	FINANCIAL SECTOR	ACADEMIC AND SCIENTIFIC INSTITUTIONS	EMPLOYEES	REGULATING ENTITIES	OWNERS AND LOCAL COMMUNITY	OFFICIAL ENTITIES	SUPPLIERS AND SERVICE PROVIDERS	ASSOCIATIONS AND STRATEGIC PARTNERS
General Assembly	●			●			●				
Joint committees		●	●								
Roadshows	●										
Meetings and workgroups		●	●	●		●		●	●	●	●
Conferences and workshops				●	●						
Jobshops					●						
Study visits					●						
Investors day	●			●							
Investor Relations Office	●			●							
Investors Channel on REN's website	●			●							
CMVM's website		●					●				
REN's website	●	●		●	●	●	●	●	●	●	●
Information System of the Energy			●								
ERSE IT System - SIGNO							●				
RePro System										●	
Electronic procurement platform										●	
Network control rooms			●								
On-site support office								●			
Information sessions						●		●	●	●	
Free toll number								●			
Report and Accounts	●			●	●	●	●		●	●	
Periodical publications							●				●
Publication of notices								●			
Procedures for environmental impact assessment								●	●		
REN Safety Award										●	
Suppliers' performance assessment								●		●	
Survey to assess perceived quality			●						●		
Satisfaction surveys and organisational climate						●					
REN TV Channel						●					
REN's Intranet						●					
Internal newsletter						●					
Social events						●					
Human Resources Portal						●					

4. MANAGEMENT AND DEVELOPMENT OF HUMAN CAPITAL

Question to *stakeholders*:

Would you consider REN to be a good company to work for?

Average of replies - 3.9 (in a scale 1-5)

4.1 PRIORITIES FOR HUMAN RESOURCES

REN fosters the sustainable management of its human resources, promoting skills development, acknowledging the merits of their teams, and encouraging motivation and well-being of employees, in a continuous improvement of its human resource management policy.

Several initiatives stand out in 2011 that show this commitment of REN with its employees, namely, the implementation of REN's training policy (FORMAR programme); the consolidation of VIVA programme - welcome and integration of new employees; the definition of the performance management policy aiming to support the performance management tool (STAR programme) and which has been in force since 2010; the beginning of the Knowledge Management Project; new initiatives to mobilise human resources; the release of the REN Trainee Programme; and the setting up of the Human Resources Committee (in Portuguese, CRH).

4.2 HUMAN RESOURCES COMMITTEE

The general goal of the Human Resources Committee is to identify the needs and priorities in terms of human resources, acting as a mobilisation, validation and monitoring body for this matter in the whole structure.

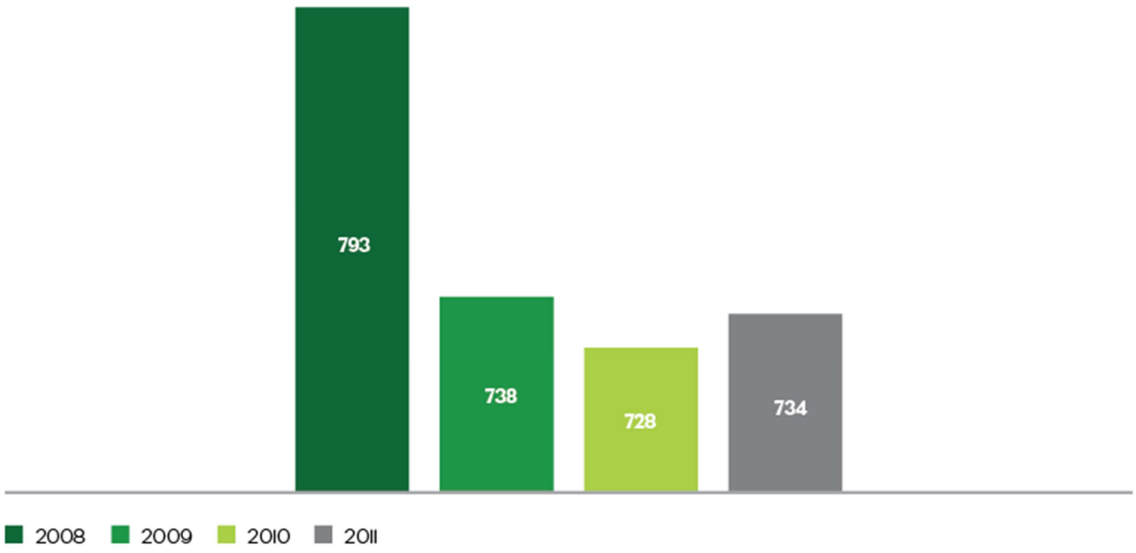
The main responsibilities of this committee include adjusting REN's structure to business and investment decisions; being an active part in the proposal of transversal policies for the Company; and also defining and implementing consolidated human resource management indicators for all business units.

This management body includes a member of REN's Executive Board, the responsible person for human resources area, plus representatives from the various business units of the company.

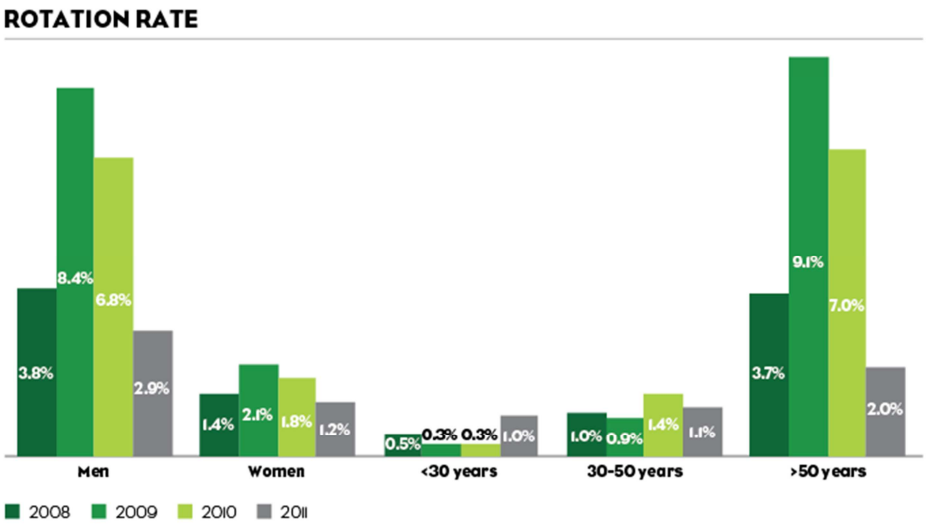
4.3 CHARACTERISATION OF HUMAN RESOURCES

In 2011, the number of employees increased 0.8% in relation to 2010, due to the admission of 36 new employees whereas 30 left the Company.

NO. OF EMPLOYEES



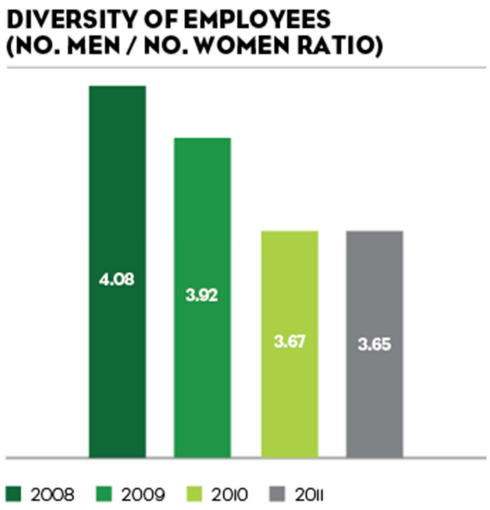
Last year, there was a 52% reduction in the number of employees leaving the company, which explains the decrease of 8.7% in 2010 to 4.1% in the overall rotation rate

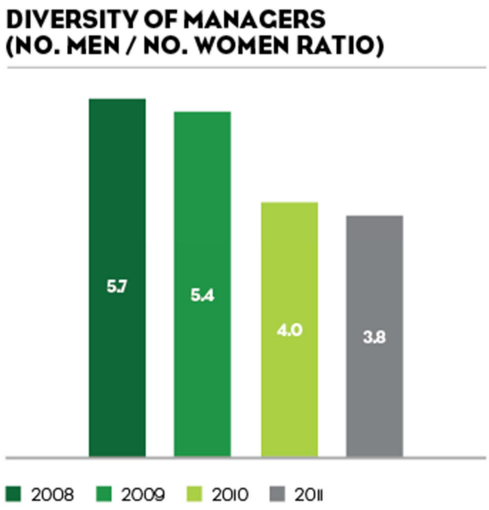


In

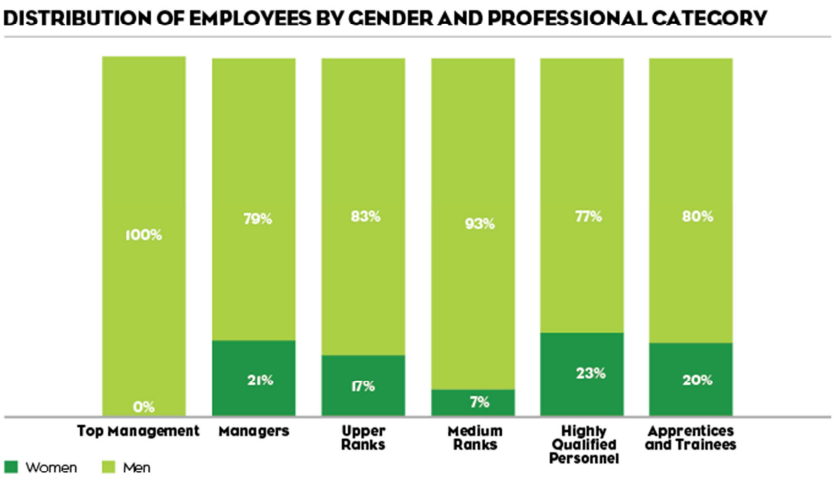
2009 and 2010, there were high rotation rates because a significant number of employees left the Company due to retirement and early retirement, as well as a result of new employees joining the company. It is expected that about 16% of employees go to retirement in the next five years and that this figure increases to about 36% in the next ten years.

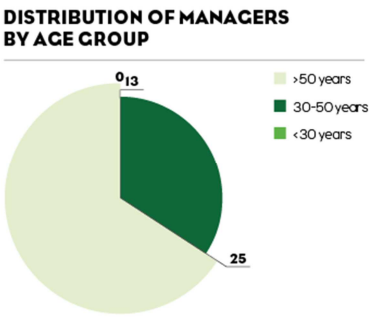
As a result of REN's commitment to equal opportunities in the selection and recruitment processes of new employees, the number of women has increased in recent years, as well as the percentage of women in management positions.

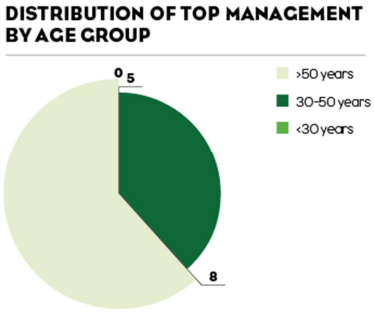


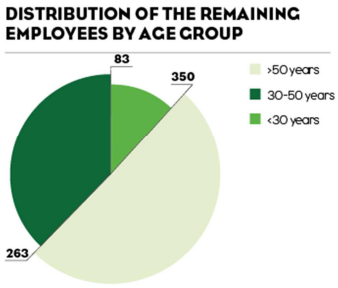


The average age of REN's employees in 2011 was 44.5 years, and it is worth mentioning that 11% of employees were less than 30 years old as a result of the employees' renewal policy in progress.



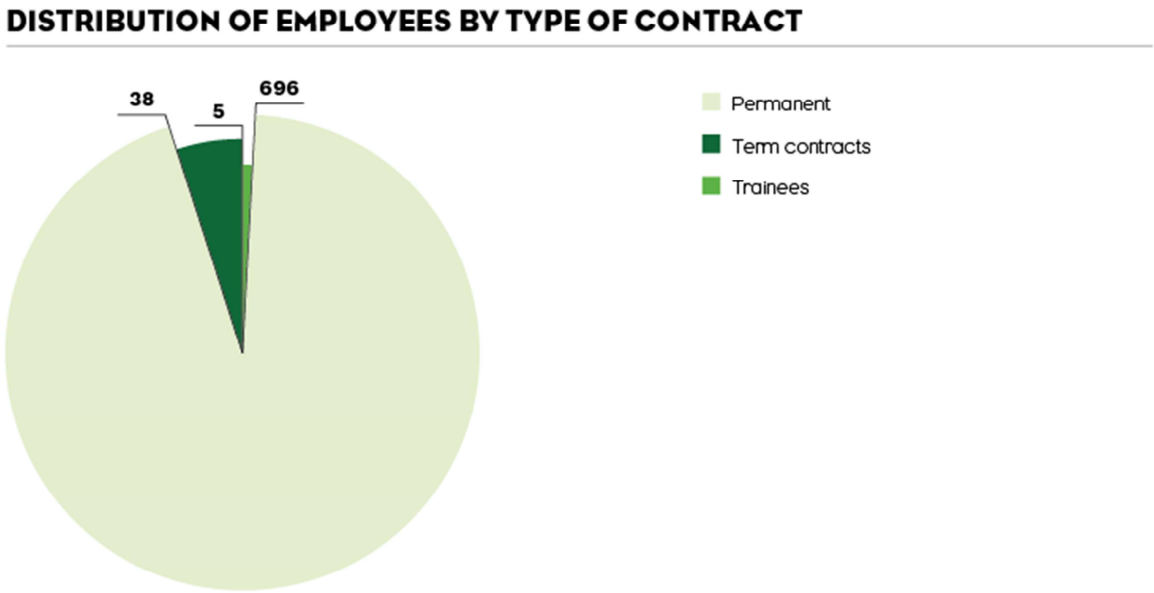




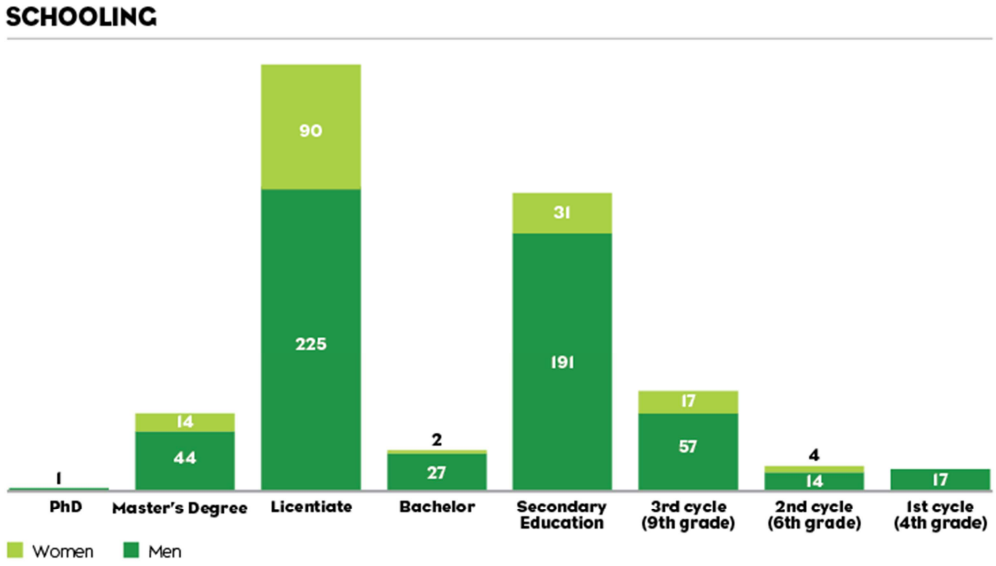


PROFESSIONAL CATEGORY

With regard to the nature of employment contracts, it should be mentioned that 95% of REN's employees had a permanent employment contract. Of these, 59.7% were covered by a collective bargaining agreement (in Portuguese, ACT).



The geographical distribution of employees has remained constant since 2008, with 70% in the Lisbon region, 22% in the northern/central region and 8% in the south.



In an industry where technical expertise is a very important requirement, we can see that 55% of the employees have a high level oeducation.

4.4 PERSONAL AND PROFESSIONAL DEVELOPMENT

The overall goal of training at REN is to ensure lifelong learning in line with the company's values, and according to the specific needs and functions of the respective areas. The general principles governing those activities were embodied in the company's training policy, defined and implemented in 2011.

Under the new policy, various programmes and initiatives are planned, among which the following stand out:

- **Transversal Training Programme**

This annual programme, initiated in April 2011, leads to the implementation of actions that respond to specific training needs and contribute to the development of skills and knowledge of a strategic and transversal nature. All company employees are included in this transversal training programme.

Goals of the Transversal Training programme 2011

- To develop a number of sequential training sessions for the different levels at REN.
- To standardise the language in use and optimise results through human resources management and leadership.
- To develop teamwork and communication behaviours.

Results of the Transversal Training programme 2011

- People focused on the development of behavioural skills which are relevant to the organisation.
- Team leaders equipped with management and leadership tools.
- Common attitudes, behaviours and, consequently, languages within REN.
- Focus: “Focus on People".

• **Specific Training programme**

The implementation of this programme, initiated in August 2011 and scheduled for completion in July 2012, follows from the results of the management and performance assessment process conducted within the STAR programme and from the needs identified in the assumption of new responsibilities or for career development . It is incumbent on the area managers, individually and together with each employee, to design and prioritise the needs and actions to develop, whereas it is the Human Resources Department's responsibility to present, disseminate and manage the programme and the respective initiatives arising from the needs that have been identified.

Goals of the 2011 Specific Training Programme

- Ensure that the specific training needs of employees identified by STAR are met.
- Develop and maintain specific knowledge and skills adjusted to performance and to the specific needs of the positions and areas of the company.

Results of the 2011 Specific Training programme

- Consolidate, maintain and/or develop knowledge and skills.
- Improve processes and procedures.
- Optimise the levels of performance of employees and teams.

• **Participation in Training**

The purpose of this programme is to participate in advanced programmes, such as postgraduations, MBAs and master's degrees, according to the interest and continued relevance they may have for employees and for REN.

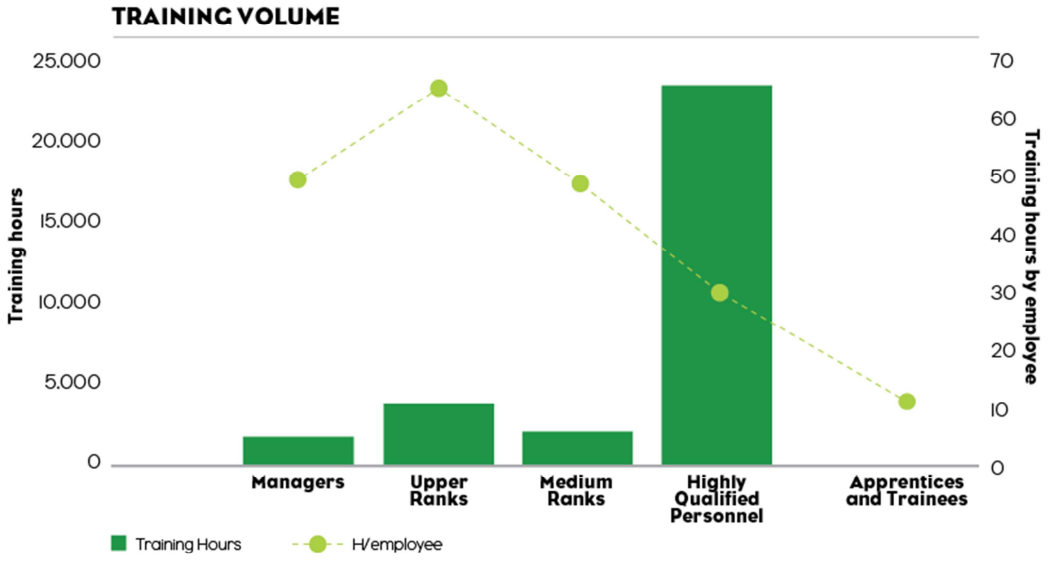
• **Seminars, Conventions and Conferences**

Given the specificity of REN's activity, updating best practices in technical and management areas is a priority for the company and its employees.

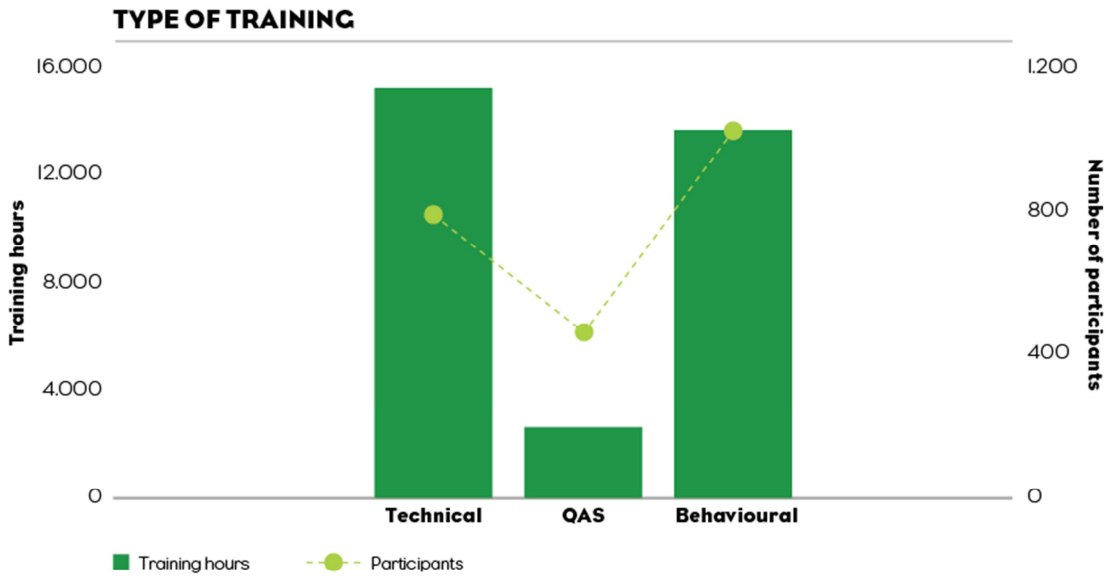
As a result of the implementation of the programme Formar, which aggregates all training, learning and empowering initiatives previously presented, in 2011, there was an increase of 121% in the number of training hours provided by the company when compared to the previous year.

	2008	2009	2010	2011
No. of training hours	13.568	17.248	14.118	31.241
No. of participants	874	2.012	2.242	2.256
No. of hours/employee	16,8	23,1	19,0	42,3

The vocational training developed in 2011, which reached a total of 31,241 hours and 2,256 participants, contributed greatly to the professional development and fulfilment of REN's staff.



Of the training initiatives carried out, those of a technical nature stand out, with a volume exceeding 15 thousand hours; as well as those focused upon behavioural skills, which involved more than one thousand participants.



Also in 2011, the company held 25 internal training courses and granted financial support for 10 external training initiatives.

- **VIVA Programme**

VIVA initiated in 2010 and was consolidated in 2011. This programme aims to standardise and professionalise the welcoming and integration practices for new employees in all of REN's business units.

The bi-annual sessions held in 2011 counted with the participation of all new employees, the invitation is also being extended to those who joined the Company before the beginning of the programme, who thus had the opportunity to broaden and enhance their knowledge about the company and the respective business.

REN intends to continue holding VIVA programme sessions on a regular basis for new employees as well as for senior employees, so as to provide information on the company, which is essential for the continued development, integration and adaptation of all employees.

Relevant data on the 2011 VIVA Programme

- No. of sessions - 2
- No. of participants - 63
- Satisfaction rate - 94%

"These activities give us the opportunity to consolidate our knowledge of the activities developed by REN and its strategic positioning, key issues for a successful integration in the company. These initiatives also help us develop internal contacts, as well as acquire knowledge in a more informal way, in particular for people who have recently joined REN. "

Susana Neves| REN Serviços | Accounting and Taxation

"This is a very important project. People who join the company for the first time always have many doubts, many questions, they don't understand very well what is done in the company. I believe that this type of presentation is essential so that they may realize what we do and to help them feel at home. "

Albino Marques | REN Elétrica | Investments

"The VIVA programme is an excellent initiative. It is certainly an opportunity to enter the REN world with a golden key. I must also mention the total availability of the speakers, who provided us with access to inside information. Stories told in the first person who helped me gain a better perception and understanding of REN's strategy. It is also worth highlighting the opportunity we had to learn about the several different physical areas and activities of REN's teams. Lastly, there is another aspect that I believe has benefited this programme, which is the chance that was given to co-workers who joined in 2008 and 2009 to also participate in the programme. Since that attitude enabled a unique sharing of experiences. "

Sofia Santos| REN Serviços | Procurement

- **REN Trainee Programme**

TRAINEE REN

The REN Trainee programme aims to provide the company with the best and most suitable human resources, introducing new skills, rejuvenating permanent staff, developing closer relations with the scientific and academic community, filling temporary needs with qualified resources and promoting REN's image as an employer. In 2011, the Trainee programme was reinforced with ten rotating traineeship programmes. REN will continue to invest in attracting and training new trainees according to its corporate needs.

- **Knowledge Management Project**

REN's Strategic Plan for 2010-2016 leveraged the strong points of the company to extract the maximum advantage of opportunities in the short and medium term in the energy sector, putting the company on a path of growth and progressive assertion of its leadership position. REN's response to these challenges has to be based on specialisation and on the development of specific skills of its employees, ensuring the correct transfer/management of knowledge among employees.

Thus, REN initiated the Knowledge Management Project, which aim is to identify exactly where this specific knowledge lies and therefore create the tools to help its distribution and sharing in a sustainable way throughout the entire organisation, while also identifying the degree of criticality of residing knowledge in the company. REN intends thereby to enhance and disseminate existing knowledge in the company, so as to increasingly become a unique company in the market in which it operates, making a difference through its human assets. For such, the completion of Stage 1 of the knowledge management project is already scheduled for 2012, as well as the assessment of the next steps to be taken, according to the needs and the strategy for its future.

4.5 ACKNOWLEDGING PERFORMANCE

REN's performance management policy regulates the performance management system to be applied to all employees who have already developed their activity for a minimum period of six months during the reference year and that are linked to the company by a work contract. For all other employees, who do not meet the criteria for being included in the performance management system, individual goals are also set, however the assessment of performance takes on an informative nature only.

This policy clarifies and creates new rules, in particular regarding the following:

- Evaluation model (STAR programme):
- Anticipating the stage of defining goals
- Clarification of the different responsibilities of the various stakeholders in the process
- Definition of common criteria for final assessments
- Principles and rules of the Variable Remuneration Programme

This new performance management policy enabled the simplification of the implementation of the assessment model, adapting it to the different realities of REN's different business areas. To this effect, the computer application for the support model to the STAR programme was improved, through the implementation of control requirements and the creation of support reports to the various stages of the process. The first cycle of the STAR programme, regarding employees' performance in 2010, covered all the employees who met the criteria for inclusion in the system.

The Variable Compensation Programme (VCP), which aims to reward employees whose performance contributed to enhance the creation of value for REN was approved in 2011, ensuring mainstreaming, uniformity and transparency in the implementation of rules and procedures throughout the organisation. This programme is therefore a key component of the company's compensation policy, ensuring a clear relationship between performance and the value earned by the employees.

4.6 COMMITMENT AND INVOLVEMENT

In 2011, the Management Meeting was reinforced as a practice in REN.

The 2nd Meeting brought together representatives from the 1st and 2nd lines of the Group and the Executive Board. Along with presentations from the leading projects and from some internal areas, it also featured presentations by guest speakers who reinforced the themes of leadership and management of trust.

The REN Meetings were launched in 2011. An initiative that aims to discuss current issues with an impact on the company and society in general. In 2011, there were two meetings of this type under the topics "Beating Low Coast Competition" and "The Power of Trust in Organisations."

Finally, two breakfasts with the Chairman were also organised. The purpose of this initiative was to bring together different employees, facilitating interaction and sharing of experiences, as well asprovid an opportunity to discuss different topics and to get to know the perspective of REN's Chairman for the company´s future.

4.7 BENEFITS AND SOCIAL DIALOGUE

In terms of benefits, there are different realities associated to REN's contracts established under the Collective Bargaining Agreement (in Portuguese ACT) and under individual employment contracts (in Portuguese CIT). Nevertheless, in both situations a set of competitive benefits in line with market practices is assigned to the employees of the Permanent Staff (in Portuguese QP) and to those under Term Contracts (in Portuguese CT), including:

Benefits	Collective Bargaining Agreement (ACT)		Individual Employment Contract (CIT)	
	QP	CT	QP	CT
1. Occupational accident insurance	✓	✓	✓	✓
2. Personal accident insurance	✓		✓[1]	
3. Health plan	✓	✓	✓	
4. Life insurance			✓[1]	✓
5. Pensions Fund	✓			
6. Electricity at reduced prices	✓			

REN maintains good relations with the Workers Committee, which meets regularly with the Executive Board in order to express and talk about their concerns and answers to the questions posed. Meetings are also held with unions, either by initiative of the company or upon the request of the unions, which represent 47% of REN's employees.

4.8 OCCUPATIONAL HEALTH AND SAFETY

Ensuring good safety and health at work is a constant concern of the company, aspect that has been recognized by the employees as one of the strengths of management over the years. The safety and health at work management system (which is certified by an accredited entity and covers most of the group companies), is primarily aimed at preventing the occurrence of occupational accidents and illnesses involving both the company's own employees or employees from contractors and service providers with whom REN cooperates in the development of its mission.

All employees, at different levels of responsibility, have a decisive role in the implementation and success of the company's safety and health policy. In a very simplified way, below are some of the responsibilities of the main organic and functional units involved.

AREAS OF RESPONSIBILITY		
• Executive Committee and Board of Directors • Quality, Environment and Safety Councils • Process managers • Officers in charge of safety	• Sustainability department • Human resources department • Other Departments in the Group companies	• Occupational Health & Safety Committees (There are three Occupational Health and Safety committees covering all the employees in the companies Rede Elétrica Nacional, REN Gasodutos e REN Atlântico)
MAIN RESPONSIBILITIES		
• Establish overall goals and objectives • Analyse the results of internal audits and performance of management systems • Approve the audit plans • Ensure compliance with legal requirements on safety • Promote hazard identification and risk assessment • Ensure the adequacy and updating of internal emergency plans • Assess the results of reports on occupational accident and collaborate in analysing the accidents as such and investigating their causes	• Ensure the permanent adequacy of the security component of the integrated management system • Ensure connections with official entities • Ensure the preparation and updating of support documents on safety • Identify the vulnerabilities of energy transmission systems • Develop scenarios and procedures for emergency response and risk management • Promote training exercises and drills • Prepare the annual training plan (including the component of health and safety) and coordinate its implementation • Promote medical check-ups in the field of occupational health and campaigns to raise awareness towards the prevention of risk • Carry out technical visits to facilities and work places • Ensure the supervision of onsite safety at work • Carry out analysis	• Consider procedures for improvement of working conditions • Consider proposals for safety procedures • Make suggestions on personal and collective protection equipment • Propose training and awareness initiatives among workers on OHS matters • Request and consider suggestions from workers on OHS • Analyse the statistics on occupational accidents • Analyse reports on work accidents

Main activities carried out

- Preparation and update of internal documents of reference;
- Promotion of training initiatives (e.g. first aid, fire fighting, defensive driving);
- Internal audits, inspection visits and monitoring of safety conditions at work;
- Supervision and coordination of onsite work safety;
- Drills and exercises;
- Provision of personal protection equipment and verification of its correct use.

Safety

The activities of a more operational nature, including those related with the construction, maintenance and operation of infrastructure that constitute the networks of energy transmission and storage of natural gas are exposed to a multitude of risk factors threatening the health and safety of persons. To prevent, control and mitigate the possible consequences of those risks, which are the subject of a systematic characterisation, the company, in addition to meeting all the technical standards and legal obligations, promotes and implements the best international practices in the industry as far as safety is concerned. As a result of this activity, and compared to the previous year, in 2011 there was a reduction from eight to five in the number of accidents involving company employees.

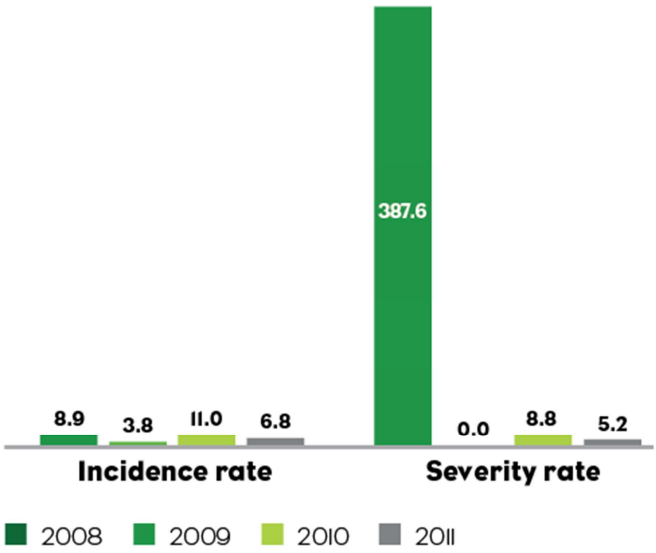
			NO. OF ACCIDENTS		
COMPANY	AVERAGE Nº. OF EMPLOYEES	Nº. OF HOURS WORKED	FATAL	NON-FATAL	DAYS LOST
Rede Eléctrica Nacional	307	523,296	0	2	6
REN Serviços	216	360,197	0	2	7
REN Gasodutos	115	199,225	0	0	0
REN Atlântico,	40	72,473	0	0	0
REN Armazenagem	9	15,236	0	1	49
REN Trading	8	12,305	0	0	0
REN SGPS	39	64,773	0	0	0
ENONDAS	1	2,356	0	0	0
RENTELECOM	1	1,231	0	0	0
TOTAL REN	**737**	**1,251,121**	**0**	**5**	**62**
Contractors and service providers	2,025	4,001,858	0	30	948

The accident rates have had a favourable progress, particularly in relation to contractors and service providers. Although the number of employees in the category of service providers allocated to REN's activities has increased, compared to 2010, there was a 35% decrease in the number of accidents.

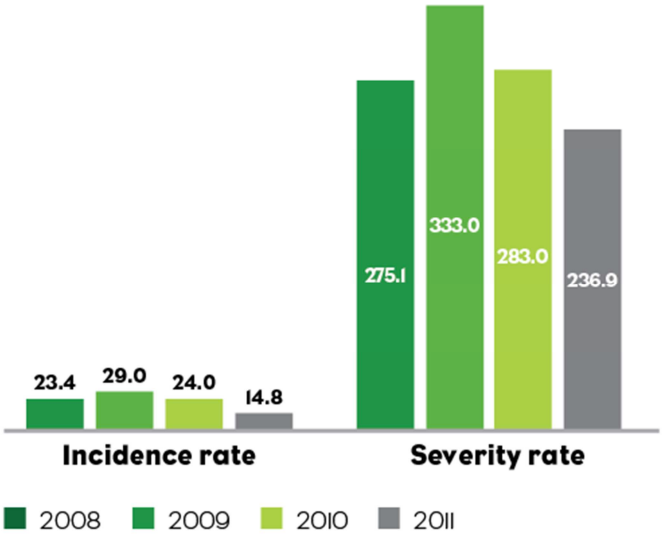
About 27% of REN's contractors and service providers have safety management systems developed and certified according to OHSAS 18001/NP 4397 standards, which in itself is an indicator of the high degree of social responsibility of these partners. It is also worth mentioning that, in 2011, REN promoted several safety

training and awareness raising initiatives involving 270 contractors and service providers, which represents an increase almost three times higher when compared to the previous year.

INCIDENCE AND SEVERITY RATE - REN



ÍNDICE DE INCIDÊNCIA E GRAVIDADE – PRESTADORES DE SERVIÇO



SAFETY AWARD
FOR CONTRACTORS AND SERVICE PROVIDERS RELATED TO THE CONSTRUCTION OF ELECTRICAL GRID INFRASTRUCTURES

As a way to distinguish and to encourage performance improvement in occupational safety and health, REN, since 2007, delivered annually awards of merit and honourable mentions to contractors and service providersthat excel in safety management in the construction works of power lines and substations. The award's ceremony takes place at a safety technical session, to which the executing and supervising entities are invited, as well as REN's employees, and where issues related to safety at work are addressed through technical presentations, as to share useful information on safety procedures, practices and behaviour in construction sites.

The award is given to the entities performing with more hours of work, one for power line works and another for works in substations, provided they have not had any fatal accident or permanent disability, and have met the targets set by REN for the frequency and severity rates of accidents. Other companies that meet the above requirements, and have over 40,000 hours of work in the year to which the award relates also receive a honourable mention. These indexes, for the ambitious nature with which they were defined in 2007, have remained constant until now. The sessions have been considered a contribution to the continuous improvement of safety at work since 2009, there was a significant reduction in the rate of severe accidents in the construction of substations, and 2011 was the year with the lowest figure since 2007. In construction works of lines there is also an improvement in the frequency rate of accidents, and the lowest figure to be registered in five years was achieved in 2011.

In addition, these sessions have helped to convey the safety goals sought by REN and changes to some of the practices that are adopted on site. Examples include the required strengthening of safety teams and their involvement in work sites, the improved enforcement of alcohol control and new demands on the contents of awareness raising initiatives.

Emergency response

The strong human component associated with the company's facilities management, requires systematic awareness and training on how to act in emergency situations. Thus, several exercises and drills are held every year aimed at testing the effectiveness of safety procedures and the response to emergency situations, taking into account the technical features of each installation and involving both internal and external teams in providing aid.

In 2011 eleven drills were held on situations of fire and personal accidents in substations of Trafaria, Macedo de Cavaleiros, Estremoz, Pego, Tábua, Lagoaça, Batalha, Alto do Mira and Armamar and also in the building of Bucelas and in the liquefied natural gas terminal of Sines. For this year 19 drills are expected to be carried out.

Given the emphasis on communication and engagement with official entities in emergency situations, fire brigades, civil protection and the security forces have always been encouraged to take part in such drills. The results of each simulation are object of analysis, which contributes to the improvement of procedures and response teams.

It is also worth highlighting that REN regularly takes part in exercises and drills at national and international levels, in articulation with the authorities, other companies in the energy sector and with entities providing essencial services of general interest.

Health

All employees are covered by one of the two possible health plans which began in the companies that presently make up the Group. Most are covered by a complementary plan of the National Health System and other employees benefit from a health insurance, including those hired after 2009. The health plans are extended to the household of the employee, more precisely to the spouse and to the children until 25 years.

Moreover, the company offers an occupational medicine service, beyond what is covered by the applicable legislation, andcomplementary medical tests and exams can also be made in order to enable preventive action in terms of its employees' health. Currently there are seven medical centres in its own premises, providing a closer contact between the occupational medicine services and the employees, minimizing inconveniencetime and travel costs.

In 2011 the following were performed:

- 607 diagnose support tests
- 365 medical acts
- 1315 nursing acts

As in previous years, there were no recorded cases of occupational diseases in 2011 and the rate of absenteeism rate has fairly constant over the past years and on a level that can be considered low.

	08	09	10	11
Absenteeism rate	2,8%	2,3%	2,2%	3,1%

5. RELATIONSHIP WITH THE COMMUNITY

5.1 RELATIONSHIP WITH OWNERS

The concern with dialogue and communication with landowners and people who are close to REN's infrastructures, fits the commitments made in the company's social responsibility policy.

In 2011, due to the high level of investment made for the expansion of the company's electrical and natural gas infrastructure, 59 estates were acquired and contacts with some 2,400 landowners were made. Thus, on December 31st 2011, the owners database contained about 63,400 records, which, in itself, shows the importance this group of stakeholders has for REN.

For the establishment of rights of way, in more delicate situations, REN often feels the need to resort to legal mechanisms such as the subpoena process or to request support from public authorities for the progress of the works. In 2011, it had to resort to the subpoena process in four occasions only in the electrical lines, in a universe of over 3,000 contacts that were made. In the field of gas, that need did not exist. These results are an indicator of the efforts that REN has been making with a continuous improvement of performance, in order to reconcile the legitimate interests of landowners and communities affected, with the establishment and operation of the company's infrastructure.

REN's relationship with landowners is part of the daily activity of the company, particularly during the stages of construction and maintenance of electricity and natural gas infrastructures. This relationship is governed by specific legislation, and REN ought to contact and establish agreements with all affected landowners, as well as with other stakeholders. The direct contact between REN and landowners helps to providing information on the infrastructures to be built, to inform them on the rights and duties of owners regarding the installation of utilities infrastructures and on the consequent losses to their estates, as well as on the compatibility between the operation of the infrastructures and other types of use the estates. This contact also helps to establish formal compensation mechanisms for the use of their estates. This usage may include the establishment of rights of way, whether electric or for gas, or the acquisition of the respective estate in case of construction or expansion of electrical substations or gas stations.

In addition to the employees directly related to this area, for the negotiation of the rights of way and land acquisitions, REN resorts to qualified service providers who also represent REN before the owners. Since the dialogue process is very important to REN, there is a close monitoring of these services by the company, which carries out, directly, the required formal communications.

Once the infrastructures are built, REN continues to foster permanent and constant dialogue with the landowners, in order to harmonize the use of the land in service areas with the safety standards imposed by good practices and the law in force.

5.2 SUPPORT TO THE COMMUNITY

REN, being aware of its responsibility on corporate citizenship, and in line with its commitment to maintain a model of ethically and socially responsible management, supported once again, in 2011, many civil society organizations and public institutions, by participating in many initiatives in several domains: social, cultural, education, environment and sports.

Some of these supports have helped to establish a long-lasting partnership, such asthe “Dias da Música” in Belém, in the cultural field, the “Sempre Mulher” race in solidarity sports, and, in technical and scientific matters, the Expo Energy, which has relied on REN's support since its first edition, the Cogen Conference and the Technology Days, in which the company has been participating as a sponsor for several years.

It is also the case of the Annual Conference of BCSD Portugal, of which REN is a member, and the HIV Portugal Conference, arising from Ren´s engagement on the Code of Conduct Companies and HIV derived from the Labour Platform against HIV since 2008.

Regarding training and education it is worth mentioning, for the fourth consecutive year, the partnership with the Portuguese Society of Physics under the MEDEA Project, which encourages high school students to develop projects on the topic of electromagnetic fields of very low frequency.

Also targeted at university students, it is highlighted the sponsorship to the Católica Top + program and to The Lisbon MBA. In addition to this, REN

awards an annual prize, an initiative that takes place since 1995 which aims to promote collaboration and interaction with Universities, by rewarding the best engineering work associated with the energy sector.

Since 2010, REN supports the project “Visão Braille”, which promotes the dissemination of informative content among the blind. This is a non-profit publication which is distributed for free.

Of great importance is also the partnership with the (in Portuguese, EPIS) Association - Entrepreneurs for Social Inclusion, of which REN is a founding member, for the fight against school failure and early school dropout.

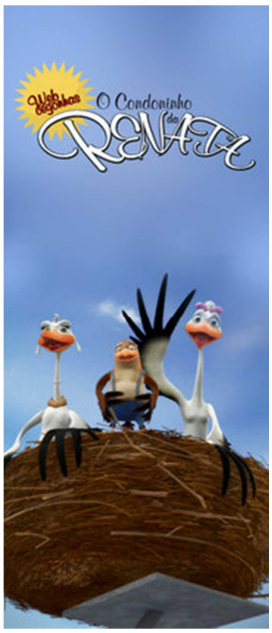
COMMUNITY ENGAGEMENT

In the scope of its policy of engagement with local communities, where company infrastructure and facilities are located, REN seeks to act as a socially responsible entity, expressing concerns on environmental protection, historical and cultural heritage and also on the legitimate interests of the populations of the surrounding areas. This is materialized through its support to civil society initiatives, whose implementation depends a lot on this type of contribution, whether on the support and participation in conservation projects, within the scope of the measures to mitigate environmental and heritage impact, or even on actions promoted by the company in the field of environmental dissemination and awareness.

In this respect it is worth mentioning the reforestation action in Pousos, which brought together 81 children from two primary schools of the borough, and which resulted in planting 1,300 trees.

Integrated in the reforestation works of the protection strip along the Batalha-Lavos line, this action reflects on the one hand, the relationship with local authorities, which have been a partner throughout the entire construction process, acting as a mediator and facilitator with the population; and reflects, on the other hand, the company's stake in information and environmental awareness among the younger population, in this particular case.

Through this initiative, REN intended to mark the National Week of Reforestation in the International Year of Forests, alluding to the forest conversion work that the company is developing across the country and its importance in terms of forestry planning, namely in this particular line, supporting the planting of approximately 148,000 trees in a total converted area of 178.2 ha.



Also within the scope of environmental dissemination and awareness, REN we invested once again in the television broadcast of "Condoninho da Renata," an animated series in which the leading character, a white stork named Renata, together with other characters, seeks to raise young people's awareness towards environmental issues.

Energy management and REN's activity are among the topics addressed, thus seeking to contribute to the demystification of certain preconceptions related to high voltage power lines. This TV program was developed together with QUERCUS (National Association for Nature´s Protection) and with the support of the (in Portuguese, ERSE) -Regulator for the Energy Sector.

REN also supported the project “Sentir a Biodiversidade” (Feeling Biodiversity), as well as the initiative developed by Quercus "Eco Casa” (Eco House), which aims to encourage more eco-efficient behaviours, including proper energy management at household level.

Also worth stressing is the contribution towards the promotion of the fourth Grand Crossing of Via Algarviana, an action of the Association for the Protection of Cultural and Environmental Heritage of the Algarve, which the company has been supporting since its first edition; and our sponsorship to the publication “Responsabilidade Ambiental – Operadores públicos e privados” (Environmental

Responsibility - Public and Private Operators), a publication that provides technical information on the implications and effects of environmental liability regulation.

At social and cultural levels, the company has supported a number of fire-fighters associations and initiatives promoted by these, as well as numerous cultural and recreational activities carried out by local authorities, and by cultural and sports associations.

In 2011, REN established a cooperation protocol with the National School of fire-fighters (in Portuguese ENB) for supporting the construction of a training camp for urban search and rescue that will help provide training in emergency situations in case of earthquake. This new infrastructure, to be installed at the headquarters of ENB in Sintra, will be the first training camp of its kind in Portugal and will provide training for fire-fighters to act in many urban settings, from search and rescue, to collapsed structures, to extrication methods and urban fire fighting.

From another standpoint, but still within the scope of communities promotion policy, REN kept its openness towards the exterior through numerous tours to its facilities, not only for school and university students, but also for other entities such as the Ministry of Economy, the Engineers Society, and CIP, the Business Confederation of Portugal.

At an internal level, the company promoted the REN Encounters, spots of debate and discussion on current topics of general interest, with guest speakers; while at the same time that, by promoting the practice of sports among its employees, it restated its support to their participation in several initiatives. In order to establish an integrated communication, where each *tool plays its part*, the means for internal communication were also strengthened. REN's Intranet homepage and the internal newsletter were reformulated in order to give more visibility to the company's important issues and bring the employees closer together, encouraging their participation.

SOCIAL SOLIDARITY

Aiming at supporting social causes and helping others fight against inequalities and the issues that most affect society, REN's spirit of solidarity materialized in several ways. Through the partnerships established with charities and also the volunteer work of our employees in initiatives developed by the former. As examples, the campaign “Tampinhas por uma mão para o Rodrigo” (Bottle Caps for Rodrigo's Hand) and the 2nd National Collection of Batteries stand out.

In terms of partnerships, REN renewed the protocol with Helpin, which began in 2008, thus continuing to support the work of the UNHCR (UN High Commissioner for Refugees) in the Horn of Africa. Pursuing the occasional supports granted in recent years, REN established, at the beginning of the year, a protocol with CADIn (Support Centre for Child Development), an institution with an important role in supporting children, young people and adults with development disorders.

REN also supported the Adapted Sports Space, a project of the Salvador Association, which aims to improve the physical condition of people with physical disabilities, in order to promote their highest possible level of independence. The support to various institutions has also been renewed, namely to Abraço, to the Gil Foundation, to the Humanitarian Union of Cancer Patients, to the Pro *Dignitate* Foundation and to the Portuguese Association Against Leukaemia.

As in the previous year, around Christmas time, REN supported two causes, the homeless and the fight against hunger, through the project “Comunidade Vida e Paz” and through the “Banco Alimentar contra a Fome” (Food Bank Against Hunger). The donation made to the “Comunidade Vida e Paz” was aimed at their Christmas party, which, for 23 years now, this institution offers to the homeless in Lisbon, and which gathered in the canteen of the University of Lisbon about 2500 people. A value 25% higher than the one of last year as a result of the increasing number of families in need, plagued by unemployment and the crisis.

The support given to the Food Bank allowed to complete the food baskets that are delivered everyday to charities, which, in turn, they offer to those in need. With this goal, approximately 60,000 litres of milk and more than 2,000 litres of olive oil and oil were acquired, among other basic necessities.

VOLUNTEER WORK

The year 2011 was a pioneering year with regard to employee engagement in business voluntary work to the benefit of partners. This was the case of the Adapted Sports Day, a joint initiative of the Salvador Association, which promotes the protection of the interests and rights of persons with reduced mobility, and the Inatel Foundation where REN employees helped some 60 participants with physical disabilities to complete several courses ,in different sports disciplines.

Arising from the internal training programme "Customer Orientation", 120 employees "jumped into their overalls, rolled up their sleeves and got down to some serious work," remodelling the canteen and seven rooms of the Institution for Social Support of Bucelas, institution which the company has been engaged with for many years and that supports more than 100 children and elderly.

In order to implement many of the concepts covered in the training sessions, such as team spirit, proactiveness, availability and solution-orientation, this team building action had *a* clear solidarity goal, which was to aid a charity in need.

These were the first steps of a corporate volunteer project, which REN aims to develop in 2012, thus promoting an increasingly supportive corporate culture.

6. INNOVATION, RESEARCH AND TECHNOLOGY

6.1 INITIATIVES

REN continued to invest in Research, Development and Innovation (RDI) activities in 2011 by participating in projects or developing new differentiating solutions with current and future impact on its activity and performance.

This year is also marked by the beginning of a series of RDI initiatives in which REN takes on an active role:

- **Project iTESLA:** the project "Innovative Tools for Electrical System Security Within Large Areas (iTESLA)" is a new European project embedded in the 7th Framework-Programme of the European Commission which aims to develop and validate a *flexible* **toolbox that,** with 2015 in the horizon, would allow to support the future operation of the *pan-European* electricity transmission grid, while promoting increased coordination / harmonization of procedures among network operators;
- **Project MoDPEHS (“**Modular Development of a pan-European Electricity Highway System 2050”): This project aims to develop the foundations for a robust and modular expansion of the pan-**European electricity** *transmission grids between* 2020 and 2050, taking into account the three pillars of the European energy policy.

REN also participates in a number of projects started in previous years and whose results are relevant to the current and future activity of the company:

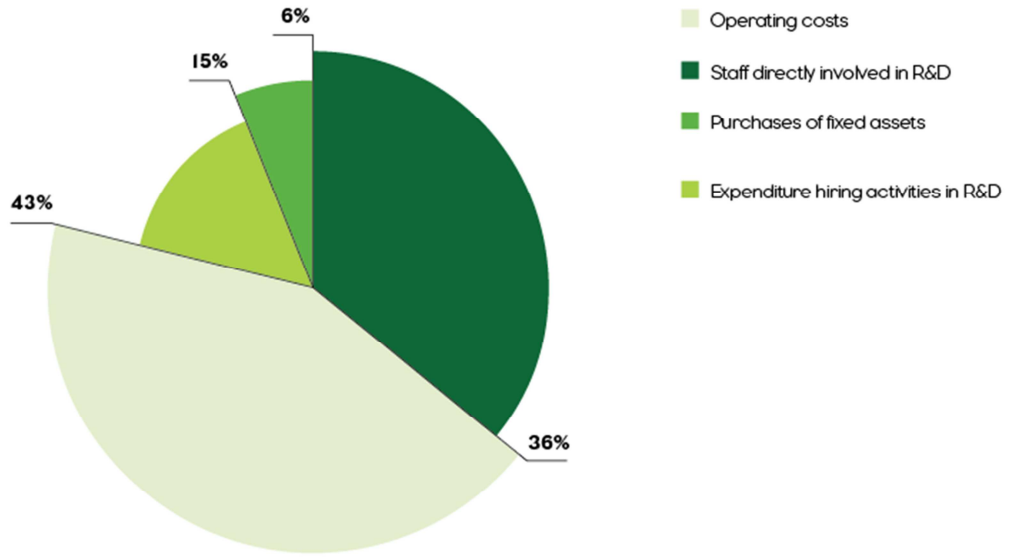
Applications to SIFIDE and other partnerships

PROJECT	FUNDING PROGRAMME	DESCRIPTION
REIVE	FAI (Innovation Support Fund)	The REIVE (Smart Grids with Electric Vehicles) project aims to study, develop and test solutions and pre-industrial prototypes for the active and intelligent management of electrical grids with a large penetration of micro-generation and electric vehicles.
PEGASE	FP7[1]	The European project PEGASE ("Pan European Grid Advanced Simulation and State Estimation") aims to develop a methodology to implement the state estimator of the European network and dynamic models in real time. http://fp7-pegase.eu/
MERGE	FP7	Led by INESC Porto, the project MERGE ("Mobile Energy Resources for Grids of Electricity") aims to prepare the European electrical system for the widespread use of electric cars.http://www.ev-merge.eu/
New Transduction Solutions (Rogowski)		This project aims to develop a technologically innovative solution, capable of performing the functions of monitoring and protection of underground cables and to ensure the currently existent levels of quality and reliability. It involves a new intensity transformer solution for measurements and protection at the transition or circuit-breaker stations, perfecting monitoring by improving the accurate identification of defects / faults in the electrical system, regardless of the voltage to which this has been subjected.
Research - Electromagnetic Fields Associated with RNT infrastructures		This project aims to improve the methodologies for assessing the impact of electric and magnetic fields (EMF) of the infrastructures of the National Transmission Grid (in Portuguese RNT) on human health, to ensure evidence-based decisions with regard to the location and characteristics of equipment for electricity transmission. The project uses innovative methods in the field of nanotechnology, to deepen the knowledge on the molecular mechanisms associated with the effects of the EMFs in biological systems and conducts an assessment of possible implications to human health in the long term.
Assessment of the effectiveness of anti-collision devices		This project aims to assess the effectiveness of anti-collision devices in reducing the collision of wild birds with RNT overhead cables and testing of new FBF (Firefly Bird Flapper) devices.

[1] FP7 – 7º PROGRAMA-QUADRO DA COMUNIDADE EUROPEIA DE ATIVIDADES EM MATÉRIA DE INVESTIGAÇÃO, DESENVOLVIMENTO TECNOLÓGICO E DEMONSTRAÇÃO.

In 2011, REN submitted three applications for the funding programme SIFIDE - Tax Incentives System for Corporate Research & Development (R&D) - related to 2010 and within the scope of the R& D activities developed by REN - Rede Elétrica Nacional, SA, by REN Serviços, SA and by REN Gasodutos. In this context, 21 R&D projects were identified, which relied on the participation of about 78 employees in a part-time regime. The amount spent by REN, with R&D activities developed in the company in 2010 was 1.9 M€. Given the information currently available, it is estimated the amount spent in this field in 2011 to be higher than 1.6 M€.

DISTRIBUTION OF RELEVANT R&D EXPENDITURES IN 2010



In July 2011, the Office for Planning, Strategy, Evaluation and International Relations (GPEARI, in Portuguese)), of the Ministry of Education and Science (MEC), published the results of the Portuguese companies with greater expenditure in R & D activities in the year of 2009. For the first time, REN is included in the group of the top 100 Portuguese companies which have invested the most in R & D activities. This work was based on the results of the national Science and Technology Potential Survey of 2009 (IPCTN09), launched in June 2010 and aimed at a total of 9678 companies. The amount spent on R&D by REN in 2009 was 2.2 million euros.

The RDI activities developed in the company relied on the collaboration of external entities, with emphasis on partnerships with academic institutions and other national R&D institutions, such as: IST – Instituto Superior Técnico (Higher Technical Institute); IDAD - Instituto de Ambiente e Desenvolvimento da Universidade de Aveiro (Institute for the Environment and Development of the University of Aveiro); INESC Porto – Instituto de Engenharia de Sistemas e Computadores (Institute for System and Computer Engineering); LABELEC – Estudos, Desenvolvimento e Atividades Laboratoriais SA (R&D Lab and Studies); ISQ - Instituto de Soldadura e Qualidade (Welding and Quality Institute).

In addition to the regular participation in events promoted by COTEC Portugal - Business Association for Innovation, REN, as an associate company, was invited to join the new digital platform Colaborar.COTEC, released in 2011 by this organization, with the purpose of bringing together and fostering cooperation between companies within the COTEC universe, and between these and the remaining agents of the National Innovation System.

6.2 INTERNATIONAL WORKING GROUPS

In 2011 REN pursued its collaboration with various international organizations, such as the following:

cigré	CIGRÉ – Conseil International des Grands Réseaux Électriques
eurelectric	EURELECTRIC – Union of Electricity Industry
entsog	ENTSO-G – European Network of Transmission System Operators for Gas
entsoe	ENTSO-E – European Network of Transmission System Operators for Electricity
ACER Agency for the Cooperation of Energy Regulators	ACER – Agency for the Cooperation of Energy Regulators
RSCP European University Institute Florence School of Regulation	FSR – Florence School of Regulation
METSO Mediterranean Transmission System Operators	METSO – Mediterranean Transmission System Operators
Medgrid	MEDGRID - Consortium with the goal of promoting the development of electrical interconnections between the North, South and East Mediterranean

The entry into force of the 3rd package of the European Union (EU) legislation on the Energy Sector, among others, with the creation of ENTSO-E and ENTSO-G, has been representing a gradual and significant increase of REN's presence and engagement in the activities of these two bodies.

ENTSO-G (European Network of Transmission System Operators for Gas)

According to Article 12 of Regulation (EC) 715/2009, transmission networks operators establish regional cooperation within the ENTSO-G, particularly through the publication of a regional investment plan every two years. REN took part in the preparation of the Regional Investment Plan for the year 2011 and closely followed the evolution of the working groups in different areas of ENTSO-G's activities, with particular emphasis on the working groups involved in capacities, balance sheets, investment, interoperability and transparency, both as a member of the Liaison Group (a group which aims to transversally disseminate the progress in various areas of business of the ENTSO-G), as well as by participating in several work sessions.

Among the main results achieved by ENTSO-G, the completion of the 1st draft version of the network code for the allocation of cross-border capacities stands out. Also noteworthy are the preparatory works and surveys at community level on the impact assessment of the resolution on congestions in each member-state. This documentation - as well as the already expected tasks of the ENTSO-G - as well as the preparation of the respective network codes in the fields of balance and interoperability of European networks and the developments and discussions on the definition of a target model for gas, is of great importance to the operators of transmission systems and other industry agents. These documents embody a set of basic and common rules which shall be the foundation for the operations of the internal gas market to be implemented in the EU, thus affecting each member state in particular.

Still within the scope of the work developed by the working group for the southern region, the work begun by REN and its counterpart Enagás deserved particular recognition. The goal is to develop a pilot project to harmonize the process of capacity allocation in the Portugal-Spain border, to be implemented from June 2012, and which sits on the work and results already achieved in other areas of activity, namely the framework guidelines and network codes.

In the interoperability and transparency chapter, REN's activity in 2011 was marked by the beginning of continuous and automatic publication of operational information related to its activities of transportation, storage and acceptance, and re-gasification of LNG into the market through its website, thus complying with the requirements of European regulations on the subject of transparency applicable to the natural gas sector. Since November 2011, REN decided to make publicly available on an European Internet platform (called AGSI - Aggregated Gas Storage Inventory and managed by GSE - Gas Storage Europe) information related to the underground storage capacity of Carriço for consultation by sector agents.

ENTSO-E (European Network of Transmission System Operators for Electricity)

Similar to gas, the electricity sector is regulated by the legal provisions set forth under Regulation (EC) 714/2009, which foresees, among other, the following obligations by ENTSO-E: preparation of European codes in the areas of planning, operations and markets; preparation of a ten-year plan for the development of the pan-European network (Network Ten-Year Development Plan); and preparation of a R&D plan that identifies the priorities and needs of transmission system operators in order to achieve the goals of EU energy policy.
To this, end, the ENTSO-E is organized into four committees respectively: SDC (System Development Committee), SOC (System Operations Committee), MC (Market Committee) and RDC (Research and Development Committee). . REN has representatives in all committees, as well as in the working groups associated with each committee.

In 2011, the main activities in which REN was involved, within the ENTSO-E, were:

- Monitor and participate in the process of preparing the new European codes in the areas of planning, operations and markets, and draw proposals for amendments to several requests (eg. requests regarding framework guidelines derived by the Agency for the Cooperation of Energy Regulators (ACER).

- Articulate and clarify the national stakeholders such as industry associations, promoters, network and power plants operators (REN was the first European operator of transmission systems to organize an informative session on the first European code for the national stakeholders who will directly suffer the impacts of its future provisions).

- Contribute towards the preparation of 'position papers' of ENTSO-E on topics of European interest (eg. policy on energy efficiency, integration of renewable energies in the market and service exchange system) and for the preparation of the Ten-Year Network Development Plan (TYNDP), identifying the most relevant projects that contribute to the fulfilment of the national targets set in European energy policy as well as contribute towards the modelling of the pan-European electrical system..

- Participate in the definition of operation and planning standards consistent within the pan-European area, and also the mechanisms for the allocation of interconnection capacity in the various schedules which may enable the creation of the European market. Enable the integration of renewable energies.

- Participate in R&D projects that aim to design and identify lines of topological and technological development of the future pan-European network, to be materialized by 2050; while also participating in REN's connections to the Electronic Highway applications, a data communication network exclusive for the exchange of operational data between transmission systems operators.

- Submit, on a daily basis, data on the model estimated by REN for consumption, generation and transit of

energy in the RNT for the following day, in order to implement the DACF process (Day Ahead Congestion Forecast) and prepare estimations of the Portuguese network for other timeframes in addition to the daily regime.

- Verify the frequency answer of the Portuguese system to the incidents occurred in the Continental European network and harmonize the mechanisms for the electronic exchange of information in the European electricity market, ensuring system interoperability, enabling the development of low cost information technology systems and facilitating the entry of new agents in the market.

ACER – Agency for the Cooperation of Energy Regulators

Under the context of regional initiatives of ACER, within the activities of the regional group of southwest Europe, REN, together with Spanish and French corporate counterparts, established a mechanism for the international exchange of services between the transmission system operators of the three countries, which will ease the integration of renewable energies while maximizing the integration of wind power production and minimize the occurrence of turbine flow discharges in hydro power plants. In another aspect of these regional projects, the three system operators are cooperating in the work to prepare further legislative or regulatory changes that may allow coupling the Iberian Electricity Market (MIBEL) with other European markets.

7. ENVIRONMENTAL PERFORMANCE

A question to the *stakeholders*::

Would you consider REN an environmentally responsible Company?

Average socre - 4.3 (in a scale 1-5)

7.1 ENVIRONMENTAL MANAGEMENT

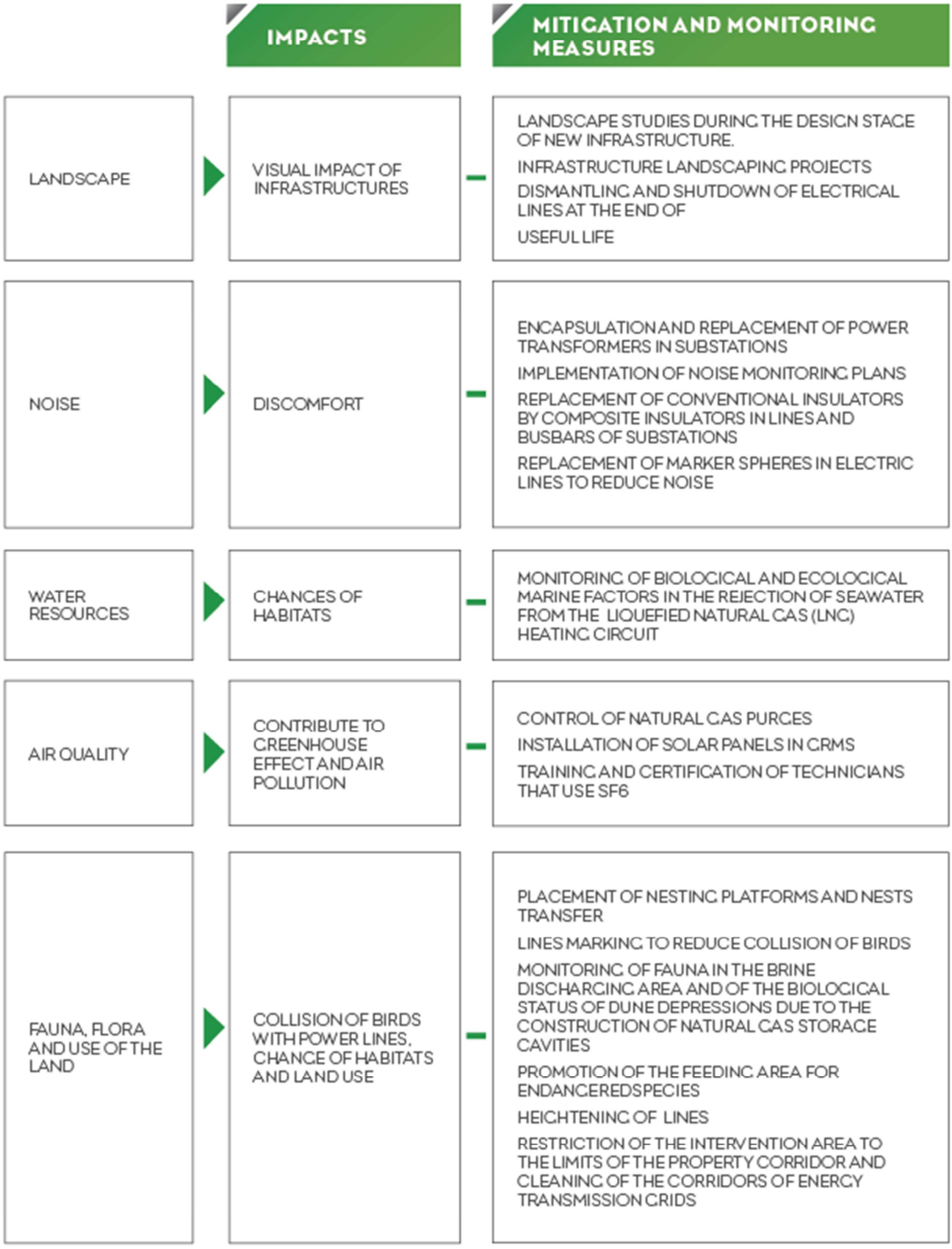
REN has always devoted its attention to environmental issues, going far beyond its strict legal obligations. And so, for over 10 years, the company has developed a systematic approach and improved its environmental management practices, in a coordinated and increasingly integrated way with other relevant aspects to its processes and stakeholders, namely concerning quality, safety and health.

The following table shows the chronology of the integrated management system certifications which covers most of the group companies.

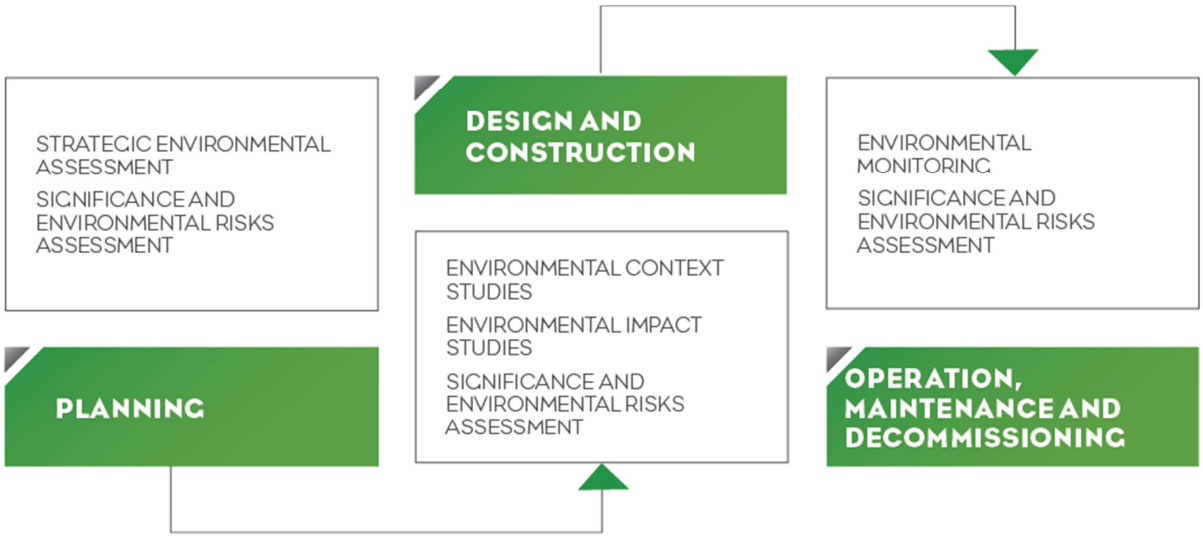
These certifications were renewed in 2011, following a third party audit held for that purpose in November. REN generates various environmental impacts in the surrounding environment where it operates and, although these are generally not very significant, they are nonetheless subject to mitigation and monitoring measures in order to ensure the development of the company's activities in a sustainable manner.

	REN - REDE ELÉCTRICA NACIONAL	REN SERVIÇOS	REN TRADING	REN GASODUTOS	REN ATLÂNTICO	REN ARMAZENAGEM	REN TELECOM
2010						ISO 9001 OHSAS 18001 ISO 14001	ISO 9001 OHSAS 18001 ISO 14001
2009				ISO 9001 OHSAS 18001 ISO 14001	ISO 9001 OHSAS 18001 ISO 14001		
2008	ISO 9001[2] OHSAS 18001[2] ISO 14001[2]	ISO 9001[2] OHSAS 18001[2] ISO 14001[2]	ISO 9001[2] OHSAS 18001[2] ISO 14001[2]				
2005	ISO 9001[1] OHSAS 18001[1]						
2003	ISO 14001[1]						
2000	ISO 9001*						

* CERTIFICATION GRANTED TO LINE AND SUBSTATION CONSTRUCTION ACTIVITIES OF THE INVESTMENT DEPARTMENT OF REDE ELÉTRICA NACIONAL.
[1] CERTIFICATION GRANTED TO THE OBJECT OF CONCESSION OF REDE ELÉTRICA NACIONAL.
[2] TRANSFER OF CERTIFICATIONS TO THE OWNERSHIP OF REN, SGPS. EXTENSION OF ALL THREE CERTIFICATIONS TO THE COMPANIES REN - REDE ELÉTRICA NACIONAL, REN TRADING AND REN SERVIÇOS.



In order to identify, assess, monitorise and minimise the impacts generated, various tools and instruments are used depending on the nature of the activity to be undertaken (planning, project design, construction, operation, maintenance or decommissioning).



STRATEGIC ENVIRONMENTAL ASSESSMENT OF THE DEVELOPMENT AND INVESTMENT PLAN OF THE ELECTRICITY TRANSMISSION NETWORK (IN PORTUGUESE, PDIRT)

PDIRT reflects the expansion strategy of the National Transmission Network (RNT), in order to ensure the proper functioning of the Portuguese network interconnected with the remaining European network. The main goal of this plan is to ensure the medium and long term, quality and security of supply, considering its surrounding environment as a whole, including the national and European energy policies, the social-environmental impacts and free access to the network, including marketing goals, to ensure the efficient operation of the National Electric System (in Portuguese, SEN).

PDIRT is a periodic document which, according to Decree-Law No. 232/2007, is preceded by an Environmental Assessment (EA) by which the technical and operational objectives of the plan are reconciled and optimised with the social and environmental aspects, ensuring that the options for expanding the RNT are assessed and not merely limited to technical and economic goals and criteria.

The results from the Environmental Assessment (EA) constitute a framework for future approval of projects subject to Environmental Impact Assessment (EIA), as is the case with most of REN's investment projects. This process has been consolidated by the company since mid 2007, and its practical application was implemented upon the preparation of the PDIRT 2009-2014 (2019). In 2011 REN concluded the second similar exercise with the Strategic Environmental Assessment (SEA) of the PDIRT 2012-2017 (2022).

The environmental report, resulting from the implementation of the environmental assessment of PDIRT 2012-2017 (2022), was submitted for public consultation along with the PDIRT. 48 contributions were received, of which 43 were opinions from central and local government bodies and five from other institutions. Most of the comments and opinions received focused on the topic "spacial planning" (48%) and 11% of comments were from private developers operating in the area of renewable energy. All contributions

received have been considered and, whenever relevant, appropriately integrated into the final version of PDIRT.

Assessment and monitoring measures (guidelines) associated to the implementation of PDIRT were also identified in the environmental report, which were then included in the environmental statement. These measures will be subject to monitoring by REN and to annual reporting to the EIA authority.

As part of the expansion and improvement activities of the electricity and natural gas transmission network and natural gas storage infrastructures, a significant range of environmental assessment processes in the project stage have been developed:

	08	09	10	11
Processes of Environmental Impact Assessment	15	12	4	5
Post-Assessment Processes of Environmental	3	11	6	0
Environmental Impact Statement	7	11	7	6
Project Environmental Studies	7	8	9	8
Environmental Impact Studies (EIS)	8	5	9	3
Environmental Compliance Report of the Execution Project (in Portuguese, RECAPE)	3	10	2	1

Additionally, with the aim of harmonising the procedures and methodologies associated with EIA procedures, REN published in 2011 a methodological guide for assessing the environmental impact ofNational Electricity Transmission Grid (RNT) substations. The publication of this guide aims to:

. Compile, in a pedagogical way, all relevant technical and environmental information, aimed at the general public and for professionals involved in drafting Environmental Impact Studies and in processes of Environmental Impact Assessment;

. Integrate and improve the knowledge acquired from the experience of EIA procedures already developed.

. Create conditions for increased quality, efficiency and effectiveness of EIA procedures.

For the success of this initiative, REN relied on the crucial support of the Portuguese Environmental Agency (APA in Portuguese) and the Portuguese Association for Impact Assessment (APAI in Portuguese). The guide is available to all organisations and to the general public and may be consulted in digital format, the websites of *the* APA, the APAI and REN (Portuguese website). (http://www.centrodeinformacao.ren.pt/PT/publicacoes/Paginas/GuiaMetedologico.aspx).

In 2011, actions have also been developed for monitoring several of REN's infrastructure covering the following keywords:

DESCRIPTORS	NUMBER OF WORKS MONITORED			
	08	09	10	11
Birdlife	13	11	10	26
Soundscape	12	10	15	21
Electromagnetic fields	4	1	1	0
Water resources	2	1	1	1
Flora	1	1	2	3
Iberian Wolf	1	1	1	0

Plans for Promoting Environmental Performance (in Portuguese PPDA)

PPDAs are voluntary regulating instruments, promoted and coordinated by the Energy Services Regulatory Authority (ERSE), aim at promoting the environmental performance of regulated companies in the electrical and natural gas sectors.

The National Electric Network has joined this initiative, launched by ERSE in 2002, which allowed the development of a broader set of initiatives, which became a huge advantage and true asset to the company's environmental performance.

PPDA 2009-2011 of REN – Rede Eléctrica nacional (main measures)

PROJECT LIFE + STEPPE BIRDS	ASSESSMENT OF THE EFFECTIVENESS ANTI-COLLISION DEVICES WITH	BIRDLIFE PROTECTION	PROTECTION OF PROTECTED SPECIES	"A VIDA DO CONDONINHO [JOINT-NEST]" PROJECT
A PARTNERSHIP WITH THE LEAGUE FOR THE PROTECTION OF NATURE, AIMS TO PROMOTE THE CONSERVATION OF BIRDS IN THE CEREAL STEPPES HABITAT OF THE LOWER ALENTEJO, IN PARTICULAR THREE VULNERABLE SPECIES: THE BUSTARD, THE LITTLE BUSTARD AND THE LESSER KESTREL OF THE TOWERS.	A PARTNERSHIP WITH QUERCUS, AIMS TO EVALUATE THE EFFECTIVENESS OF NEW ANTI-COLLISION DEVICES, NAMELY OF THE *FIREFLY BIRD* FLAPPER, IN REDUCING THE NUMBER OF COLLISIONS OF WILD BIRDS.	THE PROJECT INCLUDES THE INSTALLATION OF NESTING PLATFORMS, AND ANTI-PERCHING DEVICES AND THE TRANSFER OF NESTS.	THIS PROJECT AIMS TO MINIMISE THE IMPACT CAUSED BY THE CORRIDORS OF RNT LINES IN THE FOREST OF CORK-OAKS AND HOLM-OAKS AND IN THE SPECIES THAT USE THESE FORESTS AS THEIR HABITAT, BY RAISING THE LINES (THIS MEASURE WAS COMPLETED IN 2010).	THE RENATA SERIES, WITH ADVICE AND INFORMATION ON ENVIRONMENTAL PROTECTION, ENERGY EFFICIENCY AND CLARIFICATIONS TO THE POPULATION ON THE EFFORTS MADE BY REN IN TERMS OF MINIMISING ENVIRONMENTAL IMPACTS, CONSERVATION OF SPECIES AND SUSTAINABILITY.

2011 is the last year of implementation of the PPDA 2009-2011 of the National Electric Network.

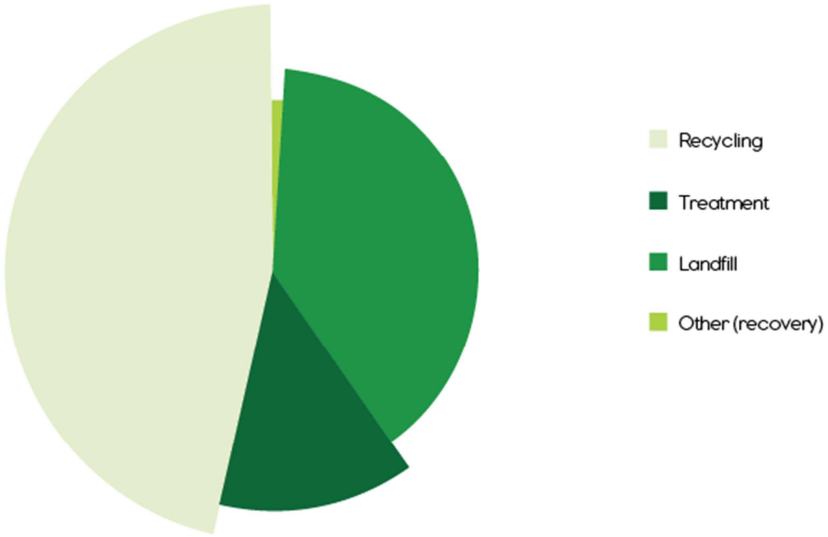
More information on REN's performance under the PPDA is available at the ERSE website: http://www.erse.pt/pt/desempenhoambiental/ppda/Paginas/default.aspx

Consumption of materials [1]	2008	2009	2010	2011
Nitrogen (m^3)	893	758	1,119	1,127
Ethylene Glycol (t)	10	0	0	4
Lubricating oils (t)	6,5	0,9	8,9	1,7
Lubricating greases (t)	0.20	0	0.01	0.01
Oil (t)	12	11	8	11
pH softener H_2SO_4 at 38% (litres)	3,325	5,075	1,770	330
Caustic soda (t)	0	0.2	0.1	0.1
Sodium hypochlorite (t)	140	146	147	411,95
Gas odorant (THT) (t)	39	48	55	54
Reused oil (t)	51	19	3	4
Ink cartridges and toners (no.)	5,714	1,639	1,282	1,092
Administrative paper for consumption (t) [2]	33	28	30	11.4
Recycled paper for internal use (t)	5	6	3	0.7

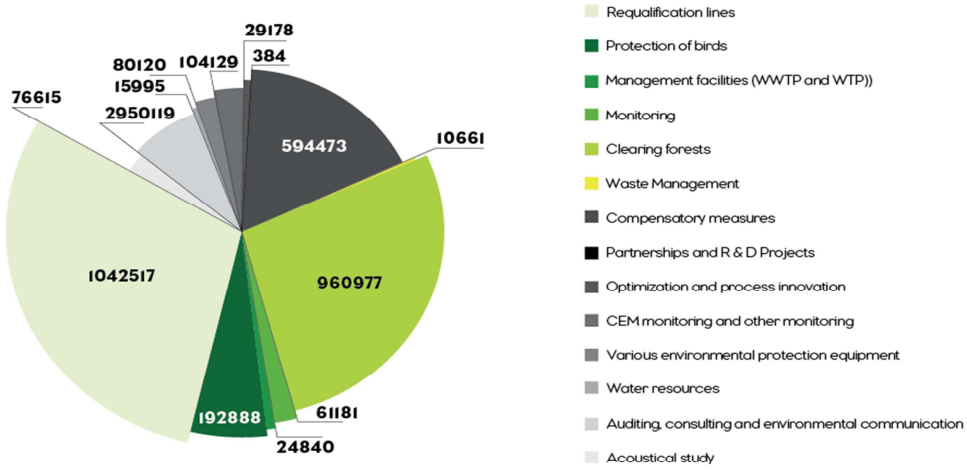
Water and effluents	2008	2009	2010	2011
Consumption of tap water from public network (m^3)	77,063	82,284	90,936	86,783,79
Water uptake from underground sources (m^3)	2,053,026	1,846,617	1,548,250	1,703,726
Usage of sea water (m^3) [4]	69,855,000	72,835,000	73,115,000	75,976,708
Rejection of brine into the sea (m^3)	1,573,351	1,764,157	1,167,472	1,330,500
Rejection of brine for treatment (m^3) [5]	371,159	611,604	266,399	270,639
Free chlorine - annual average value (mg / l)	0.68	0.56	0.34	0.15

Production of waste	2009	2010	2011
Hazardous (t)	1,439	41	69
Non hazardous (t)	49,578	195	367

Chart showing the breakdown of waste by destination.



The following chart shows environmental costs by type. Of notice, compared to 2010, a decrease in the costs associated with the clearing of forests due to the scarce frequency of this intervention, with the development, over the past year of the activities for the construction of protection strips in a significant percentageof the existing infrastructurs.



7.2. CLIMATE CHANGES AND ENERGY CHALLENGES

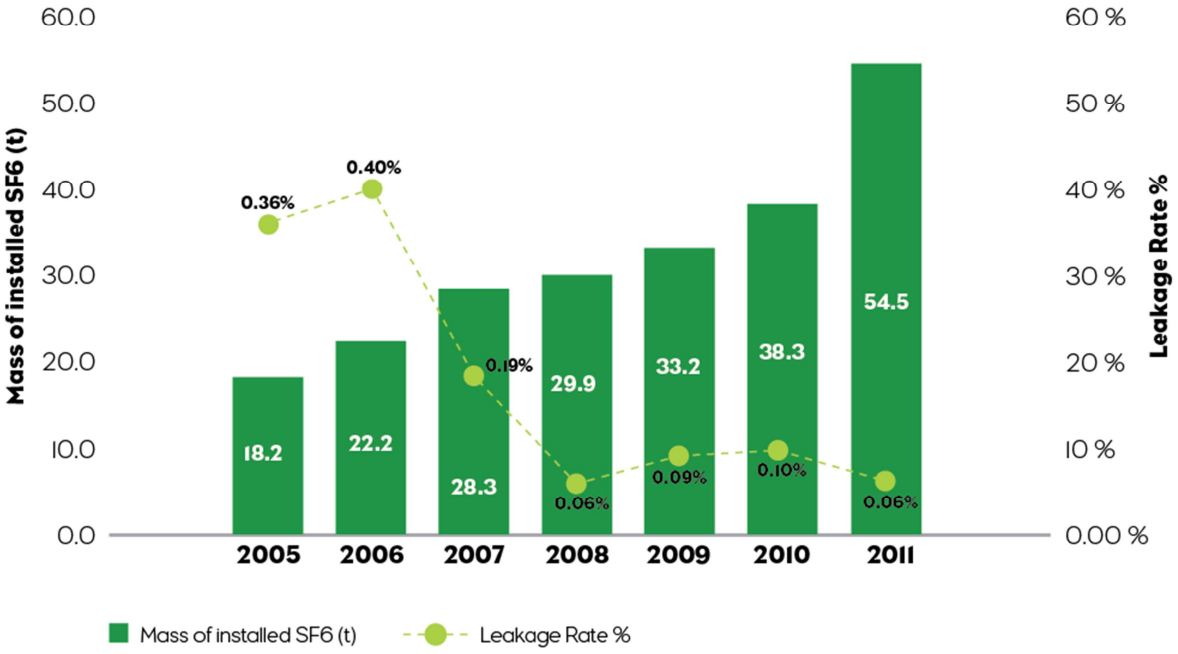
Climate Changes

Aware of the potential impact of climate changes upon energy transmission and storage infrastructures - in particular those with a linear configuration, such as the electricity and natural gas transmission network - REN has been working actively to identify and implement adaptation and mitigation measures for the consequences of the risk of extreme weather events. It is with this purpose that the company is part of the sub-working group for the energy sector, coordinated by the Directorate General for Energy and Geology, within the scope of the sectoral work for the detailed definition of the National Strategy for Adaptation to Climate Changes (in Portuguese, ENAAC), and is involved in international working groups in the energy sector on this issue.

REN is contributing towards a development model based on a low-carbon energy matrix, performing its functions of electricity transmission system operator with flexibility in order to facilitate the integration of a significant proportion of renewable energies.

In the field of prevention and control of greenhouse gases emissions, REN has been implementing over the past years, an action plan to reduce direct emissions of such gases, in particular with regard to emissions of sulphur hexafluoride (SF6), a gas used as an electrical insulator (dielectric) in various high voltage equipment. In 2011, and in compliance with the regulations published, all REN technicians that handle this gas in electrical equipment were certified by an accredited entity for this purpose in Portugal.

The efforts made by the company to reduce the leakage of SF6 are materialized in the evolution of leak rate for this gas, technically with very positive results even if considered an international level.



Greenhouse gas emissions (t CO2 e)	2008	2009	2010	2011
Direct emissions	**16,839**	**20,954**	**20,876**	**17,205**
Purges of natural gas (CH4)	567	1,405	1,260	853
Flare burning	-	948	2,028	1,030
Boilers self-consumption	13,232	14,352	13,467	11,089
Cogeneration	1,228	1,440	818	1,590
Sulphur hexafluoride (SF6)	397	663	839	780
Natural gas	7	10	443	7
Propane	7	0	5	5
Diesel in other equipment	24	17	37	38
Fleet fuel	1,384	2,099	1,979	1,896
Indirect emissions	**299,556**	**225,328**	**193,759**	**172,851**
Electricity	31,142	23,730	16,092	16,885
Electrical losses in the network	268,415	201,598	177,667	153,402
Emissions from air travels at REN's service	-	-	-	2,564

Although REN does not have any facility covered by the European Emissions Trading Scheme (EETS), REN Trading, in its regulated activity as a commercial agent, is responsible for optimising the management of the

portfolio of CO2 allowances in compliance with the environmental obligations of the plants holding Power Purchase Agreements (PPAs): Tejo Energia and Turbogás. This situation requires the purchase and sale of licenses and the conduction of exchange operations of allowances under the ETS by certificates of emission reduction originated by Clean Development Mechanism projects.

In 2011, REN Trading transacted, in the spot market, purchases and sales of about 923,000 tons of CO2, and, in the futures market, about 1.4 million tons. In the same year, the market for emission allowances has been marked by signs of difficulty, having generated a surplus of allowances, due to a worse macroeconomic scenario and to the specific difficulties of this market, which shook the agents' confidence in the system.

Moreover, it should be noted that REN has tried to reduce its emissions of greenhouse gases caused by transportation, namely by promoting and encouraging videoconferences at the expense of employee travels. Also in 2011, 780 videoconferences were held, an increase of 41% over the previous year, some of them were international and with more than two locations simultaneously. By the end of the year a collaborative application that allows corporate instant messaging and conducting video calls was released, which is yet another tool to reduce the company's carbon footprint.

In 2011, for the very first time, the indirect emissions associated with the 947 plane trips, both domestic and international, in the service of the company were accounted. The extension of the scope of reporting of REN's carbon footprint, including the emissions under scope 3 'Greenhouse Gas Protocol' (GHG Protocol), is the fulfillment of the commitment to improve monitoring and control of the company's environmental impacts, and its contribution towards climate changes.

	2008	2009	2010	2011
Number of train trips	636	599	597	780
Number of video conferences	142	209	426	601

The company keeps encouraging the use of trains over the use of light vehicles, particularly in the displacements Porto-Lisbon. In 2011, the number of train trips increased 30% compared to 2010.

ENERGY CHALLENGES

Aware of its goals and commitments under the European and national energy policy, REN has been providing its contribution to the development of renewable energies in the country, including through the connection and integration of new renewable production centres into the grid, and through the development and participation in studies for the use of new forms of energy for mobility (e.g. adoption of electric vehicles and their importance and impact upon network management).

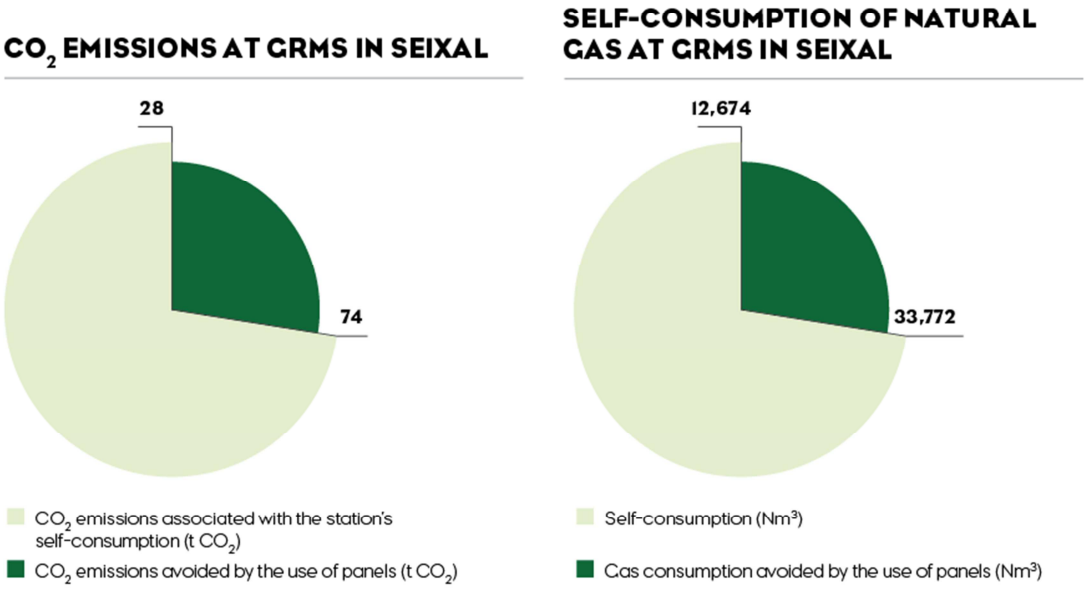
REN and wave energy

In this context we should note the work done by ENONDAS, a Group company, in the development of a pilot area in the north of S. Pedro de Moel for the production of wave energy. In 2011 studies and preparatory work were performed for the development of infrastructures, namely the geophysical characterization of the pilot area. This work, developed in partnership with the Hydrographical Institute, is fundamental to the development of the engineering project behind the placement of the submarine cable, as well as the

parameterization of the electrogeneration system plus the associated systems, such as the mooring system. Also in 2011, studies were initiated to characterize the local environment, by carrying out a census of all the species, birds and marine mammals upon which the activity of ENONDAS may have a significant impact. Its results will be publicly disclosed, as well as other studies, thus contributing to the knowledge of the marine species on the Atlantic coast of Portugal.

Use of solar panels in natural gas stations

The integration of renewable energy sources into their own processes is also a priority for REN, thus reducing fossil fuel use and hence the emissions of greenhouse gases. As an example of this policy we should refer a project initiated in 2009, but that only came into industrial exploitation in 2011, related to the use of solar thermal systems in Gas Regulating and Metering Station (GRMS), with a view to reducing self-consumption of natural gas resulting from burning it in the boilers. These panels were installed in the GRMS of Seixal and Frielas within the scope of the Plans for Promoting Environmental Performance (in Portuguese PPDA), of REN Gasodutos. As a result, savings of 12,674 m3 of natural gas in GRMS Seixal were obtained, which corresponds to a reduction of 27.75 tons of CO2 emissions for the period from April to December 2011.



Market mechanisms (green certificates and guarantees of origin)

Since December 1st, 2003, REN is the national issuer of RECS certificates (Renewable Energy Certificate System), and since then a permanent member of the Association of Issuing Bodies. The company is currently responsible for managing the process of power stations registration and certification in the RECS; for the issuance, transfer and redemption of RECS certificates; and for carrying out audits to production

facilities, registered or to become registered under the RECS system. The following transactions have already occurred in this activity:

	Number of certificates (2011)	Number of certificates (consolidated since 2003)
Issue of RECS certificates	146,606	955,226
Export of RECS certificates	519,390	544,390
Import of RECS certificates	3,088	3,088
Cancellation of RECS certificates	24,488	44,538

More information on REN's activity as an issuer of RECS certificates available at:
http://www.centrodeinformacao.ren.pt/PT/InformacaoCertificados/Paginas/BreveDescricao.aspx

With the publication of Decree-Law n. º 23/2010 REN was also awarded the responsibility of implementing the Issuing Entity for Guarantees of Cogeneration Origin (in Portuguese, EEGO). In this context the company is responsible for developing and managing a system for issuing guarantees and certificates of origin, for the electricity produced in cogeneration plants classified as highly efficient and efficient, repetitively. REN is also responsible for auditing production facilities and equipment to enable and ensure the correct classification of facilities and the appropriate certification of the electricity produced. Warranties and licenses issued under this legislation will certify the primary energy savings achieved by cogeneration facilities.

Energy efficiency and energy management

REN has two facilities integrated under the concept of major intensive energy consumers: the gas and leaching station of REN Armazenagem and the Liquefied Natural Gas (LNG) Terminal of Sines belonging to REN Atlântico.

Under Decree-Law n. º 71/2008, dated April 15th, which governs the management system of the Intensive Energy Consumption (in Portuguese, SGCIE), REN held a series of energy audits to these facilities in order to identify and implement a set of measures to rationalize energy consumption, as part of a plan for the Rationalization of Energy Consumption (PREn). The PREn of both companies are in operation and the following measures are worth being highlighted:

- **REN Armazenagem**
  a) Gas station: reduction of the pressure of compressed air to a safety minimum, thus reducing electricity consumption and energy costs associated with operating the instrumentation air compressors.
  b) Leaching (rejection): supply of the installation of Leirosa through an autonomous solar photovoltaic system and installation of variable speed drives in the centrifugal water pumps.

- **REN Atlântico**
  a) Adoption of a minimum gas emission flow rate of 174 km^3(n)/h. Although, to date, this measure has not been systematically observed due to various constraints (need to perform scheduled stops and functional tests, etc..), it is expected that in 2012, with the completion of the terminal's

expansion project, it may be possible to fulfil it with greater regularity, with significant improvement in the energy efficiency of the LNG Terminal.

Energy consumption (GJ)	2008	2009	2010	2011
Electricity for infrastructures and buildings	238,527	241,040	255,465	259,733
Natural gas (cogeneration, boilers, pilots and controlled burns of *flare*))	257,757	295,205	288,760	242,902
Diesel in other equipment	334	228	506	507
Propane	112	0	74	81
Natural gas	134	182	7,894	130
Fleet fuel	28,341	28,837	27,177	25,916
Losses in the electricity transmission network	2,055,942	2,048,062	2,820,852	2,360,030
Losses in the gas transmission network - purges	1,465	3,658	3,281	2,221

Produced /sold energy (GJ)	2008	2009	2010	2011
Primary energy produced (cogeneration)	10,984	10,290	5,975	8,447
Primary direct energy sold (cogeneration)	7,703	7,091	3,942	5,806

7.3. BIODIVERSITY

A question to the *stakeholders*::

Would you consider that REN is concerned with the preservation of biodiversity?

Average of replies - 4.3 (in a scale 1-5)

Biodiversity is one of the most relevant environmental descriptors in the systematic evaluation of potential impacts of REN's activities in the various phases of the lifecycle of its infrastructure lifecycle.

For this reason, the company's performance in this area is structured along the following lines of action:

Despite this constant concern with the protection and promotion of biodiversity, only a small percentage of REN's infrastructure are actually integrated in sensitive areas of Portugal: sites of Natura 2000, Special Protection Areas and other protected areas including national parks, reserves, natural parks and monuments.

Occupation in sensitive areas	Area / Length	% of occupation over total occupation
Stations/ Facilities	0.47 km²	5,4%
Extension of gas pipelines / lines	1177.43 km	12.2%

The occupation of these areas by REN's infrastructure is mainly due to historical reasons (the integration of these infrastructure in the field was prior to the classification of these protected areas), but also due to the urge of allowing or enhancing the flow of energy from renewable sources of production centres located in these sensitive areas. Where these facilities are subject to changes, such as changes in the layout of the transmission lines and gas pipelines, their optimization is guaranteed in order to reduce impacts upon biodiversity.

7.3.1 FLORA AND SOIL USE

With the development of its construction and maintenance activities, REN produces direct impacts upon the flora and land use, such as, for example, during the creation or maintenance of protection corridors attached to its line infrastructure (power lines and gas pipelines).

The **line protection corridor** consists of the land corridor beneath the electricity transmission line, with 45 m of maximum width, delimited by two parallel lines at 22.5 m from the axis of the outline, where trees needed to ensure the minimum length set out in Regulatory Decree no. 1/92 of February 18th. The **reconversion of the protection corridor** of a given line consists on pulling out the stumps from the trees which were cut down in the overcrossed areas and in the consequent reforestation with vegetable species that may help meet the minimum safety distances between the conductors and the vegetation.

In order to compensate the trees felled in those operations, since 2007 the company has performed various conversion initiatives as part of the construction of new facilities. In these projects, which largely extend beyond the strict compliance of the law or of the Environmental Impact Statements (EIS), namely in terms of compensatory measures, emphasis is placed on planting native species from the intervened site.

Additionally, the company has taken systematic actions in terms of conversion of land use, particularly in the construction of new power transmission lines. This initiative presents a wide range of positive aspects, including:

- Compatibleness of land occupation with the presence of the line, while simultaneously avoiding the proliferation of fast growing tree species
- Enhancing the value of the landscape while promoting the variety of vegetable species and higher profitability in the use of the land exploration by the owners
- Increasing the number of intervention cycles in the area of the line protection corridors and the reduction of annual maintenance costs
- Involving the owners in a co-responsible manner in managing the intervened areas, making them responsible for selecting the species to be used in reforestation, among those suggested by REN
- Greater acceptance of infrastructure by the owners, helping them to obtain another type of income through the use of the land, in a consistent way with the presence of the line

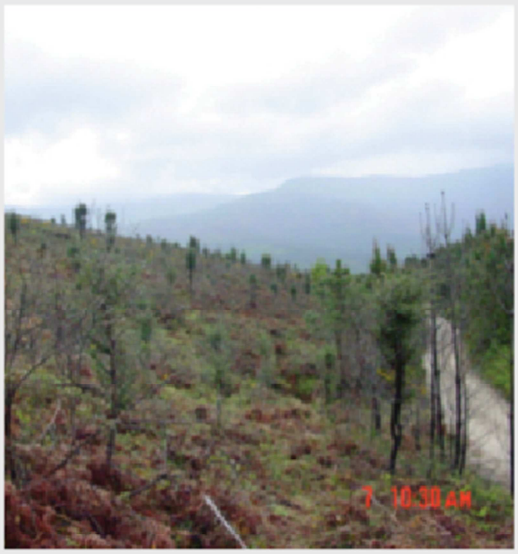
- Breakdown the mono-specificity of the existing vegetation in the area surrounding the protection corridors, and reduction of the exposure time of the land to erosive agents

- Decreasing the fire risk and creating a barrier to the advancement of fire, which is also part of the national strategy of forest fichting

In 2011, a total of 153,000 trees were planted in an area of approximately 182 ha in the following infrastructure:

INFRASTRUCTURE	AREA (HA)	NUMBER OF TREES
Overhead 400 kV line, Batalha – Lavos	173,5	145.000
Overhead 150 kV line, Riba d'Ave – Oleiros	8,4	7.030
Picote Circuit Breaker Station	-	22
Substation of Tavira	-	883
Substation of Ermesinde	-	155

In 2012 the initiatives for the conversion of protection corridors will continue, and it is expected that an area of approximately 298ha will be covered and a total of more than 200,000 new trees will be planted.



Following the authorization granted by the National Forest Authority for cutting down cork oak trees in settlements within the scope of the Industrial Extension of Leça construction, the implementation of the "Beneficiação de Povoamento de Sobreiros" was completed in the Perímetro Florestal Soajo-Peneda (Plot 14) in the waste land area in Lugar da Cumeeira, near the village of Cousso, municipality of Melgaço, as a compensatory measure for the required tree felling. A total of 4,760 oak trees were planted, following the contour lines, in order to avoid erosion effects and to prune the spontaneous formation of existing cork oaks.

After the initial stage was over, in December, with only 520 plants pruned which did not withstand the attacks of wildlife (wild boar and some birds), the "Management Plan" which was also approved by the AFN is now under way, will allow REN to maintain the benefited area (6.8 ha) during a period of 15 years, to ensure the proper development of the settlement until they reach adulthood.

7.3.2 BIRDS

Given the linear character of the REN's infrastructure, which are distributed throughout the national territory, its potential impact on birds is significant, in particular the possibility of episodes of bird collisions with overhead lines, as well as, although very rarely, of electrocution episodes.

Currently, the places where the national transmission grid infrastructure is located is potentially occupied by about 440 species classified according to the Red List of the International Union for Conservation Nature (IUCN), in the following categories:

	NUMBER OF ENDANGERED SPECIES		
IUCN CLASSIFICATION	09	10	11
Critically endangered	2	2	3
Endangered	2	2	4
Vulnerable	17	17	17
Almost endangered	28	23	36
Not very worrying	314	339	366
Insufficient information	1	1	14

Business and Biodiversity Initiative

A few years ago REN joined the EU initiative Business and Biodiversity whose main goal, as conveyed by its name, is to promote the protection of biodiversity by companies.

Under this initiative, REN has participated in the project LIFE + Estepárias, which aims to promote the conservation of birds in the cereal steppe habitats of the Baixo Alentejo. This project involves three vulnerable bird species in particular: the Great Bustard (Otis Tarda - an endangered species); the Little Bustard (Tetrax tetrax - a vulnerable species); and the Lesser Kestrel (Falco naumanni - a vulnerable species) and has actions in three areas of Natura 2000 Networrk, classified as Special Protection Areas (SPAs): Castro Verde, Vale do Guadiana and Mourão/Moura/Barrancos.

Anti-collision devices for birds

In the construction of high voltage lines, REN seeks to minimise the occurrence of impacts on birds by selecting locations that avoid the most critical situations of compatibility with habitats and migration routes of some species. However, these initiatives are not always enough to prevent the existence of negative impacts. In these cases, it is necessary to identify and implement additional mitigation measures.

To minimise the possible collision of birds, signalling devices called Bird Flight Diverters (BFD) are usually installed, which are spiral-shaped devices with double fixation, and with about 30 cm in diameter and 1 meter in length. They come in orange and white colours. The spacing between these devices in the potentially most striking line sections takes into account the territory zoning defined in joint studies with the ICNB.

Since 2009 REN has an ongoing study in partnership with QUERCUS, in order to evaluate the effectiveness of new anti-collision devices in reducing the crashing of wild birds against National Electricity Transmission Grid (RNT in Portuguese) cables, called FBF -Firefly Bird Flapper'. The Baixo Alentejo region was selected for this study based on data collected in previous studies (protocol REN – Institute for Nature Conservation

and Biodiversity (ICNB)), enabling the evaluation of the effectiveness of the installation of devices for species such as the Great Bustard, the Little Bustard and the Crane. These devices were installed in the lines of Ferreira do Alentejo - Evora and Palmela - Evora, both at 150 kV. The study has also assessed the impact of the FBF in noise descriptors as well as in the landscape. It was concluded that the use of these devices does not induce a significant change in these descriptors.

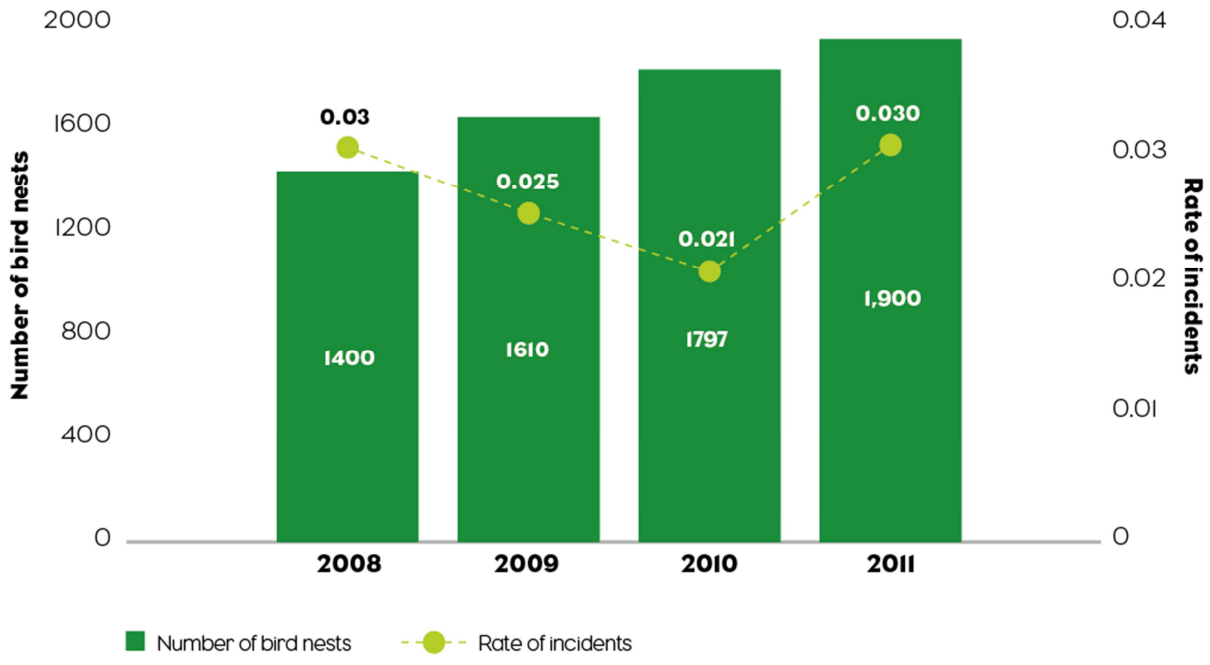
Compatibility of REN's infrastructure with the population of white storks

In 2011, REN continued its efforts to reconcile the growing population of white storks with their infrastructures, by creating conditions so that these birds may nest in favourable habitats, and by installing devices that minimise risk of accidents of electrical origin.

Continuing with the work developed in previous years, several nesting platforms for birds have been installed, to which the nests located in support areas considered at risk for the birds were transferred. In these points, devices to inhibit the birds' perching and nesting were also installed. All these interventions are annually reported to the Institute for Nature Conservation and Biodiversity (ICNB, in Portuguese) through a descriptive report specifying the measures implemented throughout the year, complemented by the analysis of the historical evolution of the situation and associated indicators. In 2011 were installed:

- 150 platforms for building nests and laying of artificial nests, and;
- 481 anti-perching devices;

43 nests that were at risk have been transferred to artificial platforms.
Comparing with 2010 there was a slight increase in the rate of incidents white storks during the year, due to the significant increase in the number of storks perching in the supports but that do not nest there.



Compensatory measures for impacts upon birds

An important area of REN´s activity is, within the context of bird protection, is the implementation of compensatory measures following from the process of Environmental Impact Assessment (EIA) of new infrastructures. In 2011 the following measures should be highlighted:

ALQUEVA LINE – BROVALES, AT 400 KV (PORTUGUESE SECTION)

The first phase of implementation of compensatory measures consisted of habitat management directed to the little bustard
In 2011 REN submitted a methodological protocol to the National Authority for Nature Conservation and Biodiversity, (at the time Institute of Nature Conservation and Biodiversity), which includes habitat management directed at the little bustard which benefits and protects also other birds.

TUNES LINE -TAVIRA I AND 2 AND TAVIRA-ESTÓI I AND 2

The project initiated in 2009, which includes the development and implementation of a set of compensatory and monitoring measures for specific pairs of Bonelli's eagle nesting near that very high voltage line, was continued, defined within the respective process of Environmental Impact Assessment, for "Sections 1 and 2".
In this second phase of the project the monitoring and compensation measures already implemented and aimed at specific couples of Bonelli 'Cepo' and 'Court', shall continue, namely by overcoming constraints and knowledge gaps identified during the previous phase.
The following initiatives shall be carried out by REN during this second phase, between 2009-2014:

- Compensatory and monitoring measures for specific couples of Bonelli's eagle 'Cepo' and 'Court';
- Recovery and development of populations of wild rabbit;
- Monitoring and health control of wild rabbit populations subject to measures to promote their development;
- Maintenance of a safety perimeter around the nesting site of the 'Cepo' couple;
- Construction/strengthening of the nests of Bonelli couples potentially most affected by the line;
- Restoration/maintenance of the plant cover in the nesting site of the 'Cepo' couple.

LINE SINES-PORTIMÃO 3

The project includes the development and implementation of a set of compensatory measures and specific monitoring aimed at the pair of Bonelli's eagle labelled as "Odelouca" and which nest near that very high voltage line.
For the three year period 2010-2013 the implementation of the necessary activities for the operationalization of the following compensation measures and the monitoring specific pair of Bonelli named "Odelouca" was proposed":

- **Monitoring and Compensation Measures for Bonelli's Eagles**

O plano de atividades contempla a continuidade da monitorização do casal "Odelouca" e das medidas de proteção sustentável do habitat de nidificação, no que respeita ao reforço/manutenção de ninhos e plataformas artificiais e à manutenção de aceiros de proteção contra incêndios florestais.

- **Increased food resources for the couple of Bonelli's eagle named "Odelouca". Recovery of wild rabbits**

The recovery of wild rabbit populations in the area of intervention will be followed until an appropriate level for their exploitation as a food resource by the Bonelli's Eagle is achieved, while simultaneously allowing their hunting, with the creation of mechanisms self-sustainable in the medium / long term to ensure the maintenance of a high density of wild rabbits. **Health monitoring program for wild rabbits *(Oryctolagus cuniculus algirus)***

INTERNATIONAL DOURO AND VALLEY OF THE TAVORA RIVER

The initiatives developed with the implementation of compensatory measures intended to ensure the ecological recovery of bird populations (black stork, britango, Bonelli's eagle, golden eagle, eagle owl, peregrine falcon, raven-de- Red-billed) affected by predictable negative impacts of the new lines that will cross the International Douro Natural Park (DINP) and the Valley of the Tavora River, were structured according to the following components:

- **Description and evaluation of the baseline situation and selection of sites to be intervened upon.**
- **Implementation of Habitat Management Compensatory Measures**

The ecological improvement and restoration actions that will build on the implementation of the following habitat management measures:

- Measure 1: habitat management for the wild rabbit and the red partridge;
- Measure 2: construction and settlement of traditional dovecots;
- Measure 3: execution of ponds;
- Measure 4: promotion of extensive grazing.

- **Plan to monitor the breeding success and the use of space by the couples that develop in the intervention area.**

In 2011 the implementation of compensatory measures for ecological improvement and restoration at the Natural Park of International Douro and in the Valley of the Tavora River actually began. Such measures include habitat management measures for wild rabbits and red partridges (deforestation and sowing, among other measures) that will increase the number of individuals of these species, which in turn are prey species for birds. Additionally, extensive grazing will be fostered, which will also benefit the red partridges. Likewise, the construction and settlement of dovecotsaims to increase the food available for birds.

LINE MOGADOURO - MACEDO DE CAVALEIROS

Em 2011 foram implementadas as seguintes medidas compensatórias:

In 2011 the following compensatory measures were implemented:

Measure 1 – Habitat management to recover the populations of prey species, which was aimed at improving the living conditions of the main wild prey species for the birds under study, the wild rabbit and the red partridge, through the implementation of management measures for habitat restoration, through the installation of mosaics of crops and water points within the eagle management territory in strategic locations and away from the lines;

Measure 2 – Recovery and repopulation of dovecots, in which the intention was to recover and restocktraditional dovecots to increase the population of pigeons as prey available for couples of Bonelli's eagle and golden eagle, in strategic locations and away from lines.

Measure 3 – Monitoring the couples of Bonelli's eagle and golden eagle present in the study area, mainly focusing on verifying the breeding success and the use of space by the couples of Bonelli's eagle and golden eagle present in the study area.

ANNUAL REPORT 2011

REN

Redes Energéticas Nacionais

03 CORPORATE GOVERNANCE

0. STATEMENT OF COMPLIANCE

REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A. (hereinafter "REN" or the "Company"), being an issuer of shares listed in the NYSE Euronext Lisbon (Eurolist by Euronext) securities market, is, regarding the disclosure of information on corporate governance, subject to the Portuguese Securities Code (in Portuguese, "CVM"), to Law no. 28/2009, of June 19, to the Portuguese Securities Market Commission's (in Portuguese, "CMVM") Regulation no. 1/2010, and to the Corporate Governance Recommendations contained in the "Corporate Governance Code" approved by CMVM in 2010, available on CMVM's website at www.cmvm.pt.

In this context, REN hereby declares that it fully adopts all the abovementioned recommendations of the CMVM on corporate governance laid down in said Code, except for Recommendation I.4.1, which is not met for the reasons described below.

The chart below schematically identifies the recommendations of the CMVM on corporate governance and individually mentions those that have been fully adopted by REN and the ones that have not; indicating as well the place in this report where a more detailed description of their adoption may be found.

Recommendation/Chapter[1]	Indication regarding the adoption of the Recommendation	Description within the present Report
I. GENERAL MEETING		
I.1. BOARD OF THE GENERAL MEETING		
I.1.1. The Chairman of the Board of the General Meeting has the human and logistic resources appropriate to his needs, in light of the Company's economic situation.	**Adopted**	**4.6**
I.1.2. The remuneration of the Chairman of the Board of the General Meeting shall be disclosed in the annual Corporate Governance Report.	**Adopted**	**6.1**
I.2. PARTICIPATION IN THE GENERAL MEETING		
I.2.1. The minimum notice of prior reception of deposit or share blocking declarations by the board for participation in the General Meeting shall not exceed five business days.	**Not applicable**	**4.5**
I.2.2. In the event of suspension of the General Meeting, the Company shall not impose that such blocking be maintained for the entire suspension period. The usual share blocking period for the first session shall be sufficient.	**Not applicable**	**4.5**
I.3. VOTING AND EXERCISE OF THE VOTING RIGHT		
I.3.1. Companies' Articles of Association shall not provide any restriction on voting by correspondence and, when adopted and admitted, on the electronic vote by correspondence.	**Adopted**	**4.2**
I.3.2. The deadline established by the Articles of Association for the receipt of voting declarations issued by correspondence shall not exceed three business days.	**Adopted**	**4.2**
I.3.3. Companies shall ensure proportionality between	**Adopted**	**4.3**

[1] Chapter refers to CMVM's Corporate Governance Code.

voting rights and shareholders' participation, ideally through a provision in the Articles of Association establishing the one share one vote principle. Proportionality is not fulfilled by Companies which, namely i) hold shares not conferring voting rights; ii) establish voting caps when votes are issued by one single shareholder or by related parties to the shareholder.		**4.1**
I.4. QUORUM AND RESOLUTIONS		
I.4.1. Companies shall not establish a resolution quorum exceeding what is set forth by law.	**Not adopted** (The resolution quorum for the amendment of the Articles of Association, spinoff, merger, transformation or dissolution of the Company is two thirds of the issued votes, either in the first or second call notice for the General Meeting, in order to ensure an adequate representation of shareholders considering the nature of the activities of the Company and its shareholders structure)	**4.7**
I.5. MINUTES AND DISCLOSURE OF RESOLUTIONS		
I.5. Extracts from General Meeting minutes (or other equivalent documents) shall be made available to shareholders on the Company's website within five days as of the General Meeting, even if not deemed as privileged information. Disclosed information shall contain the resolutions passed, the represented capital and the voting results. Such information shall be kept in the Company's website for, at least, three years.	**Adopted**	**4.8**
I.6. MEASURES FOR CORPORATE CONTROL		
I.6.1. Measures adopted to prevent the success of takeover bids shall respect the interests of the Company and of its shareholders. Companies' Articles of Association which, respecting such principle, set out a limitation on the number of votes that may be held or exercised by a single shareholder, individually or in concert with other shareholders, shall also establish that at least every five years the amendment or maintenance of this provision – without aggravated quorum vis-à-vis that legally established - shall be subject to a resolution at the General Meeting, and that upon such resolution all votes cast shall be counted without applying such limitation.	**Adopted**	**4.1**
I.6.2. Defensive measures that have the automatic effect of causing serious erosion of the Company's assets in case of change of control or change in the composition of the management body, thus hindering the free transferability of shares and free assessment	**Adopted**	**5.9**

of the performance of the members of the management body by shareholders, shall not be adopted.		
II. MANAGEMENT AND SUPERVISORY BODIES		
II.1. GENERAL		
II.1.1. STRUCTURE AND DUTIES		
II.1.1.1. The management body shall assess the corporate governance model adopted in the Company's annual Corporate Governance Report, identifying any constraints on its operation and proposing the steps to be taken to overcome such constraints.	**Adopted**	**1.1** **5.1** **5.2** **5.3** **5.4**
II.1.1.2. Companies shall create internal risk management and control systems able to identify and manage risk, in order to safeguard its value and for the sake of transparency of its corporate governance. Such systems shall include, at least, the following components: i) setting out of the Company's strategic purposes relating to risk assumption; ii) identification of the main risks related to the performed activities and of the events able to generate risks; iii) analysis and measurement of the impact and probability of occurrence of each one of the potential risks; iv) management of risk in order to adapt the risks effectively incurred to the Company's strategic option regarding risk assumption; v) control mechanisms for the execution of risk management measures adopted and their effectiveness; vi) adoption of internal mechanisms for information and communication on several components of the system and of risk-warning; vii) periodic assessment of the implemented system and adoption of amendments that are deemed necessary.	**Adopted**	**5.8**
II.1.1.3. The management body shall ensure the creation and functioning of the internal control and risk management systems. The supervisory body shall be liable for assessing the operation of these systems and shall propose their adjustment to the Company's needs.	**Adopted**	**5.8**
II.1.1.4. In the annual Corporate Governance Report, the companies shall: i) identify the main economic, financial and legal risks that the Company is exposed to when performing its activities; ii) describe the performance and effectiveness of the risk management system.	**Adopted**	**5.8**
II.1.1.5. Management and supervisory bodies shall establish internal regulations which shall be disclosed on the Company's website.	**Adopted**	**1.1** **5.5**
II.1.2. CONFLICTS OF INTEREST AND INDEPENDENCE		

II.1.2.1. The Board of Directors shall include a number of non-executive members ensuring effective ability to supervise, monitor and assess the activity of the executive members.	**Adopted**	**1.4** **5.2**
II.1.2.2. The non-executive members of the management body shall include an appropriate number of independent members, considering the Company's dimension and its shareholder structure, which shall never be less than a quarter of the total number of directors.	**Adopted**	**1.4** **5.2**
II.1.2.3. The independency assessment of its non-executive members by the Board of Directors shall take into account the legal and regulatory rules in force concerning independency requirements, as well as the conflict of interests framework applicable to members of other corporate bodies, thus ensuring the timely and systematic coherence in applying independency criteria to the whole Company. A director shall not be deemed as independent if not qualified as so in another corporate body by virtue of the applicable provisions.	**Adopted**	**1.4** **5.2**
II.1.3. ELIGIBILITY AND APPOINTMENT		
II.1.3.1. Depending on the applicable corporate model, the Chairman of the Audit Board, or of the Audit Committee or of the Financial Matters Committee, shall be independent and be appropriately qualified to carry out his duties.	**Adopted**	**1.7** **5.4**
II.1.3.2. The selection procedure for Non-Executive Directors shall be construed in a way to prevent the interference of Executive Directors.	**Adopted**	**5.2**
II.1.4. WHISTLEBLOWING POLICY		
II.1.4.1. The Company shall adopt a whistleblowing policy for irregularities allegedly occurred, with the following characteristics: i) indication of the means that can be used for internal whistleblowing, including the persons entitled to receive such communications; ii) indication of the processing of such communications, including confidential treatment, if so required by the whistleblower.	**Adopted**	**5.10**
II.1.4.2. The general guidelines of such policies shall be disclosed in the annual Corporate Governance Report.	**Adopted**	**5.10**
II.1.5. REMUNERATION		
II.1.5.1. The remuneration of members of the management body shall (i) be structured to allow the alignment of their interests with the Company's long term interests, (ii) be based on performance assessment and (iii) discourage excessive risk assumption. Thus, remuneration shall be structured notably as follows: i) The remuneration of directors performing executive functions shall incorporate a variable component	**Adopted**	**6.2** **6.3** **6.4** **6.5**

which determination is subject to performance assessment by the Company's competent bodies, according to pre-defined measurable criteria. Said criteria shall take into account the Company's real growth and the amount of wealth actually created for shareholders, its long-term sustainability and the risks taken on, as well as compliance with the rules applicable to the Company's activity. ii) The variable component of the remuneration shall be globally reasonable vis-à-vis the fixed component, and maximum limits shall be set out for all components. iii) A significant part of the variable remuneration shall be deferred for no less than a three year period and its payment shall depend of the Company's steady positive performance during said period. (iv) Members of the Board of Directors shall not enter into contracts, either with the Company or with third parties, which have the effect of mitigating the risk inherent to the variability of the remuneration established by the Company. (v) Until the end of their term-of-office, the Executive Directors shall hold the Company shares that were allotted to them by virtue of the variable remuneration schemes, up to twice the value of the total annual remuneration, with the exception of those shares that are required to be sold for the payment of taxes on the gains of said shares. (vi) When the variable remuneration includes stock options, its exercise period shall be deferred for, at least, a three year period. (vii) Appropriate legal instruments shall be established in order to not pay the compensation set out for dismissal of a director without fair grounds, if such dismissal or agreed termination is due to the director's inadequate performance. (viii) The remuneration of non-executive board members shall not include any component the value of which is subject to the performance or the value of the Company.		
II.1.5.2. The statement on the remuneration policy of the management and supervisory bodies referred to under article 2 of Law no. 28/2009, of June 19, shall, besides the content referred therein, contain enough information on: i) the corporate groups which policies and remuneration practices have been taken as a comparative element for establishing the remuneration; ii) the payments related to the dismissal or agreed termination of directors.	**Adopted**	**6.6** **6.7** **Annex V**
II.1.5.3. The remuneration policy statement referred to under article 2 of Law no. 28/2009 shall also mention the remuneration of all other persons discharging managerial functions, as per paragraph 3 of article 248-B of the Portuguese Securities Code and whose remuneration contains a relevant variable	**Adopted**	**6.6** **6.7** **Annex V**

component. The statement shall be detailed and the submitted policy shall consider, namely, the Company's long term performance, compliance with the provisions applicable to the Company's activity and moderation on the assumption of risks.		
II 1.5.4 A proposal shall be submitted to the General Meeting on the approval of plans for the allotment of shares, and/or share options or based on variations in share price, to members of the management and supervisory bodies and other persons discharging managerial functions as defined in paragraph 3 of article 248-B of the Portuguese Securities Code. The proposal shall contain all the necessary elements to a proper evaluation of the plan. The proposal shall be submitted together with the regulation governing the plan or, if not yet done, with the general conditions that it shall comply with. The General Meeting shall also approve the main characteristics of any retirement plan that benefits members of the management and supervisory bodies and other persons discharging managerial functions, according to paragraph 3 of article 248-B of the Portuguese Securities Code.	**Not applicable**	**6.8**
II.1.5.6. At least one representative from the Remunerations Committee shall attend the General Meeting.	**Adopted**	**6.6**
II.1.5.7. The amount of remuneration received, as a whole and individually, in other companies of the group and the pension rights acquired during the financial year in question shall be disclosed in the annual Corporate Governance Report. (Revoked due to the entry into force of the disclosure duties provided for in sub-paragraphs c) and d) of article 3 of CMVM Regulation no. 1/2010)	**Revoked**	**6.9**
II.2. BOARD OF DIRECTORS		
II.2.1. Within the legal limits established for each management and supervisory structure, and unless the Company has a reduced size, the Board of Directors shall delegate the day-to-day management of the Company. The delegated competences shall be identified in the companies' annual Corporate Governance Report.	**Adopted**	**1.5** **1.6** **5.3**
II.2.2. The Board of Directors shall ensure that the Company acts in accordance with its objectives, and shall not delegate its responsibilities, notably, in relation to: i) the definition of the Company's strategy and general policies; ii) the definition of the Group's corporate structure; iii) decisions that should be considered as strategic due to their value, risk or special characteristics.	**Adopted**	**1.5** **1.6** **5.3**
II.2.3. In case the Chairman of the Board of Directors carries out executive duties, the Board of Directors shall find efficient coordination mechanisms for the work performed by non-executive members, as to	**Adopted**	**5.2**

ensure that these members are able to make decisions in an independent and informed manner. Such mechanisms shall be properly explained to shareholders within the Company's Corporate Governance Report.		
II.2.4. The annual management report shall include a description of the activities carried out by Non-Executive Directors, namely mentioning any constraints encountered.	**Adopted**	**5.2**
II.2.5. The Company shall clearly define its policy for the rotation of responsibilities of the Board of Directors, namely concerning the member responsible for the financial area, and provide information on such policy in the Company's annual Corporate Governance Report.	**Adopted**	**5.2**
II.3. DELEGATED DIRECTOR, EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS		
II.3.1. Directors performing executive duties, when so requested by other corporate body members, shall provide any information requested by them in a timely and appropriate manner.	**Adopted**	**5.2** **5.3**
II.3.2. The Chairman of the Executive Committee shall send all notices to convene and minutes of such Committee's meetings to the Chairman of the Board of Directors and, if applicable, to the Chairman of the Audit Board or of the Audit Committee.	**Adopted**	**5.3**
II.3.3. The Chairman of the Executive Board of Directors shall send to the Chairman of the General and Supervisory Board and to the Chairman of the Financial Matters Committee all notices to convene and minutes of the respective meetings.	**Not applicable**	
II.4. GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND AUDIT BOARD		
II.4.1. In addition to performing its supervisory roles, the General and Supervisory Board shall continually perform an advisory, assessment and monitoring role on the management of the Company by the Executive Board of Directors. The General and Supervisory Board shall make decisions on the following matters: i) definition of the Company's strategy and general policy; ii) the corporate structure of the group; and iii) decisions considered to be strategic due to the values, risks or special characteristics involved.	**Not applicable**	
II.4.2. The annual reports on the activities of the General and Supervisory Board, the Financial Matters Committee, the Audit Committee and the Audit Board shall be disclosed on the Company's website along with the financial statements.	**Adopted**	**1.7** **5.4**

II.4.3. The annual reports on the activities of (i) the General and Supervisory Board, (ii) the Financial Matters Committee, (iii) the Audit Committee and (iv) the Audit Board shall include a description of the supervisory activity carried out and should also refer to any potential constraints.	**Adopted**	**1.7** **5.4**
II.4.4. The General and Supervisory Board, the Audit Committee and the Audit Board, depending on the corporate governance model adopted, shall represent the Company for all purposes before the external auditor and shall propose the supplier of such services and the respective remuneration, while ensuring that the Company makes available all the appropriate conditions for those services to be rendered, as well as acting as the point of contact, being also the first to receive the respective reports.	**Adopted**	**1.7** **5.4** **5.11**
II.4.5. The General and Supervisory Board, the Audit Committee and the Audit Board, depending on the corporate governance model adopted, shall annually assess the external auditor and propose to the General Meeting that the external auditor be discharged if justifiable grounds so warrant.	**Adopted**	**1.7** **5.4** **5.11** **Annex IV**
II.4.6. The internal audit services and those that ensure compliance with the rules applicable to the Company (compliance service) shall functionally report to the Audit Committee, to the General and Supervisory Board or, in the case of companies adopting the Latin model, to an Independent Director or to the Audit Board, regardless of the hierarchical relationship that these services have with the executive management of the Company.	**Adopted**	**5.8** **1.7**
II.5. SPECIALIZED COMMITTEES		
II.5.1. Except by virtue of the reduced dimension of the Company, the Board of Directors and the General and Supervisory Board, depending on the corporate governance model adopted, shall create the necessary committees in order to: i) ensure that a competent and independent assessment of the performance of Executive Directors is carried out, as well as of its own overall performance and the performance of existing committees; ii) consider the corporate governance system adopted and assess its effectiveness and propose to the respective bodies any measures required to improve it; iii) timely identify potential candidates with the high level required for the performance of director functions.	**Adopted**	**1.1** **5.1** **5.6**
II.5.2. Members of the Remunerations Committee, or equivalent, shall be independent in regard to the management bodies and such committee shall include, at least, one member with know-how and experience in remuneration policy matters.	**Adopted**	**1.8**
II.5.3 Any natural or legal person which provides or has provided, over the past three years, services to any structure depending on the Board of Directors, to	**Adopted**	**1.8**

the Board of Directors of the Company or has a current relationship with the consultant of the Company shall not be engaged to assist the Remunerations Committee on the performance of its functions. This recommendation also applies to any natural or legal person who has an employment or services agreement with the abovementioned persons.		
II.5.4. All committees shall draw up minutes of their meetings.	**Adopted**	**1.8** **5.2** **5.3** **5.4**
III. INFORMATION AND AUDITING		
III.1. GENERAL DISCLOSURE DUTIES		
III.1.1. Companies shall ensure permanent contact with the market, respecting the principle of shareholder equality and preventing any inequalities in investors' access to information. For such purposes the Company shall maintain an investor support office.	**Adopted**	**2.1** **2.2**
III.1.2. The following information, to be available on the Company's website, shall be provided in English: a) The company name and the fact that it is a public company, its registered office and all other information mentioned under article 171 of the Portuguese Companies Code; b) The Articles of Association; c) The identity of all members of the corporate bodies and the representative for market relations; d) The investor support office, its duties and means of access; e) The financial statements; f) The bi-annual agenda of corporate events; g) The proposals submitted to discussion and voting at the General Meeting; h) Notices to convene for the General Meeting.	**Adopted**	**2.3**
III.1.3. Companies shall promote the rotation of the auditor at the end of two or three term-of-offices, as they respectively are of four or three years. Their maintenance beyond this period shall be grounded on a specific opinion of the supervisory body, which shall expressly consider the auditor's independence conditions and the advantages and costs arising out of its substitution.	**Adopted**	**1.9**
III.1.4. Within the scope of its competences, the external auditor shall verify the implementation of the remuneration policies and systems, the effectiveness and functioning of the internal control mechanisms and report any deficiencies to the Company's supervisory body.	**Adopted**	**1.9**
III.1.5. The Company shall not engage the external auditor - or any entities in a participation relationship with him or which are part of the same network - for services other than audit services. Should there be	**Adopted**	**5.11** **Annex IV**

reasons for the engagement for such services – which shall be approved by the supervisory body and explained in the annual Corporate Governance Report - then such services shall not exceed 30% of the total value of the services rendered to the Company.		
IV. CONFLICTS OF INTERESTS		
IV.1. RELATIONSHIPS WITH THE SHAREHOLDERS		
IV.1. Deals entered into between the Company and qualified shareholders - or with entities in a relationship with such shareholders as set out in article 20 of the Portuguese Securities Code - shall be carried out in normal market conditions.	**Adopted**	**5.7 Annex II**
IV.1.2. Material deals with qualified shareholders - or with entities in a relationship with such shareholders as set out in Article 20 of the Portuguese Securities Code - shall be submitted to a prior opinion of the supervisory body. This body shall establish the procedures and criteria required for the definition of the level of materiality of such deals, as well as the other terms of its intervention.	**Adopted**	**5.7 Annex II**

1. CORPORATE GOVERNANCE STRUCTURE

CORPORATE GOVERNANCE MODEL OF REN - REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

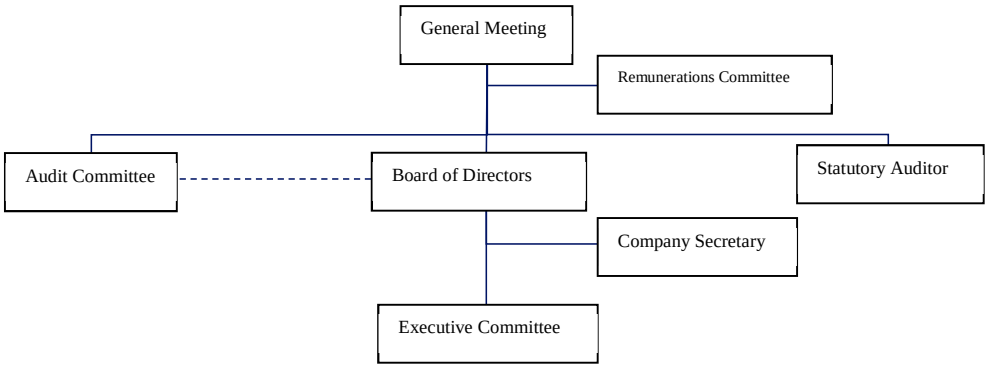
REN's corporate governance structure, as a form of organization and organic operation of the Company, is a relevant and stimulating factor in the pursuit of the goals and objectives of the Company and its business group, in accordance with its social and economic position within the energy sector and with the public service status of the generality of the activities performed under the concessions frameworks.
Within the adopted corporate governance model it is determined that the management of the Company is entrusted to the Board of Directors, that the Executive Committee is in charge of its daily management, and that the Audit Committee is responsible for supervising and monitoring its activity. The Statutory Auditor examines the Company's financial statements.

Such model is based on an organic balance that results from the shareholders' role in choosing the management and supervisory bodies, as well as the need for an efficient, professional management that enables the development of the Company's business. Therefore, the shareholders are jointly responsible for appointing the Board of Directors, which includes the Audit Committee, and for appointing the Chairmen of both the managing and supervisory bodies. On the other hand, the Board of Directors is responsible for appointing the members of the Executive Committee, including the Chief Executive Officer.

During the financial year 2011, following the resignation of directors Luís Maria Atienza Serna, Filipe de Botton, Manuel Carlos de Melo Champalimaud and Gonçalo José Zambrano de Oliveira, whereof the market was notified on March 10, 2011, the Annual General Meeting, held on April 15, 2011, elected new directors for the rest of the 2010-2012 term-of-office, namely the shareholders Oliren – SGPS, S.A., Gestmin, SGPS, S.A., Red Eléctrica Corporación, S.A. and EGF – Gestão e Consultoria Financeira, S.A., (formerly named Logoplaste – Gestão e Consultoria Financeira, S.A.). Subsequently, in compliance with paragraph 4 of article 390 of the Portuguese Companies Code, said companies appointed Gonçalo Xavier Araújo, José Manuel Félix Morgado, Luís Maria Atienza Serna and Luís Guedes da Cruz Almeida, respectively, to serve as Member of the Company's Board of Directors on their own behalf. Moreover, as notified to the market on December 29, 2011, João Nuno de Oliveira Jorge Palma resigned as Executive Director of REN on that date, and the Board of Directors became comprised of twelve members.

The created model once again made it possible to check the adequacy and balance of the corporate governance model being applied, namely, at REN, with regard to the Group's operating requirements in the areas of electricity and natural gas in which the Company operates, and there are no reasons that justify the implementation of any changes to said organizational model.
In order to provide a better understanding of the organization and operation of REN in respect of corporate governance, the Company has made available to the public its updated Articles of Association, as well as the corporate bodies' regulations, on its website at www.ren.pt.

THE GROUP'S CORPORATE BODIES



1.3 GENERAL MEETING

The General Meeting is the Company's supreme body and is composed by all shareholders. The shareholders gathered in the General Meeting are responsible for: (i) at the corporate bodies' level, the appointment of the Chairman and Vice–Chairman of the Board of the General Meeting, of the members of the managing and supervisory bodies, of the Statutory Auditor (under proposal submitted by the Audit Committee) and of the members of the Remunerations Committee, as well as for the dismissal of the members of such bodies; and (ii) in material terms, the approval of the annual report and accounts, the proposal for allocation of results and the Audit Committee's opinion, the resolution on the amendments to REN's Articles of Association, as well as the provision of the authorization to the Board of Directors to purchase or sell assets, rights or shareholdings with an economic value superior to 10% of the Company's fixed assets and the purchase and sale the Company's own shares. In general, the General Meeting also resolves on any matters for which it may have been convened and on all matters which have been specifically ascribed by law to the General Meeting or under REN's Articles of Association and on others matters which are not included within the scope of powers of the Company's remaining bodies.

In order for the General Meeting to be able to meet and resolve, on the first convening date, shareholders owning at least 51% of the registered capital must be present or represented. Whether on the first or second convening date, the resolutions on the amendment to REN's Articles of Association, demerger, merger, transformation or winding up of the Company are only deemed to be approved by two-thirds of the votes cast.

Presently, the Board of the General Meeting has the following composition:

Name	Age[2]	Position	Date of 1st appointment	Term of office in course*
Agostinho Pereira de Miranda	63	Chairman	15.03.2010	2010-2012
Duarte Vieira Pestana de Vasconcelos	54	Vice-Chairman	24.10.2008	2010-2012

*As disclosed by the Company, a proposal of amendment to the Articles of Association will be submitted to vote at the next General Meeting, in order to consider the current term-of-office, corresponding to the three-year-period 2010-2012, as ended and determine the year of 2012 as the time reference for the beginning of

[2] On December 31, 2011.

the new terms-of-office of the corporate bodies, the first of which thus corresponding to the three-year period 2012-2014.

In the performance of his duties, the Chairman of the Board of the General Meeting has the support of the Vice-Chairman of the Board, as well as of the Secretary of the Company, Pedro Cabral Nunes, within their legal powers.

MEMBERS OF THE BOARD OF DIRECTORS

On December 31, 2011, the Board of Directors consisted of 13 members, 3 of which are also members of the Audit Committee. On December 29, 2011, João Nuno de Oliveira Jorge Palma submitted a letter whereby he presented his resignation as member of the Board of Directors and as member of the Executive Committee.
The Board of Directors currently in office for the term-of-office 2010-2012 is composed by the following members appointed at REN's Annual General Meeting held on March 15, 2010 and at REN's Annual General Meeting held on April 15, 2011[3]:

Name	Age[4]	Position
Rui Manuel Janes Cartaxo	59	Chairman of the Board of Directors and Chief Executive Officer
Aníbal Durães dos Santos	64	Executive Director
João Caetano Carreira Faria Conceição	37	Executive Director
João Manuel de Castro Plácido Pires	61	Executive Director
Luís Maria Atienza Serna (representing Red Eléctrica Corporación, S.A.)	54	Director
Gonçalo Xavier de Araújo (representing Oliren, SGPS, S.A.)	36	Director
José Manuel Félix Morgado (representing Gestmin, SGPS, S.A.)	51	Director
José Isidoro d'Oliveira Carvalho Neto	66	Director
Luís Guedes da Cruz Almeida (representing EGF - Gestão e Consultoria Financeira, S.A.)	33	Director
José Luís Alvim Marinho	59	Director and Chairman of the Audit Committee
José Frederico Vieira Jordão	66	Director and Member of the Audit Committee
Fernando António Portela Rocha de Andrade	40	Director and Member of the Audit Committee

Annex I contains a more detailed description of the members of the management body currently in office.

[3] Following the resignation from the office of Director, submitted in March 2011, by Luís Maria Atienza Serna, Filipe de Botton, Manuel Carlos de Melo Champalimaud and Gonçalo José Zambrano de Oliveira, new members of the Board of Directors were elected in the Annual General Meeting held on April 15, 2011 for the remainder of the current term of office 2010-2012, as follows:

- EGF - Gestão e Consultoria Financeira, S.A. (formerly named Logoplaste - Gestão e Consultoria Financeira, S.A.), appointed Luís Guedes da Cruz Almeida to carry out his position on his own behalf, as stated in a press release of July 28, 2011;

- Gestmin, SGPS, S.A. appointed José Manuel Félix Morgado to carry out his position on his own behalf, as stated in a press release of September 15, 2011;

- Oliren, SGPS, S.A. appointed Gonçalo Xavier Araújo to carry out his position on his own behalf, as stated in a press release of September 15, 2011; and

- Red Eléctrica Corporación, S.A. appointed Luís Maria Atienza Serna to carry out his position on his own behalf, as stated in a press release of September 15, 2011.

[4] On December 31, 2011.

Taking into account the assessment criteria of independence laid down in CMVM's Recommendation II.1.2.3. and in paragraph 5 of article 414 of the Portuguese Companies Code, the Board of Directors of REN considers the following non-executive directors as being independent:
José Luís Alvim Marinho (Chairman of the Audit Committee)
José Frederico Vieira Jordão (Member of the Audit Committee)
Fernando António Portela Rocha de Andrade (Member of the Audit Committee)
José Isidoro d'Oliveira Carvalho Netto

Furthermore, all non-executive members of the Board of Directors identified above as independent (apart, naturally, from the directors that are also members of the Audit Committee) would comply, if applicable, with all incompatibility rules stipulated in paragraph 1 of article 414-A of the Portuguese Companies Code, save as provided for in sub-paragraphs b) and c).

Within this context, the Board of Directors of the Company understands that the abovementioned independence of the Non-Executive Directors is not affected by: (i) them being in the situations mentioned in sub-paragraph b) of paragraph 1 of article 414-A of the Portuguese Companies Code, as they are members of the management body of the Company; nor by (ii) the fact that the Director José Isidoro d'Oliveira Carvalho Neto carries out the position of Chairman of the Board of Directors of OMIP - Operador do Mercado Ibérico de Energia (Portuguese Cluster), SGPS., S.A. ("OMIP") (i.e., a company in a control or group relationship with REN until October of 2011), for the following reasons:
The application of the incompatibility criteria laid down for members of the supervisory bodies to the members of the management board should be under-taken with the necessaries adjustments, considering the systematic and teleological coherence underlying CMVM's Recommendation II.1.2.3.;
The ratio that justifies the incompatibilities set forth at said sub-paragraphs regarding the members of the supervisory bodies (essentially, the proximity or participation in the management of the Group) is not reasonable for members of the management body;
The Directors at stake are not associated with any specific interest group in the Company, nor with any circumstance likely to harm their impartiality of analysis or decision;
The aforementioned group relationship with OMIP existing until October of 2011 did not affect nor affects the independence of its management, which stems from the nature of an organized market for the trading of electric energy related financial products, in light of the adequacy and (in a certain sense) independence requirements applicable to the members of the management body of companies managing regulated markets.

The remaining non-executive members of the Board of Directors identified above would comply, if applicable, with all incompatibility rules set forth in paragraph 1 of article 414-A of the Portuguese Companies Code, save as provided for in sub-paragraphs b) and h).

In light of the above, REN fully complies with the Recommendations II.1.2.1 to II.2.1.3, as the Board of Directors comprises an adequate number of non-executive members and, among these, independent members.

POWERS OF THE BOARD OF DIRECTORS

Pursuant to REN's Articles of Association (article 15, paragraph 1), the Board of Directors is particularly empowered to:
Define the Company's goals and management policies;
Draft the annual financial and business plans;
Manage the corporate business and perform all acts and operations relating to the corporate purpose which are not included within the scope of powers of other corporate bodies of the Company;
Represent the Company in or out of court, as plaintiff or defendant, further being able to waiver, settle or confess in any legal proceedings, as well as to enter into arbitration agreements;
Acquire, sell or by any other form transfer or encumber rights or assets, whether real estate or not;
Incorporate companies and subscribe for, acquire, encumber and transfer shareholdings;

Submit proposals to the General Meeting on the acquisition and transfer of own shares, in compliance with the applicable legal restrictions;
Determine the technical and administrative organization of the Company and the rules for internal operation, namely concerning its personnel and the corresponding remuneration;
Appoint the Secretary of the Company and its substitute;
Appoint attorneys of the Company with the powers deemed appropriate, including those of sub-delegation;
Perform any other functions granted by law or by the General Meeting.

Under paragraph of article 15 of REN's Articles of Association, the Board of Directors shall submit to the prior approval of the General Meeting the acquisition and transfer of assets, rights or shareholdings with an economic value greater than 10% of the Company's fixed assets.
The Company's Articles of Association do not authorize the Board of Directors to increase the Company's share capital, under the terms of article 456 of the Portuguese Companies Code.

Pursuant to paragraphs 3 to 5 of article 14 of the Company's Articles of Association, the Chairman of the Board of Directors is appointed by the General Meeting, amongst the appointed directors, and holds a casting vote. The Board of Directors further determines which of its members replaces the Chairman, in case of the latter's absence or impairment. The director that acts in substitution of the Chairman also holds a casting vote.

Under the terms of article 17 of REN's Articles of Association, the Chairman of the Board of Directors is especially empowered to:
Represent the Board of Directors;
Coordinate the activity of the Board of Directors and to convene and to preside its meetings;
Supervise the correct implementation of the approved resolutions.

EXECUTIVE COMMITTEE

Pursuant to paragraphs 3 and 4 of article 407 of the Portuguese Companies Code and article 16 of REN's Articles of Association, the Board of Directors has delegated management powers to the Company's Executive Committee.

Until the resignation of Executive Director João Nuno de Oliveira Jorge Palma, whereof the market was informed on December 29, 2011, the Executive Committee comprised the following members:

Rui Manuel Janes Cartaxo	Chairman of the Board of Directors and Chief Executive Officer
Aníbal Durães dos Santos	Member
João Caetano Carreira Faria Conceição	Member
João Manuel de Castro Plácido Pires	Member
João Nuno de Oliveira Jorge Palma	Member

From January 1, 2012, following the aforementioned resignation, the Executive Committee comprised the following 4 directors:

Rui Manuel Janes Cartaxo	Chairman of the Board of Directors and Chief Executive Officer
Aníbal Durães dos Santos	Member
João Caetano Carreira Faria Conceição	Member
João Manuel de Castro Plácido Pires	Member

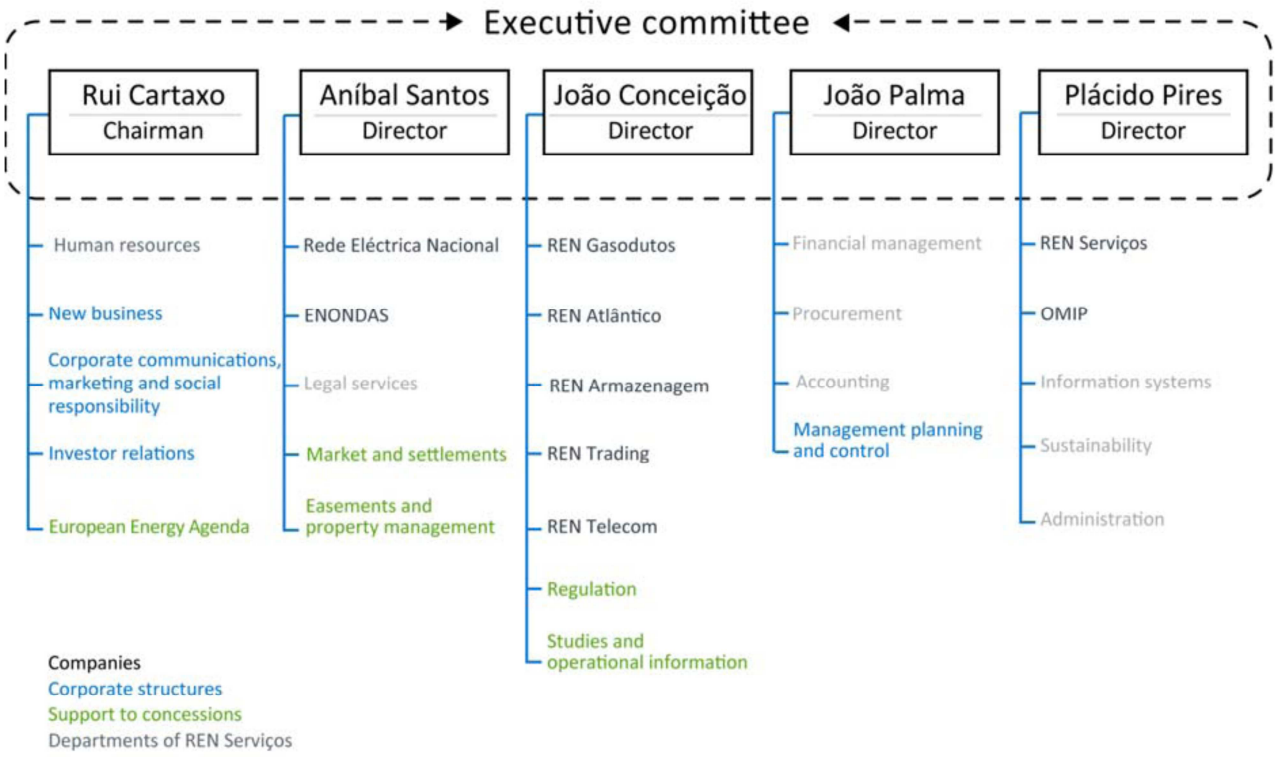
On March 15, 2010, the Board of Directors delegated powers of day-to-day management of the Company to the Executive Committee, which include the following powers, to be exercised under the terms and within the limits yearly stipulated in the operating budget and in the strategic plan submitted by the Executive Committee and approved by Board of Directors:

- Implement the Company's functional and administrative organization, its internal rules, including those governing human resources and their remuneration, as well as its internal control systems and procedures;
- Prepare and implement the operating budgets and the medium and long-term investment and development plans;
- Negotiate, sign, amend and terminate any agreements, including inter alia agreements for the purchase or sale of assets or rights, service rendering agreements, employment agreements and banking agreements, namely for the financing of REN or of any Group companies (save for medium or long-term loan agreements);
- Purchase, sell or encumber (save for the granting of in rem guarantees) the Company's fixed assets;
- Lease or let any property or parts thereof;
- Coordinate the activity of the companies in a control relationship with REN, further being able, concerning the companies in relationship of total control, to issue binding instructions, under the terms legally permitted;
- Manage the shareholdings owned by REN, including via the appointment of its representatives in the respective corporate bodies and the definition of guidelines for their actions;
- Represent the Company actively and passively, in and out of court, by proposing and pursuing lawsuits or arbitrations, with the power to confess, to waiver and to settle, as well as to enter into arbitration agreements;
- Open, use and close bank accounts;
- Appoint attorneys with the powers deemed convenient.

However, according to paragraphs 4 and 8 of article 407 of the Portuguese Companies Code and the abovementioned resolution, the delegation of powers to the Executive Committee does not exclude the power of the Board of Directors to pass resolutions on delegated matters, nor does it comprise the following matters:

- Co-option of directors;
- Request of notice to convene of General Meetings;
- Approval of the report and annual accounts to be submitted to the General Meeting;
- The approval of the half-yearly and quarterly accounts to be published under the terms applicable by law;
- The granting of deposits and personal or in rem guarantees by the Company;
- The transfer of the registered office and the increase of the Company's registered share capital;
- The approval of merger, demerger and transformation projects of REN.

Aiming at the optimization of management efficiency, the members of the Executive Committee distributed among themselves the responsibility for the direct monitoring of specific performance areas of the Company, under the terms evidenced in the following chart, which remained in force until January 1, 2012:



As of said date, Rui Manuel Janes Cartaxo, Chairman of the Executive Committee, also began carrying out the duties previously carried out by Executive Director João Nuno de Oliveira Jorge Palma, whose resignation was announced on December 29, 2011.

AUDIT COMMITTEE

The supervision of the Company's corporate business is performed by an Audit Committee, composed by 3 members, who are also comprised by the Board of Directors.

The current members of the Audit Committee are:

José Luís Alvim Marinho	Chairman
José Frederico Vieira Jordão	Member
Fernando António Portela Rocha de Andrade	Member

Following its self-evaluation, the Audit Committee concluded that all its members are independent, under the terms and for the purposes of paragraph 5 of article 414 of the Portuguese Companies Code, and comply with the requirements set forth in paragraph 1 of article 414-A of the Portuguese Companies Code (save with regard to sub-paragraph b), which by nature is not applicable to members of the Audit Committee), concerning the absence of incompatibilities for the performance of their functions.

Amongst the members of the Audit Committee, Mr. José Luís Alvim Marinho and Mr. José Frederico Jordão hold an appropriate university degree and knowledge in audit and accounting.

The Audit Committee has the powers and the duties stipulated in law and in the Articles of Association of REN, therefore being particularly accountable for:

Supervising the management of the Company and the compliance with the law and the Articles of Association;

- Verifying the accuracy of the accounting documents prepared by the Board of Directors and overseeing the respective review;
- Supervising the preparation and disclosure of the financial information;
- Supervising the effectiveness of the risk management, internal control and internal audit systems;
- Proposing to the General Meeting the appointment of the Statutory Auditor, supervising its independence, particularly in what concerns the rendering of additional services;
- Receive the whistleblowing communications submitted by shareholders, Company's collaborators or third parties;
- Convening the General Meeting whenever the Chairman of the Board of the General Meeting fails to do so, despite its obligation on this matter.

The Audit Committee drafts an annual report on its supervisory activities (including references to any detected constraints), further submitting an opinion on the management report of the Board of Directors, the financial statements, as well as on the Corporate Governance Report, which are available together with the accounting documents on the website of REN at www.ren.pt.

REMUNERATIONS COMMITTEE

The Remunerations Committee is responsible for presenting and submitting to the shareholders the principles of the remuneration policy of the corporate bodies, as well as for determining the respective annual remunerations, including the respective supplements.

The members of the Remunerations Committee appointed until the end of the current term of office (2010-2012 three-year-period) are: José Emílio Castel-Branco (Chairman), Francisco Manuel Marques Bandeira and José Alexandre de Oliveira.

As disclosed by the Company, a proposal of amendment to the Articles of Association will be submitted to vote at the next General Meeting, in order to consider the current term-of-office, corresponding to the three-year-period 2010-2012, as ended and determine the year of 2012 as the time reference for the beginning of the new terms-of-office of the corporate bodies, the first of which thus corresponding to the three-year period 2012-2014.

The Remunerations Committee is comprised by members who are independent from the management. To such extent, the Remunerations Committee does not include any member of another corporate body for which it determines the respective remuneration, and its three members in office do not have any family relationship with members of such other bodies, notably spouses, relatives and kin, in a direct line, up to the 3rd degree, inclusively.

The members of the Remunerations Committee have relevant knowledge and experience concerning remuneration policies, in particular Mr. Francisco Manuel Marques Bandeira.

During the performance of its duties, the Remunerations Committee received advice from specialized entities on remuneration matters, which do not provide or have provided, over the past three years, services to the Board of Directors of REN or to any structure in its dependence (under employment or service agreements) and have no current relationship with a consultant of the Company.

On the General Meeting held on April 15, 2011, a statement on the remuneration policy of the management and supervisory bodies was submitted to the shareholders.

The Remunerations Committee held two meetings in 2011. For each meeting of the Remunerations Committee a minute is drafted.

STATUTORY AUDITOR

The Statutory Auditor is appointed by the General Meeting under a proposal of the Audit Committee, being in particular accountable for the examination and verification required for the review and legal certification of the financial statements.

Within its scope of powers as an external auditor, the Statutory Auditor verifies the implementation of the remuneration policies and systems, the effectiveness and functioning of the internal control mechanisms and is obliged to report any deficiencies to the Audit Committee of the Company. The Statutory Auditor also verifies the Corporate Governance Report, under the legally applicable terms.

The office of permanent Statutory Auditor of the Company is carried out, as of March 15, 2010, by the chartered accountants company Deloitte & Associados, SROC, S.A., registered before the Board of Chartered Accountants under no. 43 and registered before CMVM under number 231, represented by Jorge Carlos Batalha Duarte Catulo (C.A. no. 992). The substitute Statutory Auditor of the Company is Carlos Luís Oliveira de Melo Loureiro, a Chartered Accountant registered before the Board of Chartered Accountants under no. 572.

The external auditor of REN (Deloitte & Associados, SROC, S.A.) was initially hired to perform such office in 2009, and therefore the rotation period of the auditor referred to in CMVM's Recommendation III.1.3. has not yet elapsed (i.e., after 3 terms of office).

COMPANY SECRETARY

The Secretary of the Company and its Substitute are appointed by the Board of Directors and their office ceases when the office of the management body that designated him ends. The Secretary of the Company is essentially accountable for serving as secretary at the meetings of the corporate bodies, for answering the shareholders' requests under their right to information, and for certifying the powers of the members of the corporate bodies and the copies of the minutes and other Company documents, pursuant to article 446-B of the Portuguese Companies Code.

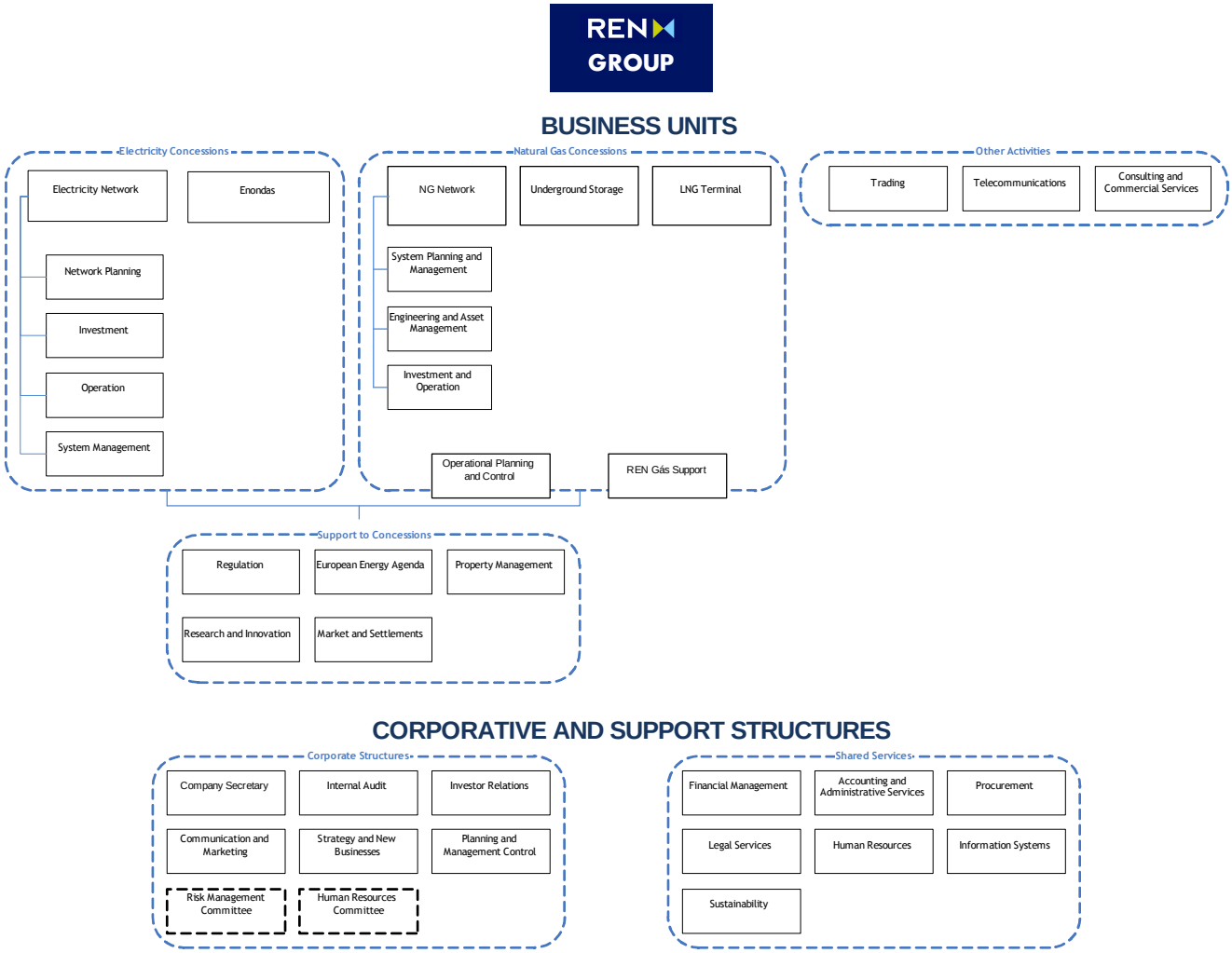
In its current term of office, which began on March 15, 2010, the Board of Directors resolved, on its meeting of March 22, 2010, to keep in office the Secretary of the Company, Pedro Cabral Nunes. Since the resignation of Daniela Pizarro de Sá, Substitute Secretary of the Company, on June 24, 2010, Mafalda Rebelo de Sousa has served as Substitute Secretary of the Company.

Until the end of the present 2010-2012 term of office, the Secretary and respective Substitute are the following persons:

- Secretary: Pedro Cabral Nunes
- Substitute: Mafalda Rebelo de Sousa

As disclosed by the Company, a proposal of amendment to the Articles of Association will be submitted to vote at the next General Meeting, in order to consider the current term-of-office, corresponding to the three-year-period 2010-2012, as ended and determine the year of 2012 as the time reference for the beginning of the new terms-of-office of the corporate bodies, the first of which thus corresponding to the three-year period 2012-2014.

ORGANIZATIONAL CHART



2. MARKET RELATIONS

OBLIGATION TO PROVIDE INFORMATION

REN ensures permanent contact with the market, abiding to the principle of equality of shareholders and preventing asymmetries in access to information by investors.
REN therefore endeavors to provide all relevant information on the progress of its activities and achieved results, in a truthful, transparent and consistent manner, through constant contact with shareholders, capital market investors and financial analysts, with special attention to the criteria used in the provision of periodic information in order to promote an easy comparison of information between reporting periods.
According to REN's market relations policy, investors must have at their disposal all essential information that may influence their investment (or divestment) decisions. Within this context, the provision of transparent, complete, easy to access and efficient information constitutes a basic principle for REN, thus allowing a general knowledge on the Company's real situation and activity.
REN uses its website, at www.ren.pt, as a vehicle for said information, which is regularly updated.

INVESTOR RELATIONS OFFICE (IRO)

The Investor Relations Office (IRO) was set up in July 2007 and is devoted exclusively to the relations with investors and the market in general. It may be contacted by the following means:

Ana Fernandes - Head of Investor Relations
Alexandra Martins
Telma Mendes

Address: REN - Redes Energéticas Nacionais, SGPS, S.A.
C/O: Investor Relations Office

Avenida dos Estados Unidos da América, 55
1749-061 LISBON – Portugal

Phone: 21 001 35 46
Fax: 21 001 31 50
E-mail: ir@ren.pt

Presently, the IRO develops its functions under the coordination of the Chairman of the Board of Directors, of the Chief Financial Officer and of the Chief Executive Officer, Rui Manuel Janes Cartaxo, reporting directly to him.
In 2011, the Representative for Market Relations was the Director João Nuno de Oliveira Jorge Palma, being also the Chief Financial Officer (CFO) for the REN Group. Due to his resignation as Executive Director, his duties, which include the post of Representative for Market Relations, will be performed by the Chairman of the Board of Directors, until a new CFO is appointed.

The IRO has the following main duties:

a) To guarantee full compliance with the obligations with the markets supervising entity (CMVM) and with other financial authorities;
b) To coordinate, prepare and release all information provided by the REN Group, regarding the disclosure of privileged information and other market communications or the publication of periodic financial statements;
c) To pass on feedback to the Executive Committee from institutional investors, notably with regard to operational and/or strategic issues and to present proposals for their implementation;
d) To systematically monitor analysts' research, with the purpose of ensuring a correct assessment of the Company's strategy and results;
e) To prepare and constantly monitor the competitors' and the peer group's financial and operating benchmarks;
f) To act as REN's interface with its shareholders, capital markets investors and financial analysts;
g) To attract the interest of potential institutional investors, as well as a higher number of financial analysts;
h) To prepare IRO's annual activity plan, including road shows, visits to investors and the organization of the Investor Day;
i) To develop and maintain the Investor Relations page on the Company's website.

IRO ACTIVITY IN 2011

The activity in 2011 was profoundly affected by the instability of the country's political and economic situation. The sovereign debt crisis and successive downgrades of the Portuguese Republic's debt rating adversely influenced the rating of domestic companies, among them REN. Furthermore, the threat of Portugal possibly leaving the Euro zone, along with doubts on its ability to comply with its financial responsibilities, contributed towards a turbulent climate in this country. Indeed, some of the topics of concern to REN's analysts/investors included REN's debt level and its maturity, as well as the ability to fund its investment plan. With REN's rating classified by one of the agencies at below investment grade, there arose an interest in a new investment type (called "high yield"), which requires higher interest rates, but considers REN as potentially being a highly interesting investment, given its low risk profile.

The second phase of REN's reprivatization, an intention stated in the agreement with the Troika, also marked the IRO's activity, mainly by the end of the year, when the entire process was launched, and in which the IRO was quite involved.

Another recurrent topic of interest was the possible change in the activity's regulation. Within the sector of electricity, on October 17 the Portuguese Energy Services Regulatory Authority (in Portuguese, ERSE) outlined its Electricity Tariffs and Price Proposal for 2012, as well as the regulatory parameters for the period 2012-2014. On October 18, REN held a conference call to explain the implications of such proposal for its activity, and, on December 15, ERSE released the final document. This topic, as well as that concerning phase two of REN's reprivatization, contributed significantly towards drawing investor interest, with new analysts starting to monitor the performance of REN's share.

Another important subject was REN's interest in investing in Mozambique, although the sale of part of the Portuguese Government's stake in the Hydroelectric Power Plant of Cahora Bassa was not completed. In 2011, all interim and annual presentations of results were led by Rui Cartaxo, Chairman of the Board of Directors, accompanied by then CFO and Representative for Market Relations, Executive Director João Nuno de Oliveira Jorge Palma. All presentations were followed by conference calls, moderated by Ana Fernandes, Head of Investor Relations.

In 2011, there were 5 conference calls, 4 of which for clarifying results and 1 regarding the new regulation on electricity, during which analysts and investors could directly ask their questions to the Chairman of the Board of Directors and to the CFO. In all, the IRO provided over one hundred clarifications to investors and shareholders, in person, by phone and via e-mail.

To promote the Company's visibility, the IRO was present in various events held in Portugal and in the major financial markets, such as New York, London, Paris, Madrid, Copenhagen, Stockholm, Helsinki and Abu Dhabi.

In all, over 145 meetings were held in 13 events, organized by 7 different promoting entities, and which were attended by around 120 investors.

REN regularly discloses privileged information prior to the opening of the Euronext Lisbon session or after its close, by releasing the same on CMVM's information disclosure system, and on REN's website, in the area of Investor Relations.
Information is also distributed via e-mail to everyone who previously asked to be included in IRO's mailing list, be they shareholders, investors or analysts, news agencies or international media, such as Reuters or Bloomberg, or any person requesting this via e-mail, available on the website and widely disseminated in every publication released by the IRO. In 2011, there were over 75 new registrations in REN's website through the "receive alerts" option (20 in 2010), there being currently more than 225 permanent registrations. Additionally, all the public information about the REN Group may be requested to this Office, through the contact page on the website, by phone, email, fax or mail.

COMPANY INFORMATION ON ITS WEBSITE

REN has a website entirely devoted to the disclosure of information, which generally contains all public institutional information about the Group. This website, which address is www.ren.pt, is available in Portuguese and English and contains a section entirely dedicated to investors (http://www.ren.pt/vPT/Investidor/Pages/Homepage.aspx), with the following detail:

a) REN Group: Description of the Company's activity, recent history, organization, mission statement, corporate structure and description of the regulatory context of the electricity transmission and natural gas regulated assets concessions, the main business areas and strategy. It also includes information on certification of quality, environment and safety, listing of stakes held by REN in projects intended to improve the management and operation of the national energy transmission network, sustainability, and also an area regarding employment opportunities.

b) Corporate Governance: This contains the composition of the corporate bodies, the Articles of Association and the regulations of the corporate bodies, as well as all information concerning General Meetings, such as notices to convene, proposals, and conditions regarding participation and voting. It also contains information concerning General Meetings from previous years, the Corporate Governance Report, the Code of Conduct and the Audit Committee's report.

c) Information to shareholders: This contains all privileged information announcements and other communications (immediately following publication in the CMVM information system), key indicators, annual, half-yearly and quarterly results and the respective financial results presentations, consolidated accounts and reports and shareholding structure. It also provides company information (which includes the company name, the listed company status, the registered office and other elements mentioned in article 171 of the Portuguese Companies Code), and, finally, information concerning all prospectuses of share and debt issuances disclosed up to this date.

In 2011, we highlight the restructuring of the "Key Indicators" page, which now provides a greater amount of relevant information, in a more detailed timeframe (quarterly data).

In 2011, there were around 165 000 visits to the website in both versions, 35 000 more than in the previous year, and 2/3 of visits were made to the Portuguese version. The average duration of a visit was 9.7 minutes (7.4 regarding the Portuguese version, and 11.9 concerning the English version).

The page with information to shareholders was the most visited, as shown in the table below:

Investor, pages	Portuguese Version	English
Home page	16.5%	4.4%
REN Group	4.2%	2.8%
Corporate Governance	31.4%	4.3%
Info. to Shareholders	31.2%	15.7%
Shares and Debt	12.8%	3.4%
Calendar	0.3%	0.4%
Investor Rel. Off.	1.8%	1.3%
Investor Dossier	1.3%	0.3%
Alert Subscription	0.7%	0.3%
Share Price	0.0%	0.0%

3. SHARES AND DIVIDEND POLICY
SHARE DESCRIPTION

REN's share capital, in the amount of €534 000 000 (five hundred thirty-four million euros) is fully paid up and is represented by 534 000 000 (five hundred thirty-four million) shares with a face value of €1.00 (one euro), in the form of nominative book-entry shares, divided as follows:

a) 261 660 000 (two hundred and sixty-one million, six hundred and sixty thousand) class A shares, corresponding to 49% of REN's share capital;

b) 272 340 000 (two hundred and seventy-two million, three hundred and forty thousand) class B shares, corresponding to 51% of REN's share capital. Class A shares are ordinary shares that do not grant special rights to their holders. These shares have the following main rights:

- The right to information;

- The right to participate and vote at General Meetings and challenge resolutions passed by the corporate bodies;
- The right to receive dividends;
- The right to a share of the assets in the event of winding up.

Although there are no limitations to the transferability of shares representing REN's share capital, given that under the terms of the Portuguese Securities Code shares traded in the regulated market are freely transferable, and there are no limitations to the exercise of their respective voting rights, holders of class A shares are still subject to the Articles of Association's protection regime concerning the non-exercise of voting rights laid down in paragraph 3 of article 12 of REN's Articles of Association5, applicable only in the event of acquisition of shares exceeding the legal limits provided for in sub-paragraphs i) and j) of paragraph 2 of Article 25 of Decree-Law no. 29/2006, of February 15 (as amended by Decree-Law no. 78/2011, of June 20), as well as in sub-paragraphs b) and c) of paragraph 3 of Article 20-A and sub-paragraphs h) and i) of paragraph 3 of Article 21 of Decree-Law no. 30/2006, of February 15 (as amended by Decree-Law no. 77/2011, of June 20).

Accordingly, there are legal limitations concerning the ownership of shares representing REN's share capital, due to the nature of activities pursued by the REN Group in the energy sector, which determine restrictions on the exercise of voting rights only insofar as there is a violation of the applicable legal provisions and only as long as the declaration of invalidity of situations of holding of shares in contradiction with those limitations is not declared.

For their part, class B shares entitle their holder to all the rights that are granted to holders of class A shares and also benefit from a (unique) special right embodied in the non-applicability to shareholders who hold them, or that represent said shareholders, of the Articles of Association's protection regime concerning the non-exercise of voting rights, which is applicable in case of acquisition of shares that exceed the legal restrictions set out in sub-paragraphs i) and j) of paragraph 2 of article 25 of Decree-Law no. 29/2006, of February 15 (as amended by Decree-Law no. 78/2011, of June 20), as well as in sub-paragraphs b) and c) of paragraph 3 of article 20-A and sub-paragraphs h) and i) of paragraph 3 of article 21 of Decree-Law no. 30/2006, of February 15 (as amended by Decree-Law no. 77/2011, of June 20).

All class B shares are held by Parpública – Participações Públicas (SGPS) S.A.. Pursuant to the Resolution of the Council of Ministers no. 13/2012, of February 8, and according to the communications received by the Company on February 22, 2012, Parpública – Participações Públicas (SGPS) S.A. has entered into direct reference sale agreements concerning shares representing 40% of REN's share capital, within the context of the second reprivatization phase of the Company. The effects of said legal instruments are subject to the entry into force of the amendments to the abovementioned legal rules regarding the ownership of shares representing REN's share capital.

In its turn, according to article 4 of the Articles of Association, the transfer of class B shares to non-public entities, pursuant to the conclusion of a phase of REN's reprivatization process, determines the automatic conversion of class B shares into class A shares.

On the other hand, and as disclosed by the Company, a shareholder proposal of amendment of REN's Articles of Association in order to not count the votes inherent to class A shares cast by any shareholder, on its own behalf or as a representative of any other shareholder, exceeding 25% of all votes corresponding to REN's share capital, shall be submitted to vote in the next General Meeting, and such amendment shall only enter into force after the amendment of the abovementioned legal rules.

[5] Pursuant to sub-paragraphs e) and f) of paragraph 2 of article 25 of Decree-Law no. 29/2006, of February 15, and to sub-paragraphs e) and f) of paragraph 4 of article 21 of Decree-Law no. 30/2006, of February 15, until the declaration of invalidity of situations of holding of shares in contradiction with those legal provisions and without prejudice to other applicable legal consequences, the votes inherent to class A shares issued by any shareholder, on their own behalf or as a representative of any other shareholder, that exceed 10% or, in the case of entities with activities or interests in the energy sector, 5% of the total votes corresponding to the share capital will not be counted. The legal references laid down in this provision of the Articles of Association were modified by Decree-Laws nos. 77/2011 and 78/2011, both of June 20.

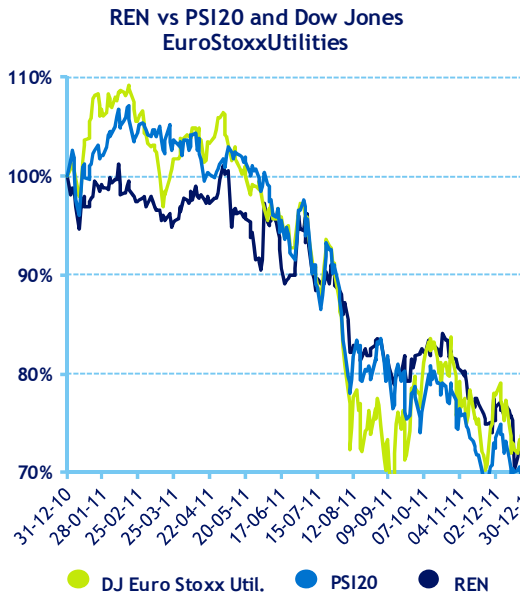
On December 31, 2011, all of REN's class A shares were admitted to trading on Euronext Lisbon, corresponding to code PTREL0AM0008.
There are no systems for employees' participation in the share capital of the Company.

EVOLUTION OF SHARE PRICES AND TRANSACTIONS

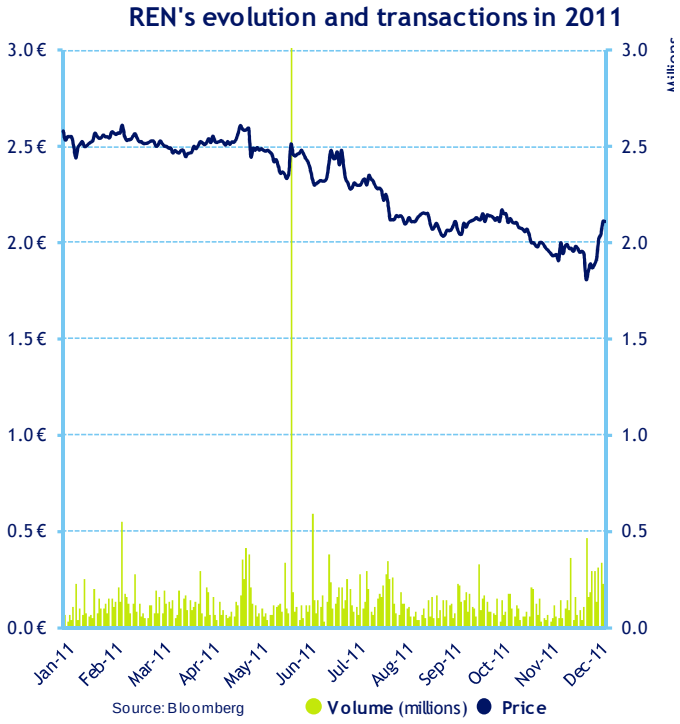
In 2011, REN's shares registered a depreciation of 18%, with their performance above the national stock reference index, the PSI 20, which decreased about 28%. REN's shares have been affected by the successive downgrades of the sovereign public debt, performed by rating agencies that, despite defining REN's risk profile as low, considered that REN's rating must not exceed that of the Portuguese State in more than one notch, due to the fact that the Portuguese State is a majority shareholder of REN's share capital and that REN is a regulated company that focuses its activities in the domestic market.
The liquidity of REN securities also increased in 2011, as the average daily transactions rose from around 179 000 in 2010 to 241 000 in 2011. The net most trading day occurred on June 3, 2011, when 28.8 million shares were traded and which coincided with the day on which the market was informed that EGF and Millennium BCP agreed upon a right of disposal, pursuant to articles 9 and 10 of Decree-Law no. 105/2004, of May 8, in relation to 28 131 422 nominative book-entry shares, accounting for 5.27% of REN's share capital.

Euronext Lisbon		31/Dec/2010 to 31/Dec/2011
Price (€)	Closing	2.11
	Maximum	2.630
	Minimum	1.806
	Average	2.30
Transactions	Volume (millions)	62.1
	Average daily volume (millions)	0.241
	Accumulated transactions (M€)	142.99
	Average daily transactions (M€)	0.55
Value	Stock Cap (31/Dec/11; M€)	1,126.74
Variation since the beggining of the year		
Δ%	PSI20	-27.6%
	REN	-18.2%

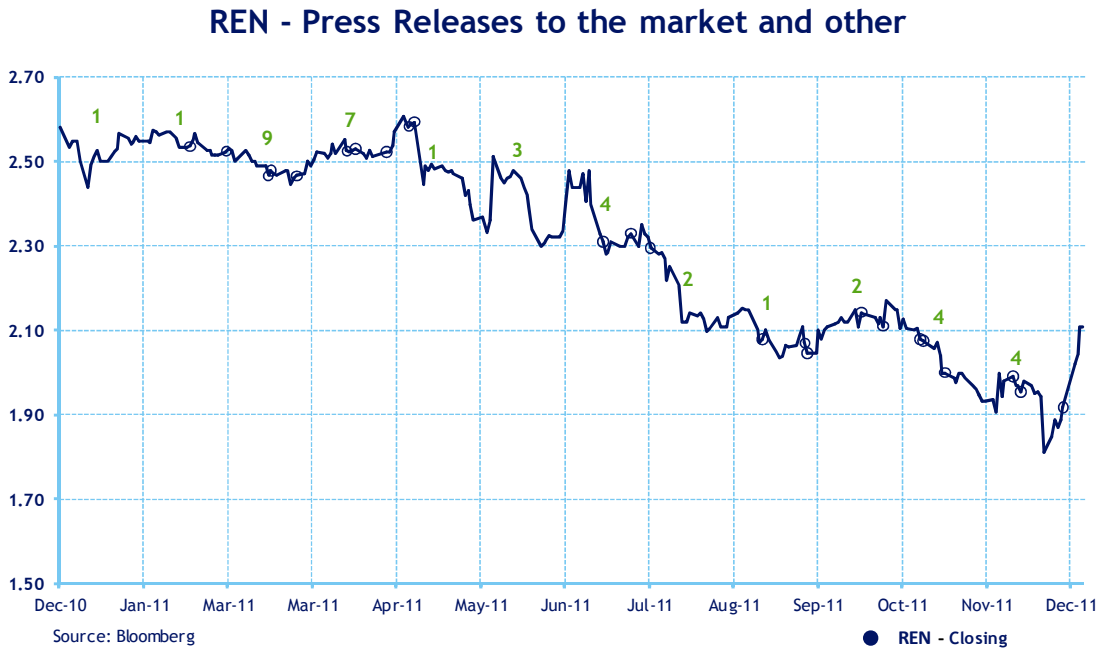
Sorce: Bloomberg



Having started the year trading at a price of €2.50, the REN share reached on December 19 the minimum value of €1.806, having ended the year at €2.11 with a market capitalization of over €1.1 billion. REN is one of PSI 20's members, with a weight of 1.58%, included in a total of 247 market indexes, among which are the PSI General Index, Euronext PSI Utilities and Euronext Top 150.



In 2011, several announcements were made to the market regarding privileged information and other events affecting REN's share price. The chart and table below summarize the most significant events.



List of Events

Event Nr.	Date	Description	Type
1	04-01-2011	Qualified Shareholdins	Event
2	11-02-2011	EIB financing operation	Privileged information
3	10-03-2011	Resignation of non-Executive Directors	Privileged information
4	17-03-2011	Moody's rating	Privileged information
5	17-03-2011	Presentantion of Accounts for 2010	Privileged information
6	18-03-2011	Clarification on gas investment	Privileged information
7	23-03-2011	Other proposals to the General Meeting	Event
8	23-03-2011	Proposal of the Corporate Governance Report 2010 to the GM	Rendering of Accounts
9	23-03-2011	Proposal of the Report and Accounts regarding 2010 to the GM	Rendering of Accounts
10	23-03-2011	Notice to Convene of General meeting 2011	Notices to Convene
11	28-03-2011	S&P rating	Privileged information
12	01-04-2011	S&P rating	Privileged information
13	06-04-2011	Moody's rating	Privileged information
14	07-04-2011	Qualified Shareholdins	Event
15	07-04-2011	Qualified Shareholdins	Event
16	15-04-2011	GM Resolutions 2011	Privileged information
17	19-04-2011	Distribution of dividends	Privileged information
18	27-04-2011	Issuance of Securities	Privileged information
19	09-05-2011	Presentation of consolidated results for the 1st semester of 2011	Privileged information
20	02-06-2011	Report and accounts for the 1st quarter of 2011	Rendering of Accounts
21	03-06-2011	Qualified Shareholdins	Event
22	10-06-2011	Qualified Shareholdins	Event
23	08-07-2011	Moody's rating	Privileged information
24	11-07-2011	Clarification of press news	Privileged information
25	12-07-2011	Bond issue	Privileged information
26	28-07-2011	Appointment of a member of the Board of Directors	Event
27	04-08-2011	Presentation of Consolidated Profit and Loss Accounts of 1st semester of 2011	Privileged information
28	31-08-2011	Report and accounts for the 1st Semestrer of 2011	Rendering of Accounts
29	15-09-2011	Appointment of a member of the Board of Directors	Event
30	17-10-2011	Tariffs communication received by ERSE	Privileged information
31	19-10-2011	Sale of stake in OMIP	Privileged information
32	07-11-2011	Presentation of consolidated results - first 9 months of 2011	Privileged information
33	09-11-2011	Moody's rating	Privileged information
34	14-11-2011	Report and Accounts - first 9 months of 2011	Rendering of Accounts
35	18-11-2011	Arbitration procedure with Amorim Energia B.V.	Privileged information
36	05-12-2011	Communication of ERSE regarding the capital cost of natural gas	Privileged information
37	09-12-2011	S&P rating	Privileged information
38	15-12-2011	Clarification on the implications of the document published by ERSE	Privileged information
39	29-12-2011	Resignation of Executive Directors	Privileged information

SHAREHOLDING STRUCTURE

In 2011, there were several relevant changes to the qualified shareholdings held by REN's private shareholders.

On January 4, REN informed the market, following the announcement received by EGF - Gestão e Consultoria Financeira, S.A. ("EGF")6 and Logo Finance, S.A.7 regarding EGF's purchase from Logo Finance, S.A. of 28 189 792 ordinary nominative book-entry shares, accounting for 5.28% of REN's share capital and corresponding voting rights. Said transaction took place on December 28, 2010, via a transaction outside the regulated market, at the price of 2.699 Euros per share.
Following said operation, Logo Finance, S.A. informed REN that 2.07% of the voting rights corresponding to REN's share capital will be attributed to Logo Finance, S.A., being:

- 2.05% of the voting rights corresponding to 10 933 393 shares representing REN's share capital directly held by Logo Finance S.A.;
- 0.02% of the voting rights corresponding to REN's share capital indirectly held by Logo Finance S.A., through the following entities:
    - 0.00% of the voting rights corresponding to 490 shares held, directly and indirectly, by the Chairman of the Board of Directors, Alexandre Relvas;
    - 0.02% of the voting rights corresponding to 111 160 shares held, directly and indirectly, by Filipe Botton, Member of the Board of Directors (including 1 970 shares held by his spouse and descendants).
- Also, 8.44% of the voting rights corresponding to REN's share capital have become attributable to EGF, being:
- 5.28% of the voting rights corresponding to 28 189 792 shares representing REN's share capital directly held by EGF;
- 3.16% of the voting rights corresponding to REN's share capital indirectly held by EGF, through the following entities:
    - 2.05% of the voting rights corresponding to 10 933 393 shares held by Logo Finance S.A., a company wholly held by EGF;
    - 1.09% of the voting rights corresponding to 5 809 991 shares held by Logoinveste SGPS, S.A., a company wholly held by EGF;
    - 0.02% of the voting rights corresponding to 111 160 shares held, directly and indirectly, by the Chairman of the Board of Directors, Filipe Botton (including 1 970 shares held by his spouse and descendants);
    - 0.00% of the voting rights corresponding to 490 shares held, directly and indirectly, by the Member of the Board of Directors, Alexandre Relvas.

Notwithstanding the above, as announced to REN by EGF and by Logo Finance S.A.: (i) the voting rights inherent to REN's shares held by Logo Finance S.A. have become attributable to EGF, a company which holds all of Logo Finance S.A.'s share capital since December 29, 2010; and (ii) the voting rights inherent to REN's shares held by Logo Finance S.A. and by EGF have also become attributable to the company Nikky Investments, S.A., a company holding all of EGF's share capital, and Filipe Botton, who controls Nikky Investments, S.A.

On April 7 REN informed the market that EGF and Logo Finance have submitted its correction regarding the press release made to the market on January 4, clarifying that, on that date, Filipe Botton did not hold, either directly or indirectly, any shares representing REN's share capital.

Accordingly, the percentage of voting rights attributable to EGF was of 8.41% of the voting rights, corresponding to 44 933 666 shares representing REN's share capital, being:

[6] Formerly named Logoplaste, Gestão e Consultoria Financeira, S.A.

[7] Formerly named Logoenergia, SGPS, S.A.

- 5.28% of the voting rights corresponding to 28 189 792 shares representing REN's share capital directly held by EGF;
- 3.14% of the voting rights corresponding to REN's share capital indirectly held by EGF, through the following entities:
    - 2.05% of the voting rights corresponding to 10 933 393 shares held by Logo Finance S.A., a company wholly held by EGF;
    - 1.09% of the voting rights corresponding to 5 809 991 shares held by Logoinveste SGPS, S.A., a company wholly held by EGF;
    - 0.00% of the voting rights corresponding to 490 shares held, directly and indirectly, by the Member of the Board of Directors of EDF, Alexandre Relvas.

Notwithstanding the above, the voting rights inherent to REN's shares held by EGF are attributable to the company Nikky Investments, S.A., a company holding all of EGF's share capital, and Filipe Botton, who controls Nikky Investments, S.A..
That same day, REN informed the market that Logo Finance S.A. also submitted the aforementioned correction, stating that the percentage of voting rights attributed to Logo Finance, S.A. was of 2.05%, corresponding to 10 933 883 shares representing REN's share capital, being:

- 2.05% of the voting rights corresponding to 10 933 393 shares directly held by Logo Finance S.A.;
- 0.00% of the voting rights corresponding to 490 shares held, directly and indirectly, by the Chairman of the Board of Directors of Logo Finance, S.A., Alexandre Relvas;

Notwithstanding the above, the voting rights inherent to REN's shares held by Logo Finance S.A. have become attributable to EGF, a company holding all of the share capital of Logo Finance S.A. (since December 29, 2010), the company Nikky Investments, S.A., a company holding all of EGF's share capital, and Filipe Botton, who controls Nikky Investments, S.A..

On June 3, REN announced to the market that it has been informed by EGF about a transaction carried out with Millennium BCP. This transaction consisted of both agreeing upon a right of disposal pursuant to articles 9 and 10 of Decree-Law no. 105/2004, of May 8, regarding 28 131 422 nominative book-entry shares representing 5.27% of REN's share capital ("REN Shares").

However, according to said agreement, the corresponding voting rights continued to be attributed to EGF, pursuant to sub-paragraph e) of paragraph 1 of article 20 of the Securities Code, and EGF and kept the right to receive dividends, and therefore the exercise of the right of disposal by Millennium BCP did not affect the voting rights attributable to the qualified shareholding of EGF in REN (8.41% of REN's voting rights).

Pursuant to the aforementioned framework, the CMVM, for the purposes of paragraph 5 of article 20 of the Securities Code, accepted not to apply the presumption of co-ordination of shareholding positions between Millennium BCP and EGF in relation to REN Shares.

Following the previous announcement, on June 10, REN disclosed the information received from Morgan Stanley, regarding the latter's shareholding of 3.98% in REN, acquired on June 6.

The shareholdings held by Morgan Stanley in ordinary shares of REN are as follows:

Legal entity	Number of shares held	% of the share capit
Morgan Stanley & Co. Incorporated	34 200	0.00%
Morgan Stanley & Co. International plc	4 219 761	0.79%

The shareholdings held by Morgan Stanley in financial instruments over shares of REN are as follows:

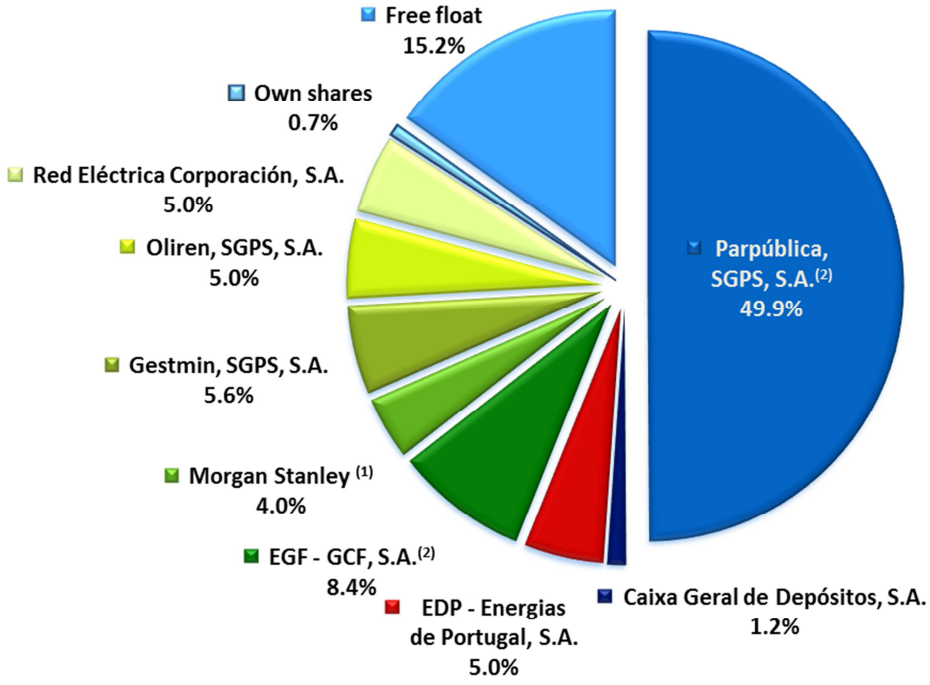
Legal entity	Financial instrument	Expiry date	Share equivalent	% of share capital

Morgan Stanley & Co. International plc	Swap (cash settled)	02/12/2011	7 000 000	1.31%
Morgan Stanley & Co. International plc	Swap (cash settled)	04/06/2012	10 000 000	1.87%

The above financial instruments have been entered into by Morgan Stanley & Co. International as hedge to a short position in financial instruments over shares in REN, as established with Millennium BCP. The shares and, therefore, the voting rights shall be transferred to Millennium BCP if the latter or Morgan Stanley cause the relevant financial instruments to cease.

Qualified shareholdings held in REN's share capital, on December 31, 2011, are listed in Annex III, which also includes the identification of shares held by members of REN's management and supervisory bodies, as well as transactions carried out by these members of corporate bodies.

Thus, using as a reference the announcements made to the Company, pursuant to article 16 of the Portuguese Securities Code, the structure of voting rights stemming from REN's qualified shareholdings, calculated pursuant to paragraph 1 of article 20 of the Portuguese Securities Code, with reference to the date of December 31, 2011, can be summarized as follows:



(1) New corporate name of Logoplaste - Gestão e Consultoria Financeira, S.A.
(2) The company CAPITALPOR – Participações Portuguesas, S.G.P.S., S.A., which held 46% of REN's share capital, was dissolved on December 26, 2011, by merger through incorporation in Parpública - Participações Públicas (SGPS), S.A.

On December 31, 2011, the Portuguese State still held a dominant position in REN's share capital, amounting up to 51.1% of REN's capital and voting rights, directly and indirectly, attributable to the Portuguese State. The shares held by Parpública (SGPS), S.A. and by Caixa Geral de Depósitos S.A.

correspond to the 272 498 854 class B shares representing REN's share capital, as well as 257 767 class A shares, held by Caixa Geral de Depósitos, S.A..
Subsequently to said date, it is worth mentioning the acquisition of a qualified shareholding of 2.00437% by Columbia Wanger Asset Management LLC, as announced to the market on February 15, 2012. Indeed, further to the acquisition of 115 131 ordinary shares in REN by various funds managed by Columbia Wanger Asset Management LLC , a total shareholding of 10 703 317 ordinary shares in REN became attributable to the latter, which represents a total qualified shareholding of 2.00437% of the voting rights corresponding to the share capital of REN. Said shareholding is also attributable to Columbia Management Investment Advisers LLC and Ameriprise Financial Inc., due to the existing control relationships.

The Company also received announcements dated February 22, 2012, according to which, within the context of the REN's second reprivatization phase, and as the result of the execution of direct reference sale agreements with Parpública – Participações Públicas (SGPS), S.A.:
(i) 25% of the voting rights representing REN's share capital became attributable to the companies State Grid International Development Limited, State Grid Europe Limited and State Grid Corporation of China, a state-owned company of the People's Republic of China;
(ii) 15% of the voting rights representing REN's share capital became attributable to the company Oman Oil Company S.A.O.C., an enterprise wholly-owned by the Sultanate of Oman.
Taking into account that the abovementioned direct sale agreements are subject to conditions precedent that have not yet been fulfilled, and, accordingly, the shares at stake have not yet been transferred to the purchasers, 51.1% of the voting right inherent to REN's share capital are still attributable to the Portuguese State.

After the transfer of the abovementioned shares, Parpública – Participações Públicas (SGPS), S.A. will hold a minority stake in REN's share capital, and thus 11.11% of the voting rights in REN will remain, directly and indirectly, attributable to the former.

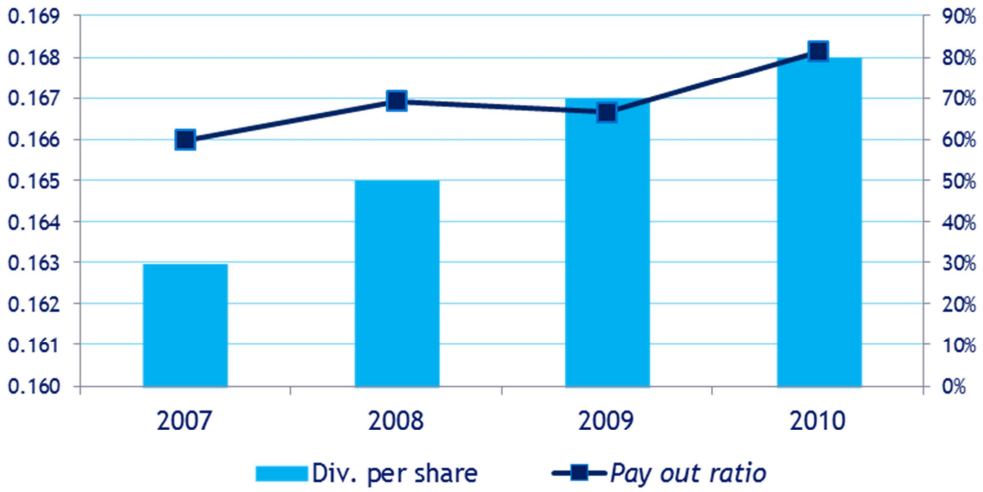
DIVIDEND POLICY

REN's dividend policy depends on a number of factors, including REN's distributable profits, financial situation, financing needs (in particular, capital expenditure and investment plan), REN's business perspectives, conditions applicable to the pursuit of REN's activities and other factors deemed as relevant at the time of the allocation of results.
Historically, with the purpose to maintain an attractive dividend that falls within the range of its peers, REN has offered shareholders an annual dividend distribution from approximately 60% to 80% of its net results, as shown in the table below:

Dividend Data

Regarding ratio	Amount Gross dividend	Type	Payment year	Net Result (M€)	Pay out ratio	Pay Out
2010	89.71	Ordinário	2011	110.3	81%	0.168
2009	89.18	Ordinário	2010	134.0	67%	0.167
2008	88.11	Ordinário	2009	127.4	69%	0.165
2007	87.04	Ordinário	2008	145.2	60%	0.163

In 2011, REN distributed to shareholders, as dividends for the financial year 2010, a total amount of €89 712 000, corresponding to a gross amount of €0.168 per share and a net value of €0.1344 per share (regardless of the share type), which was in line with the distribution in previous years.



TOTAL SHAREHOLDER REMUNERATION

Since the IPO carried out in July 2007, REN has provided a return to its shareholders that is significantly higher than the return provided by comparable indexes, notably the PSI 20 and the Dow Jones Euro Stoxx Utilities.

Fonte: Bloomberg

ANALYSTS' SHARE MONITORING

In 2011, 13 analysts regularly monitored REN's performance, 4 more than in the previous year. Although it was a particularly adverse year for most companies listed in Portugal, REN closed the year with 3 recommendations to “buy”, 2 “neutral” recommendations, 4 recommendations to “hold” and only 1 recommendation to “sell”.
On December 31, 2011, the average price target of several investment houses was €2.49, which represents a value increase potential of around 18% on the share price at the close of 2011.

Institution	Name	Target Price	Recommendation	Date	Analyses REN since
UBS	Alessandro D'Erme Bosco Ojeda	€ 2.20	Neutral	20-Dec-11	13-May-08
Millennium	João Mateus	€ 2.40	Buy/Low Risk	12-Dec-11	15-Sep-07
Morgan Stanley	Carolina Dores	€ 2.80	Equal-weight	1-Dec-11	24-Jan-11
Societe Generale	Jorge Alonso	€ 2.10	Hold	22-Nov-11	12-Jan-10
CITI	Manuel Losa	€ 1.90	Sell	13-Oct-11	22-Oct-10
Banif IB	Sofia Cordeiro	€ 2.45	Buy	19-Oct-11	19-Oct-11
BPI	F. Trindade	€ 2.20	Hold	22-Sep-11	11-Sep-07
Caixa BI	Helena Barbosa	€ 3.20	Buy	4-Aug-11	14-Apr-08
EQUITA	Gianmarco Bonacina	€ 2.30	Hold	20-Jul-11	1-Feb-08
BBVA	Daniel Ortea	€ 2.71	Market Perform	15-Jul-11	15-Jul-11
Santander	Bosco Muguiro	€ 2.70	Hold	20-Apr-11	20-Apr-11
Barclays Capital	Monica Girardi	€ 2.50	Equal Weight	12-Apr-11	12-Apr-11
Espírito Santo Research	Fernando García	€ 2.90	Neutral	14-Dec-10	14-Jan-08
	Average:	**€ 2.49**			

Note: Target Prices and recommendations on December 31, 2011

4. SHAREHOLDER PARTICIPATION

VOTE AND EXERCISE OF VOTING RIGHTS

The holders of shares representing REN's share capital have the voting rights attached, regardless of the category of shares in which they are included. The principle that each share corresponds to one vote is in force. REN's Articles of Association do not providing any limitation on the exercise of voting rights according to the ownership or attribution of a certain percentage of voting rights or any other criterion.

From a legal standpoint, there are legal limits in respect of ownership of shares representing REN's share capital, which result from the nature of the activities developed by the REN Group in the energy sector. Indeed, the requirements resulted from European Community Directives, applicable to the electricity and natural gas sectors in respect of legal and ownership unbundling between transmission operators of those assets and the operators in charge of the remaining activities of each one of sectors, to promote market competition and equal access by operators to transport infrastructures, and which have been implemented to Portuguese law in terms that imply restrictions on ownership of holdings in the share capital of the transmission operator.

Thus, in accordance with the provisions of sub-paragraphs i) and j) of paragraph 2 of article 25 of Decree-Law no. 29/2006, of February 15 (as amended by Decree-Law no. 78/2011, of June 20), as well as of sub-paragraphs b) and c) of paragraph 3 of article 20-A and sub-paragraphs h) and i) of paragraph 3 of article 21 of Decree-Law no. 30/2006, of February 15 (as amended by Decree-Law no. 77/2011, of June 20), no entity may directly or indirectly hold a shareholding which exceeds 10% of REN's share capital, except in case of entities with activities in the national or foreign energy sectors. In the latter case the relevant shareholding restriction applies to shareholdings which exceed 5% of REN's share capital.

Given the applicable legal regime, paragraph 3 of article 12 of the Articles of Association sets forth that, as long as the invalidity of the holding of shares in contradiction with the abovementioned legal provisions is not declared invalid, and without prejudice to other legally applicable consequences, the votes attached to class A shares shall not be counted if issued by any shareholder, on his behalf or as representative of another shareholder, which exceed 10%, or, in case of entities with activities or interests in the energy sector, 5% of the total votes corresponding to REN'S share capital.

This is the only disposition in the Articles of Association that establishes that voting rights will not be counted if they are issued by a sole shareholder or by shareholders related to him. Furthermore, the obligation to submit the maintenance or elimination of such provisions of the Articles of Association to the General Meeting, at least once every 5 years, is not provided, as such provision of the Articles of Association arises out of a legal obligation and it does not intend to prevent the exercise of voting rights. It aims instead at the establishment of sanctions for the violation of the law that prevents the counting of votes representing shares held in contradiction with the law.

Class B shares have a (single) special right, whereby the respective shareholders, or those that represent them, are not subject to the abovementioned restriction on voting rights, even in the case of acquisition of shares which exceed the legal thresholds.

According to paragraph 4 of article 12 of REN's Articles of Association and article 20 of the Portuguese Securities Code, for purposes of calculation of votes corresponding to the percentage of share capital held by a participant at a General Meeting, the following voting rights shall be added to the votes attached to the shares held by the shareholder or regarding which the same has legal usufruct rights:

a) Those held by third parties in their own name, but on behalf of the participant;
b) Those held by a company that is in a domain or group relationship with the participant;
c) Those held by holders of the voting rights with whom the participant has entered into an agreement to exercise those rights, unless by the same agreement, the participant is obligated to follow a third party's instructions;

d) If the participant is a company, those held by the members of its management or supervisory bodies;
e) Those that the participant can acquire under an agreement entered into with the respective holders;
f) Those concerning shares held as a guarantee or managed by or deposited with a participant, if the latter is entitled to the voting rights;
g) Those held by holders of the voting rights that have granted to the participant discretionary powers to exercise them;
h) Those held by persons who have entered into any agreement with the participant aiming to acquire the control of the company or to jeopardize the change of control or which, otherwise, constitutes an instrument of concerted exercise of influence on the affiliate;
i) Those ascribable to any of the persons mentioned in the previous paragraphs as a result of applying a criterion mentioned in any of the other paragraphs, with the appropriate adjustments.
j) Under the terms of the article 13 of REN's Articles of Association, shareholders shall provide the Board of Directors with all the information requested by the latter, in a complete, true and objective way, for the purposes of calculating the percentage of share capital that they hold. If shareholders do not comply with this obligation, the voting rights attached to their REN shares exceeding the limits of 5% or 10%, depending on whether or not the shareholders belong to the energy sector, cannot be exercised.

Under the terms of the Resolution of the Council of Ministers no. 13/2012, of February 8, and in the context of the second reprivatization phase of the Company, amendments to the abovementioned legal documents concerning the ownership of shares representing REN'S capital share are expected.

On the other hand, and as disclosed by the Company, a shareholder proposal of amendment of REN's Articles of Association in order to not count the votes inherent to class A shares cast by any shareholder, on its own behalf or as a representative of any other shareholder, exceeding 25% of all votes corresponding to REN's share capital, shall be submitted to vote in the next General Meeting, and such amendment shall only enter into force after the amendment of the abovementioned Decree-law 29/2006 and 30/2006, both of February 15.

Under the terms of paragraph 10 of article 12 of REN's Articles of Association, shareholders with voting rights may be represented at a General Meeting by means of a power of attorney granted to persons with full legal capacity, by written document addressed to the Chairman of the Board of the General Meeting, under the terms of law and of the notice to convene, and such document may be sent by e-mail.

VOTE BY CORRESPONDENCE

Pursuant to article 22 of the Portuguese Securities Code and paragraph 5 of article 12 of REN's Articles of Association, REN shareholders are allowed to submit votes by correspondence. Under sub-paragraph f) of paragraph 5 of article 377 of the Portuguese Companies Code, notices to convene disclosed regarding General Meetings shall mention the possibility of submitting votes by correspondence and specify, inter alia, the procedures that shareholders shall follow in order to do so, including a postal address and the deadline for the receipt of votes. Currently, the exercise of voting rights by correspondence through electronic means is not yet established.

Under paragraph 5 of article 12 of REN's Articles of Association, shareholders may submit their votes by correspondence on each item on the agenda, by letter addressed to the Chairman of the Board of General Meeting by registered mail with acknowledgement of receipt. If the shares are held by an individual shareholder, the letter shall be signed with signed with the same signature as on their identity card or identification document with equivalent legal strength, enclosing a legible photocopy of such document, or, in the event that the shares are held by a legal entity, the signature of the proxy shall be dully notarized. This letter must be received at REN's registered office at least three business days prior to the date of the General Meeting, except if the relevant notice to convene establishes a different term.

Under paragraph 6 of article 12 of REN's Articles of Association, the Chairman of the Board of the General Meeting shall verify the authenticity and regularity of the votes exercised by correspondence as well as ensure that they remain confidential until the voting takes place. These votes are considered to be votes against for resolution proposals submitted after the date on which they were cast.

In order to facilitate votes by correspondence, REN provides a voting ballot on its website at www.ren.pt which may be used for such purpose, and also sends to shareholders a voting ballot and an envelope, upon request, for the purpose of postal submission.

THE PRINCIPLE OF "ONE SHARE, ONE VOTE" AND THE PRINCIPLE OF PROPORTIONALITY

Following recommendations and best practices regarding shareholder participation in companies with shares admitted to trading in a regulated market, paragraph 2 of article 12 of REN's Articles of Association lays down the principle of "one share one vote", providing that each share corresponds to one vote.

Furthermore, REN's Board of Directors considers that the Company fully ensures the principle of proportionality regarding voting rights and shareholder participation and does not adopt any measure in order to hinder the success of takeover bids, under the terms and for the purposes of CMVM Recommendations I.3.3. and I.6.1., not only as a result of the adoption of the one share one vote principle but also due to the following reasons:

- As set forth in paragraph 4.1, the abovementioned restrictions to the exercise of voting rights arise from legal restrictions on the holding of shares representing the share capital, due to the regulation of the sectors in which the Company develops its activities, and constitute a mechanism to prevent the counting of votes only as long as the invalidity of situations of shareholding in violation of such transfer restrictions is not declared;
- The shareholders that remain within the limits established in the law for the holding of the share capital of the operator of the natural gas and electricity transmission networks, as well as of the operator of the Liquefied Natural Gas terminal and of the operator of underground storage, are not subject to any restrictions regarding the exercise of voting rights inherent to their holdings.

GENERAL MEETINGS AND PARTICIPATION IN THE GENERAL MEETING

The "one share, one vote" principle has as its corollary the right to attend, participate and intervene in the General Meeting by any person who holds one or more registered shares in his/her/its name entitling the latter, under the law and the Articles of Association, at least to one vote, at 0 hours (GMT) of the 5th trading day prior to the General Meeting ("Record Date"), under paragraph 1 of article 23-C of the Portuguese Securities Code.

Concerning this subject, it is relevant to clarify that paragraphs 8 and 9 of article 12 of REN's Articles of Association provide that:
"8. Shareholders who intend to participate in the General Meeting must declare so, in writing, until the day prior to the Record Date, to the Chairman of the General Meeting Board and to the Financial Intermediary with which the individualized securities account is opened, for which e-mail may be used.
9. The shareholders referred to in paragraph 7 of this Article shall only be admitted to participate and vote at the General Meeting where they have expressed their intention to participate in such General Meeting pursuant to the terms of the preceding paragraph and whose financial intermediary, with which they have opened the relevant individual securities account has submitted to the Chairman of the Board of the General Meeting, until the end of the day corresponding to the Date of Record, information regarding the number of shares registered in its name, with reference to said Record Date, which may be sent by e-mail."

DEPOSIT OR BLOCKING OF SHARES

Since the entry into force of the Decree-Law no. 49/2010, of May 19, and pursuant to paragraphs 1 and 2 of article 23-C of the Portuguese Securities Code, shareholders may attend REN's General Meetings if on the Record Date they are holders of shares entitling them at least to one vote. Such right of attendance and voting in the General Meeting is not harmed by the transfer of the shares after the Record Date nor depends on its blocking between such date and the date of the General Meeting.

In accordance with paragraph 7 of article 23-C of the Portuguese Securities Code, the shareholder that has declared to the Chairman of the Board of the General Meeting its intent to participate in the General Meeting and has transferred its shares between the Record Date and the end of the General Meeting, shall immediately submit the corresponding information to the Chairman of the Board of the General Meeting and to CMVM.

REN's shareholders that hold shares on a professional basis in their own name but on behalf of clients, may cast votes in different directions with their shares, as long as, in addition to what is required in paragraphs 3 and 4 of article 23-C of the Portuguese Securities Code, they submit to the Chairman of the Board of the General Meeting until the Record Date and using proportional and sufficient proof: (a) the identification of each client and the corresponding number of shares that will be voted on his behalf; (b) the specific voting instructions regarding each one of the items on the agenda as provided by each one of their clients.

HUMAN AND LOGISTIC RESOURCES SUPPORTING THE GENERAL MEETING

The Board of the General Meeting has at its disposal the human and logistic resources which are appropriate to its needs, taking into account the Company's economic situation, and may benefit for such purpose from the support of the Secretary of the Company, the in-house legal office and from an external law firm, as well as the technical and voting counting services made available by a financial institution.

ATTENDANCE AND RESOLUTION QUORUM OF THE GENERAL MEETING

The attendance and resolution quorum of the General Meeting on the first convening date is 51% of the share capital. On the second convening date, the General Meeting may meet and resolve irrespective of the number of shareholders present or represented. However, both on the first and second convening date, the resolutions on amendments to the Articles of Association, demerger, merger, transformation or dissolution of the Company shall only be considered to be approved by two thirds of the votes cast in order to ensure the adequate representation of the shareholders, considering the nature of the activities undertaken by the Company and its shareholder structure.

As disclosed by the Company, a shareholder proposal to amend the Articles of Association, in order for certain resolutions for the amendment of the Articles of Association to only be considered as approved by three quarters of the votes cast, will be submitted to voting at the next General Meeting.

REN's Articles of Association do not provide for any system of detachment of rights with economic content.

MINUTES OF THE GENERAL MEETING AND HISTORICAL ARCHIVE

Taking into account that in July 2007, REN became a public company with shares admitted to trading on a market and considering the Recommendations of CMVM, since the Annual General Meeting of 2008, all

extracts of the minutes and other documentation with equivalent content, are made available on the REN website, on www.ren.pt, within 5 days after the General Meeting, in order to maintain records of notices to convene, resolutions adopted, attendance and resolution quora related to the convened meetings, represented share capital and voting results, which shall be maintained for a minimum period of 3 years. The Company shall also provide for an identical period, on the website, the minutes of the Annual General Meetings since 2008.

SHAREHOLDERS' AGREEMENTS

The Board of Directors is not aware of any shareholders agreements in relation to REN that may result in any restrictions to the transfer of securities or exercise of voting rights.

5. MANAGEMENT AND SUPERVISION SYSTEM

STRUCTURE, ORGANIZATION AND FUNCTIONING

Overview

Within the framework of corporate governance models authorized by the Portuguese Companies Code, REN has adopted an Anglo-Saxon management and supervision model which comprises (i) a Board of Directors, responsible for the management of the Company's business – which delegates the day-to-day management of the Company to the Executive Committee - and (ii) an Audit Committee to supervise and monitor the Company's business activity.
At the management level, there is a clear delimitation between the powers of the Board of Directors and those of the Executive Committee, due to the meticulous and objective delegation of powers by the Board of Directors on March 15, 2010, as mentioned above. On the other hand, the fact that the Chairman of the Board of Directors is also the Chief Executive Officer ensures the coherence and transparency that is essential to the Company's management and its adequate monitoring by the remaining members of the management body.

In terms of supervision, the Audit Committee acts as an internal control mechanism, supervising and overseeing the Company's management in an independent and autonomous manner.

These functions are laid down by law (article 423-F of the Portuguese Companies Code) and in REN's Articles of Association (article 22) and include, among others, supervising the Company and its compliance with the law and the Articles of Association, monitoring the accuracy of the accounting documents and oversight of its review, monitoring and oversight of the preparation and release of financial information, of the effectiveness of internal control and risk management systems and the convening of the General Meeting whenever the Chairman of the Board of the General Meeting does not convene it, even though when bound to do so. In addition, the Audit Committee monitors the activity and supervises the independence of the Statutory Auditor and of the External Auditor.

Furthermore, the dual capacity of the director which are also members of the Audit Committee, as a member of both the supervisory body and the management body, renders the control process even more transparent, notably due to the special access afforded to the members of the Audit Committee to information and decision-making processes.

In light of the above, the Board of Directors evaluates the model of governance adopted by the Company positively, and does not identify any constraint to its functioning.

STRUCTURE, ORGANIZATION AND FUNCTIONING OF THE BOARD OF DIRECTORS

Under article 14 of REN's Articles of Association, the Board of Directors consists of a minimum of 7 and maximum of 15 members, as determined by the General Meeting that elects said members.

The Board of Directors has currently 12 members8. In 2011, the Board of Directors included 8 non-executive members, which ensures its effective capacity to monitor and evaluate the activity of the executive members.

Within the Non-Executive Directors, 4 are independent directors, which is an appropriate number, considering the Company's size and its shareholder structure, in compliance with CMVM's Recommendation II.1.2.2.

The members of REN's Board of Directors are elected (and dismissed) by the General Meeting, under the terms of article 14 of REN's Articles of Association, without the intervention of the Executive Directors in the selection process of candidates for Non-Executive Directors of the Company.

Taking into account that, under the law and the Articles of Association, the election and dismissal of the members of the Board of Directors of the Company is within the scope of powers of the General Meeting, the shareholders have an exclusive role in this selection process.

The Board of Directors of the Company will only participate in said process in the event of replacement by co-option of missing directors, as described below. In this case, since it is non-delegable competence of the Board of Directors, all Directors are involved in the resolution of co-option, except in the event of conflicts of interest.

In turn, in the absence of a specialized committee, concerning selection/appointment matters, as explained in 5.6. below, the continuous monitoring of matters related to the assessment of the overall performance of the Board of Directors, as well as the analysis of the appropriate profile for the performance of the functions of REN Directors is a competence of the non-executive members of the Board of Directors, within their supervisory role.

Concerning to the election of Directors, the Articles of Association (paragraph 2 of article 14 of the Articles of Association) allow that a minority of shareholders who voted against the winning proposal appoint at least one director, provided that this minority represents at least 10% of the Company's share capital.

Should it be necessary to replace a Director (who is not a member of the Audit Committee), this replacement may take place according to one of the following procedures: (i) whenever there are no substitute directors, the Board of Directors will be entitled to co-opt a director, subject to ratification in the first subsequent General Meeting (without intervention of the Executive Directors of the Company in the selection of candidates whose co-option is proposed to the Board of Directors); (ii) should the co-option not take place within 60 days, then the Audit Committee shall appoint a substitute director, and this appointment shall also be subject to ratification in the first subsequent General Meeting; (iii) should that not occur, then the replacement shall be made by electing a new director in the General Meeting.

The Board of Directors has adopted a set of general and indicative principles concerning its policy on the rotation of responsibilities on the Board, as follows:

[8] Since the resignation of the Executive Director, João Nuno de Oliveira Jorge Palma, announced on December 29, 2011.

- Concerning the allocation of responsibilities, the Board of Directors will take into account, among others, the following factors: (i) the know-how and experience appropriate to the relevant functions, (ii) the thorough knowledge of the sector and (iii) the diversity of skills and qualifications within the Board of Directors, as a body intended to be multidisciplinary;
- The allocation of responsibilities will fall within the human resources culture and management policy of the Company in order to allow, whenever this is desirable and in the interest of REN, the harmonization of global practices and maximization of synergies in the several business units;
- The Board of Directors will, on a case by case basis, proceed with the rotation of director's responsibilities, whenever such rotation is in line with the improvement of corporate governance and the pursuit of the Company's interests, notably when a refreshing of the adopted strategy with regards to a specific responsibility or role is considered to be positive;
- Usually, in the allocation of responsibilities to the executive members of the Board of Directors, particularly regarding financial matters and other highly complex and specialized roles, the tendency will be to give priority to the criteria mentioned on the first paragraph above, as it is considered that in such situations the experience, appropriate qualifications and, most of all, an in-depth knowledge of the Company and its business have a higher added value than rotation;
- On the other hand, with regard to its non-executive members, the Board of Directors will seek to promote the rotation of an adequate number of members, usually after the lapse of 3 consecutive terms of office, in order to contribute to the efficient performance of its functions of accompanying and monitoring the executive management.

The abovementioned principles will apply from the date of their approval, in the context of the following powers of the Board of Directors, and bearing in mind the crucial role of the General Meeting in the election of directors:

- Appointment of the members of the Executive Committee and its Chairman;
- Granting of powers to one or more directors to specifically deal with certain management matters;
- Appointment of specialized committees' members, which may be established pursuant to article 9 of the Internal Regulation of the Board of Directors; and
- Replacement by co-option of missing directors subject to ratification in the first subsequent General Meeting, according to the applicable legal provisions.

In accordance with paragraph 1 of article 19 of the Company's Articles of Association and the respective internal regulation, the Board of Directors holds ordinary meetings at least bi-monthly, on dates established by agreement between its members for each calendar year, and extraordinary meetings whenever convened by its Chairman, by any 2 directors or by the Statutory Auditor. During the financial year of 2011, the Board of Directors held 14 meetings, of which minutes were prepared.
Any director may be represented at a meeting of the Board of Directors by another director, by addressing a letter to the Chairman, which is only valid for that relevant meeting. No director may represent more than one director at any meeting.
Moreover, the Executive Directors may not be represented by members of the Audit Committee, nor the Audit Committee members may be represented by Executive Directors.
Pursuant to paragraph 2 of article 19 of REN's Articles of Association, REN's Board of Directors may not resolve unless a majority of its members is present or represented.
In accordance with paragraph 1 of article 20 of REN's Articles of Association, the Board of Directors shall pass its resolution by a majority of votes of the directors present or represented.
The Chairman of the Board of Directors is entitled with the casting vote. The Board of Directors appoints one of its members to replace the Chairman whenever the latter is unable to attend. The director replacing the Chairman also has the casting vote.

According to the Board of Directors Internal Regulation, this corporate body established efficient mechanisms for the coordination of the work of its members having non-executive functions, in particular in order to facilitate the exercise of their right to information, as follows:

- Without prejudice to the exercise of powers not delegated to the Executive Committee, directors of the Company having a non-executive function assume a supervisory role of the executive management;
- In order to make independent and informed decisions, the directors with non-executive functions may obtain the information they deem necessary or appropriate to perform their roles, powers and duties (in particular, information related to the delegated powers to the Executive Committee and its performance), by requesting such information from any member of the Executive Committee, and the answer should be adequately and timely provided;
- The directors of the Company having non-executive functions will hold ad hoc meetings, upon convening of the Chairman of the Board of Directors or, if the Chairman performs executive functions, by the Chairman of the Audit Committee, at its own initiative or upon request of 2 of those directors, in order to undertake an assessment of the management of the Company.

In addition, all supporting documentation for meetings of the Board of Directors is timely provided to the non-executive members of the Board of Directors, under paragraph 5 of article 5 of the Internal Regulation, and the Executive Committee's resolutions shall be always available for consultation, there being no constraints on access to information by these members.

Therefore, the Board of Directors considers that, through the mechanisms described above, all the conditions are established in order for the directors with non-executive functions to discharge their functions in an efficient and coordinated manner and to take independent and informed decisions.

Under article 7 of REN's Board of Directors Internal Regulation, the minutes of its meetings are drafted by the Secretary of the Company and shall be submitted to the Board of Directors for approval by the following ordinary meeting.

Regarding incompatibilities and the maximum number of positions that may be accumulated by the directors of REN in corporate bodies of other companies, the relevant rules from the Portuguese Companies Code are applicable, not existing, as of today, any additional limitations established internally.

As disclosed by the Company, a shareholder proposal of amendment of the Articles of Association to vote in the next General Meeting, said proposal consisting in the establishment of an incompatibilities regime with the exercise of functions in the corporate bodies, related to potential conflicts of interest arising from the direct or indirect exercise of activities in electric or natural gas sector, both in Portugal and abroad.

Concerning the activity of the Non-Executive Directors in 2011, 3 of the Non-Executive Directors, José Luís Alvim Marinho, José Frederico Vieira Jordão and Fernando António Portela Rocha de Andrade, have performed their functions as members of the Audit Committee. The remaining Non-Executive Directors performed their functions not only by means of participating in the meetings of the Board of Directors, which were held on a regular monthly basis, but also by permanently following the activity of the Executive Committee, through the submission, in a coordinated and efficient manner, of additional information requests concerning matters which have been analyzed by the Board of Directors, notably financial matters, governance matters and matters related to regulatory issues. It shall be highlighted that Non-Executive Directors had no constraints in the performance of their duties, pursuant to the description of their activities set out in the annual management report.

STRUCTURE, ORGANIZATION AND FUNCTIONING OF THE EXECUTIVE COMMITTEE

The Board of Directors may delegate the day-to day management of the Company to an Executive Committee, under paragraphs 3 and 4 of article 407 of the Portuguese Companies Code and article 16 of the Articles of Association, indicating the directors composing the Executive Committee and appointing its Chairman.
The Board of Directors' resolution delegating powers to the Executive Committee shall establish the limits thereof and the committee's composition, appoint its Chairman and determine its working method.
Currently, due to the resignation submitted by Executive Director João Nuno de Oliveira Jorge Palma, the Executive Committee comprises 4 members.
Under article 8 of the Board of Directors' Internal Regulation and paragraph 4 of article 407 of the Portuguese Companies Code, the following powers cannot be delegated: co-opting directors; requesting the convening of General Meetings; approving the annual report and accounts to be submitted to the General Meeting; approving the quarterly and half-yearly accounts to be published as required by law; providing personal or in rem guarantees by the Company; transferring the Company's registered office or increasing the Company's share capital as provided for in the Articles of Association; and approving plans for merger, demerger or transformation of REN.

Furthermore, the Board of Directors acts in line with its goals, not delegating to the Executive Committee its powers related to the definition of the strategy and of the general policies of the Company, as well as the definition of the Group corporate structure. Moreover, the Board of Directors does not delegate the power to approve strategic decisions, since they have an increased risk or value, or due to their particular characteristics.

In fact, under article 3 of the respective Internal Regulation, even though the Board of Directors has delegated the day-to-day management under the terms explained above, this corporate body has kept its management powers, particularly, with regard to: (i) the definition of the strategy, goals and management policies of the Company and the Group; (ii) the approval of business and financial annual plans, investment plans and budgets; and (iii) the establishment of partnerships by all affiliates.

Under the same provision of the Internal Regulation, the Board of Directors is also entitled to pass the following strategic resolutions, with no possibility of delegation: award of acquisitions and investments to be made by the Company or by its affiliates, notably by REN – Rede Eléctrica Nacional, S.A., REN Gás, S.A., REN Gasodutos, S.A., REN Atlântico, Terminal de GNL, S.A., and REN Armazenagem, S.A. – included in the Company's annual budget or in the affiliates' annual budget and which value is equal to or higher than € 25 000 000.

Under paragraph 4 of article 8 of the Internal Regulation of the Board of Directors, the delegation of powers to the Executive Committee ceases by resolution of the Board of Directors, or automatically in any of the following circumstances: replacement of the member of the Board of Directors appointed as Chief Executive Officer or of the majority of its members; end of the term of office of the Board of Directors that has delegated the powers.

Under paragraph 2 of article 1 of the Internal Regulation of the Executive Committee, the Chief Executive Officer appointed by the Board of Directors may choose one of the committee members to replace him in his absence or impairments.
In accordance with paragraph 1 of article 2 Internal Regulation of the Executive Committee, its meetings are convened and chaired by its Chairman (the Chief Executive Officer) and must be held once a week. Minutes are kept of each Executive Committee meeting.
In 2011, the Executive Committee held 47 meetings, concerning which the relevant minutes were prepared.

In accordance with article 3 of the Internal Regulation of the Executive Committee, the same may only resolve when the majority of its members are present or represented. The Executive Committee members

can appoint another member of the Executive Committee as representative, by means of a simple letter addressed to its Chairman. The representation of more than one director is not allowed at any meeting.
If Executive Directors are unable to attend a meeting and if the Chairman considers that the resolution is urgent, they are allowed to express their vote by means of a letter addressed to him, which shall only be valid for that relevant meeting.

The Executive Committee's resolutions are approved by a majority vote of the members present or represented, and the Chairman and his substitute have a casting vote in the event of a tie.

The Internal Regulation of the Executive Committee establishes that in each meeting a member shall be appointed to monitor the implementation of each resolution, in order to allow the supervision and the adoption of potential additional measures for its implementation.

The Chief Executive Officer sends to the Chairmen of the Board of Directors and of the Audit Committee the notices to convene and the minutes of the meetings of the Executive Committee. The Executive Committee provides timely and appropriate information to members of other corporate bodies upon their request.
In addition, the Executive Committee prepares and proposes to the Board of Directors resolution drafts on matters falling within its scope of powers and presents to the Board of Directors those matters that, due to their relevance, it considers that should be approved by the Board of Directors.

ORGANIZATION AND FUNCTIONING OF THE AUDIT COMMITTEE

The Audit Committee shall be composed by 3 non-executive members of the Board of Directors, elected (and dismissed on solely fair grounds) by the General Meeting. Its Chairman is appointed at the time of said election.
The Chairman of the Audit Committee, José Luís Alvim Marinho, and the other members in office, José Frederico Vieira Jordão and Fernando António Portela Rocha de Andrade, are independent and appropriately qualified for their offices.
The Audit Committee has its own Internal Regulation containing rules governing its organization and functioning. In particular, pursuant to paragraph 1 of article 4 of the Internal Regulation, the Audit Committee must hold monthly meetings. In addition to its ordinary meetings, the Audit Committee may meet whenever convened by its Chairman or by the remaining two members.
In 2011, the Audit Committee held 14 meetings. Minutes of each meeting shall be drawn up.
Concerning the incompatibilities and the maximum number of positions that may be accumulated by the members of the Audit Committee in other company's corporate bodies, the relevant rules of the Portuguese Companies Code are applicable. Apart from such rules, there are no other limitations provided for internally.

As disclosed by the Company, a shareholder proposal of amendment of the Articles of Association to vote in the next General Meeting, said proposal consisting in the establishment of an incompatibilities regime with the exercise of functions in the corporate bodies, related to potential conflicts of interest arising from the direct or indirect exercise of activities in electric or natural gas sector, both in Portugal and abroad.

The Audit Committee is the Company's main discussion partner and the first recipient of reports from the external auditors, whose activity is monitored and supervised by the Audit Committee. The Audit Committee may obtain independent opinions or hire specialized consultancy services, as it deems necessary for the adequate performance of its functions. The Audit Committee can also access any of REN's resources and means that are required for the performance of its functions.

Annual reports on the Audit Committee's activities shall include the description of the performed supervisory activity and are posted on the Company's website at www.ren.pt., together with the financial statements.

DISCLOSURE OF INTERNAL REGULATIONS OF MANAGING AND SUPERVISORY BODIES

The Board of Directors internal Regulations, as well as the Audit Committee internal Regulations and of the Executive Committee internal Regulations are available on the REN website, on www.ren.pt both in Portuguese and in English.

SPECIALIZED COMMITTEES

Taking into account the corporate governance model implemented by REN, which includes an Audit Committee as an internal control mechanism supervising and controlling REN's management activity as well as its corporate business, it has been understood that there is no need to establish specialized committees with the single purpose of assessing the performance of Executive Directors or the activity of the existing committees, given that this is achieved through the assessment activity developed by the Audit Committee and by the non-executive members of the Board of Directors.

In 2011, the Non-Executive Directors monitored issues related to: (i) the governance model and principles of the Company; (ii) the assessment of the overall performance of the Board of Directors and the analysis of the appropriate profile to perform the functions of a REN director; as well as (iii) the assessment of the performance of the Executive Directors.

Indeed, the assessment of the performance of the Executive Committee members is made by the Non-Executive Directors, in order to create an adequate internal balance and an effective performance of non-executive tasks by all members of the Board of Directors and not only by some of them. Likewise, Non-Executive Directors monitor the global performance of the Board of Directors and analyze the functioning of the corporate governance system.

In addition, REN understands that the establishment of a specialized committee with powers regarding the identification of candidates with adequate profile for the office of director does not fit in with the Company's specific characteristics, since the process of selection has been appropriately carried out in the interest of the company, whether in the context of election in General Meetings, whether in the event of co-option by a resolution of the Board of Directors.

In particular, within the assessment of the overall performance of the Board of Directors and of the corporate governance system, its non-executive members have analyzed the appropriate profile to perform the functions of a REN director.

THE COMPANY'S INTERACTION WITH RELATED PARTIES

Annex II of this Corporate Governance Report contains the description of the main elements of the business and operations carried on between the Company, on the one hand and, on the other hand, holders of qualified shareholdings or entities with which they are in any relationship, under Article 20 of the Portuguese Securities Code.
All the operations described in the Annex were carried out under normal market conditions and were entered into in the course of REN's ordinary activity. For the most part, they arose out of regulatory obligations and, therefore, were not submitted to the supervisory body for prior assessment.

Taking into consideration the nature of REN's shareholders and the specific characteristics of the transactions with related parties that took place in 2011, which are identical to the ones that had already taken place in 2010, and to the ones that will take place again in 2012, the Audit Committee, despite having monitored those transactions, considered it appropriate to study the handling of these matters on a national and international level, as well as to establish the procedures and criteria necessary to define the relevance of those transactions.

After the said analysis, following the proposal put forth by the Audit Committee on November 28, 2011, the Board of Directors approved an internal regulation on the handling and disclosure of transactions with related parties, as well as on the proper course of action in the event of a potential conflict of interest, during the meeting held on December 15, 2011 ("Regulation on Transactions with Related Parties").

Under the said Regulation on Transactions with Related Parties, legal business between, on the one hand, (i) a Related Party - that is, a member of a managing or supervisory body of REN or of any other company in a control or group relationship with REN, pursuant to article 21 of the Portuguese Securities Code ("Affiliates") or any individual who, due to the post he or she holds in REN or in the Affiliates, serves in a senior or managerial capacity, or who has regular or occasional access to privileged information ("Official") or a shareholder who holds a qualified shareholding of at least 2% of REN's share capital or of that of the Affiliates, calculated under article 20 of the Portuguese Securities Code ("Relevant Shareholder") - or even a third-party body, related to an Official or a Relevant Shareholder by means of any relevant commercial or personal interest and, on the other hand, (ii) REN or the Affiliates, which falls under the circumstances described below, shall be subject to a prior expert opinion to be given by the Audit Committee:

- Business between, on the one hand, members of the managing or supervisory body of REN or of the Affiliates and, on the other, REN or the Affiliates, under and for the purposes of the provisions of articles 397 and 423-H of the Portuguese Companies Code.
- The acquisition and sale of goods or the provision of services valued at over €5 000 000 (five million euros).
- The acquisition or transfer of shareholdings.
- New loans, financing and subscription of financial investments resulting in an overall annual indebtedness exceeding €100 000 000 (one hundred million euros), except when dealing with a mere renewal of existing circumstances or operations undertaken within the framework of pre-existing contractual conditions.
- Transactions not included in the contexts described above, the value of which exceeds €5 000 000 (five million euros).
- Any transaction which, though not covered by the above criteria, must be considered relevant for this purpose by either the Executive Committee or by the Board of Directors, as appropriate, by virtue of its nature or its particular susceptibility to giving rise to a conflict of interests.

In turn, any business between a Related Party as referred to above, on the one hand, and REN or one of its Affiliates, which does not fall into any of the above circumstances, must later be submitted to the Audit Committee for its consideration.

The Executive Committee or the Board of Directors of REN (depending on whether the former or the latter is the competent body for approving the transaction in question) will be responsible for submitting any transaction with the Related Parties for consideration by the Audit Committee (for prior approval or later assessment, as applicable, as set out above).

When submitting any transaction with Related Parties to the Audit Committee for prior assessment, the Board of Directors or the Executive Committee (as appropriate) must provide the Audit Committee with the following information at least 15 days in advance of the date of the planned transaction:

- A brief characterization of the essential terms of the transaction in question;
- A brief contextualization of the transaction, including the pre-contractual procedures adopted;
- If several proposals have been submitted, the criteria adopted for finally selecting the other party;
- If no other body has been consulted, the reasons for adopting this procedure;
- If, because of its nature, it is necessary to complete the transaction urgently, this fact and the applicable circumstances should be mentioned and the appropriate justification given;
- The mechanisms adopted for preventing conflicts of interest and proof that the transaction will be carried out under normal market conditions.

If the Audit Committee issues an unfavorable advance expert opinion, approval of the transaction by the Board of Directors or by the Executive Committee, as appropriate, must be particularly well-grounded so as

to demonstrate that the completion of the transaction is in line with pursuing the corporate interest of REN or of its Affiliates.

It should also be pointed out that, under the Regulation on Transactions with Related Parties, the Audit Committee, in the transactions submitted to it, must assess the adequacy of the pre-contractual and contractual procedures adopted as well as the fairness and adequacy of the grounds presented, taking into account the following purposes:

- The pursuit of the corporate interest of REN and of the Affiliates.
- The appropriateness of the transaction's conditions to the conditions of the market in which this type of transaction normally takes place.
- The direct or indirect non-assignment of excessive benefits to the Related Party, within the context of carrying out the transaction.

- As part of its duties involving coordination of internal mechanisms for transactions with Related Parties, the following powers are also given to the Audit Committee:
- To request information from the Board of Directors or from the Executive Committee, as appropriate, so as to issue a well-grounded expert opinion;
- To submit recommendations to the Board of Directors, including measures to prevent and identify conflicts of interest.
- Within this context, whenever a transaction that is liable to undermine the corporate interest of REN or of the Affiliates is identified, to suggest the adoption of measures to make completion of the transaction compatible with the corporate interest.
- To issue an annual expert opinion on enforcement of the Regulation and its adequacy for its purposes and, whenever necessary, to revise it.
- Finally, it should also be noted that there are no transactions between the Company, on the one hand, and the members of its managing or supervisory bodies or companies in a group or control relationship, on the other.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The management and supervisory bodies of the Company have been attributing growing importance to the development and improvement of the internal control and risk management systems, with a significant impact on the activities of the Group's companies. This approach has been in line with national and international recommendations, including CMVM's recommendations as included in the Corporate Governance Code and the good governance principles contained in the Council of Ministers Resolution no. 49/2007, of March 28.

The Executive Committee and, ultimately, the Board of Directors, are responsible for creating and managing the internal control and risk management systems. The Audit Committee is responsible for assisting the Executive Committee in analyzing the integrity and efficiency of REN's Internal Control and Risk Management Systems. Furthermore, in its plan of activities for the financial year of 2011, the Audit Committee considered carrying out a number of steps to monitor and evaluate the functioning and adequacy of the internal control and risk management systems.

It is considered that a risk management and internal control system – as implemented by REN - should meet the following objectives, among others:

- Guarantee and supervise fulfillment of the objectives previously set by the Board of Directors;
- Ensure that information is reliable and complete;
- Ensure the complete, reliable and timely preparation and reporting of financial and accounting information, and apply an appropriate management information system;
- Guarantee the safeguarding of assets;
- Ensure prudent, appropriate valuation of assets and liabilities;
- Identify risk factors, risk occurrence consequences and mechanisms related to their treatment and minimization;

- Bring tolerable risk into line with the Group's strategy;
- Improve the quality of decisions;
- Promote the rational and efficient use of resources.

During the 2009 financial year, on May 13, 2009, the Executive Committee passed a resolution to set up the Internal Audit Department (IAD), with the mission of supervising the creation, operation and effectiveness of the Group's risk management control model and internal control and governance systems, through objective, independent and systematic monitoring. In operational terms, it reports to the Audit Committee, notwithstanding its hierarchical relationship with the executive management of the Company. The officer in charge of the Internal Audit Department is Gil Vicente Jorge Marcelino.

Noteworthy, among the various tasks of the Internal Audit Department are the following:

- Review of risk management and internal control policies in force;
- Assessment of the degree of implementation of internal control (organizational structure and governance, delegation of powers, ethics and conduct code, policies and procedures);
- Implementation of financial, IT, operational and management audits in the various areas of the REN Group, confirming compliance with the policies, laws and regulations (compliance services);
- Definition, jointly with the various areas, of measures to correct any weaknesses and non-compliances identified during the audits;
- Monitoring the implementation of corrective measures, through follow-up reports;
- Support for high-level management in defining and/or implementing control and governance measures.

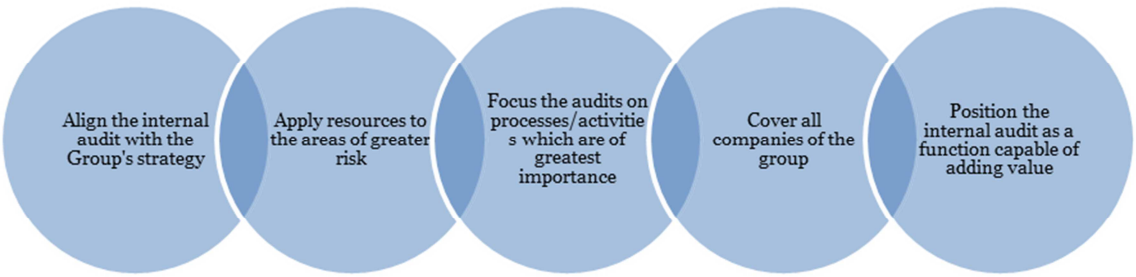
All internal audits conducted by the IAD follow a plan based on risk assessment, whether corporate or by the IAD itself, the latter including an assessment of how risks are managed in terms of processes, systems and business units.

The IAD's Business Plan for 2011, approved by the Audit Committee, has defined and characterized the audits to be carried out. The Business Plan was designed to:

- Focus on the audits in areas of greatest risk;
- Assess the efficiency of the internal control systems implemented;
- Cover all Group companies;
- Add value to the Group.

In implementing the various audits, particular attention was paid to the assessment of internal control systems, to compliance with established procedures, to the efficient use of resources, to the effective monitoring of processes and to the assessment and minimization of identified risks.

In 2012, the audit procedures will be maintained and as far as the IAD's future plan of activities is concerned, we highlight the following objectives:



With the main concern being the monitoring of the main aspects of REN's activity, and in order to ensure the procedures followed are in compliance, an assessment of the main Internal Control Systems in the Group's various companies is conducted regularly, with the following underlying principles:

- Strengthening and improving effectiveness and efficiency in the use of resources;
- Safeguarding assets;
- Analyzing the information processing system;
- Checking of the reliability and accuracy of financial, accounting and other kinds of information;
- Preventing and detecting fraud and errors;
- Checking for compliance of the Group's operations and business with applicable legal and regulatory provisions, as well as with general policies and Company regulations;
- Promoting operational effectiveness and efficiency.

In addition, the mission of the Risk Management Committee, created in 2010, is to support the Board of Directors in monitoring the Group's risks, as well as ensuring the enforcement of risk management policies common to the entire Group and the internal disclosure of best practices for Risk Management. The Risk Management Committee's main functions are to:

- Promote the identification and systematic evaluation of business risks and their impact on REN's strategic objectives;
- Categorize and prioritize the risks to be addressed, as well as the opportunities identified;
- Identify and define the persons responsible for risk management;
- Monitor significant risks and REN's risk profile;
- Approve regular risk reporting mechanisms by different businesses areas.
- Approve, or submit to the Executive Committee, recommendations for prevention, mitigation, sharing or transfer of material risks.

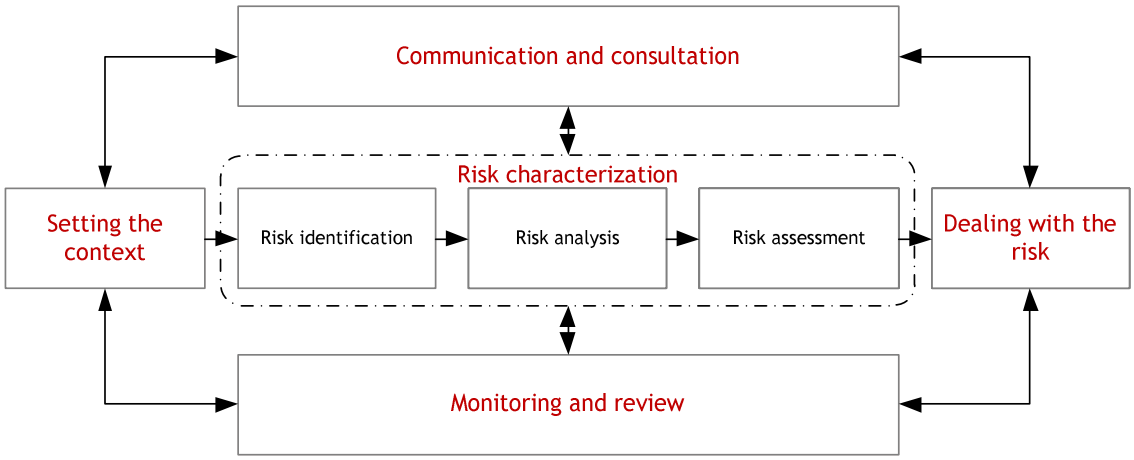
In 2011, the Risk Management Committee, together with the company's various areas, identified "risk owners", whose main role is to contribute towards developing and enforcing a risk management strategy in line with the company's strategic objectives.

Risk Management Procedure

REN has been implementing a set of changes to its internal control and risk management systems, involving the components provided for in the CMVM's Recommendation II.1.1.2. It has also been guided by International Organization for Standardization (ISO) rules.

In 2011, the company set out to design, develop and apply a homogeneous and integrated corporate risk management strategy across the entire organization, aligned and structured in accordance with the specific priorities and features of each of the company's areas.

REN's risk management procedure is based on the five areas in the following table:



1. **Establishing the context** enables the company to identify the main external and internal parameters to be considered in managing risk and to define the scope of the risk management process. The external and internal contexts and the context of risk management procedure in which REN carries on its operations are described in general terms under this heading.

2. The methodology for **characterizing risk** involves three stages:
   a) ***Identifying the risk***, where potential risks that could jeopardize the Group's normal operations and, subsequently, its strategic objectives are identified;
   b) ***Risk analysis***, reflecting a set of activities intended to understand the nature of the risk and to determine its likelihood and corresponding impact; and
   c) ***Risk assessment***, resulting in steps being taken that make it possible to prioritize the risks that need to be dealt with.

3. **Dealing with the risk** involves selecting, prioritizing and implementing one or more specific strategies and measures to handle the risk. The strategies to deal with risk that are put in place can avoid, transfer, share or retain the risk. The strategy to be chosen is not only the one that has a greater ability to reduce risk, but also that one that has a greater ability to create additional benefits and opportunities. It is advisable to choose strategies that are able to address several risks simultaneously.

4. **Risk monitoring** aims to monitor the evolution of risks. It is carried out on a continuous basis and is included in the company's routine processes and activities. Associated with the monitoring process are a set of risk management indicators (Key Risk Indicators) which are defined for the main risks identified. These indicators make it possible to monitor risk factors and possible risk events, their likelihood and impact, as well as the control measures adopted.

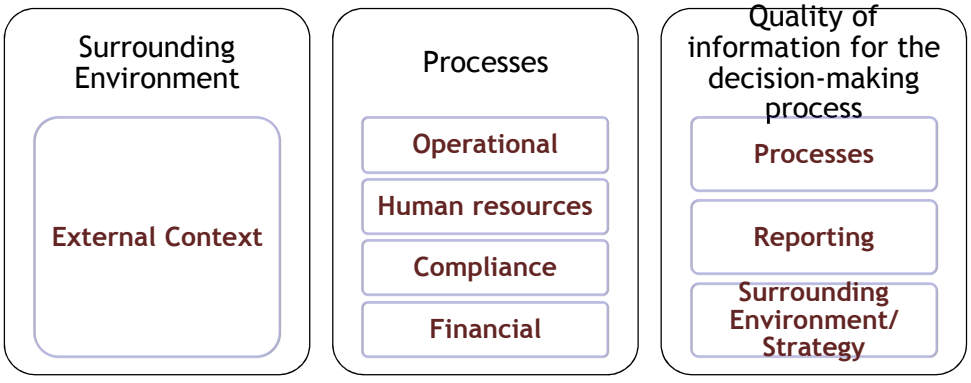
5. **Risk review** consists of assessing the adequacy, effectiveness and efficiency of the risk management process and is aimed at identifying non-compliance or deficiencies and determining any need to implement corrective measures.

6. **Communication and consultation** establishes the guidelines for effective communication and consultation in the risk management process. This aspect is developed in a continuous and interactive manner by those involved in the risk management process, over the various stages and activities involved in this process.

The goal of the risk management process is to contribute directly towards improving REN's performance, by including risk management activities as a factor for optimizing the Group's other activities and bringing about compliance with CMVM recommendations on governance of listed companies.

REN Risks

When carrying out its business, REN is subject to multiple risks in every one of its own business areas or in those of its affiliates. These risks have been brought together in the following categories and subcategories:



The category Surrounding Environment analyzes factors external to the organization which could adversely affect the viability of the organization's business model and interfere with the achievement of its goals and strategy.

The category Processes considers the internal sources of risk that compromise the viability of the organization's business processes, as concerns effective and efficient operational management, as well as proper alignment with the strategy.

This category contains four subcategories:

- **Operational risks**, which represent the risk of operations becoming inefficient and ineffective in executing REN's business model, in meeting customer needs and in achieving quality, expenditure and time performance goals;
- **Human Resource** risks are the set of risks run by employees when they do not know how to put their activities into operation correctly or when they do not know what to do when they need to perform a task, because they have exceeded the limits of the powers given to them or because the have been encouraged to act incorrectly;
- **Compliance risks** are linked to compliance with the provisions of concession contracts, laws and regulations, and with international standards and agreements; and
- **Financial risks**, representing a set of risks that compromise the efficient management of the organization's financial resources, including maximizing the availability of cash flow, reducing uncertainty linked to exchange rates, interest rates, credit and other financial risks, and the timely movement of funds without loss in value, to wherever they are most needed.

The category **Quality of Information for Decision-Making** covers risks that compromise the information used for supporting the execution of the business model, internal or external reporting on performance and the continued assessment of the effectiveness of the organization's business model. This category considers every risk pertaining to activities involving the creation of value, as well as the corresponding management information that is produced.

This category includes three subcategories:

- **Process** risks, which are related to a lack of reliable and timely information on the organization's processes and activities;
- **Reporting** risks arising from a lack of reliable and timely reporting and aimed at addressees within and outside the Company;
- **Surrounding environment/strategy** risks, which represent the lack of reliable and timely information on the internal and external surroundings that prevents the organization from adapting to change or from maximizing its value.

The appetite for risk reflects the amount of risk the company is willing to shoulder or to retain in pursuing its goals. REN adopts a prudent position as concerns its appetite for risk.

In 2011, the Risk Management Committee, with support from risk owners, identified the various risks to which REN is exposed, thereby determining the Group's risk profile. Given that the risks and controls for mitigating risks rely on internal and external factors, the risk profile is not static.

The most serious risks for the REN Group are shown in detail below, with their category and subcategory:

Category	Subcategory	Nature	Risk
Surrounding Environment	External Context	Regulatory	Change to the regulatory model and parameters
		Financial Markets	REN's credit quality / rating
			Evolution of interest rates
Processes	Operational	Business Interruption	Occurrence of a general incident
		Investment Projects	Approval of investment plans
		Health and Safety	Occurrence of serious work accidents
		Information Technology	Information systems safety
	Human Resources	Knowledge/Skills	Capacity to attract / retain skills and the know-how necessary for the business
Quality of Information for the Decision-Making	Reporting	Accounting / Taxation	Adequacy of the management information

- **Changes to the regulatory model and parameters**
  The risk of the existence of changes to the regulatory model and/or regulator decisions may affect the company's ability to run its business efficiently and is linked to the fact that the activity being developed by REN is a regulated activity.
  REN manages such risk by monitoring the progress of the regulatory strategy as well as European regulatory trends.

- **REN's credit quality /rating**
  REN's credit quality and changes to its rating could have an impact in terms of access to financing as well as the cost of such financing.
  REN manages this risk by building a position of sound liquidity and by an efficient management of its financing needs combined with effective initiatives for communicating with both the market and the various financial agents.
  It should be noted that the company's rating could be affected by any deterioration in Portugal's rating.

- **Evolution of interest rates**
  The fluctuation of interest rates can have an impact on remuneration from regulated assets and on servicing REN's debt. A change to relevant benchmarks of market interest rates could result in higher financing expenses for the Group.
  REN manages exposure to the risk of changes in interest rates by hiring financial derivatives, in order to achieve a balanced ratio of fixed and variable interest rate and to minimize financial burdens in the medium and long term.

- **Occurrence of a generalized incident**
  The company's performance could be influenced by the occurrence of events causing an interruption in the electricity supply service and by any difficulty in restoring the service in a timely manner. The infrastructures supporting REN's operations are exposed to a set of conditions (pollution, atmospheric conditions, fires, birds, among others), which could cause interruptions in the service.
  The plan for restoring service following a generalized incident implemented by REN and the organization of drills to test the ability to restore the service in the event of an incident, are some of the initiatives adopted for managing this risk.

- **Approval of investment plans**
  The existence of delays in the approval of investment plans by the Regulator or by other authorities can cause significant delays in implementing new infrastructures and/or loss of the investment made, with an impact on the quality of the service provided.
  REN has adopted procedures for managing this risk that involve the process of authorizing the investment to be made.

- **Occurrence of serious work accidents**
  Non-compliance with safety and operational procedures for equipment could result in the occurrence of serious work accidents with damage to people and property during work organized by REN.
  REN manages this risk through the safety management system, with specific training for operations involving risks and training for employees of REN's service providers on safety awareness.

- **Information systems security**
  REN's activities rely heavily on the information systems and technologies used within the Group. Therefore, the security of information systems and technologies and their capacity to meet the needs of the company are crucial to REN performing well.
  To manage this risk, REN keeps its communication systems and the respective support services up to date by performing periodic inspections of the configurations of network and security equipment. At the same time, security measures are in place for systems deemed to be critical, such as the existence of redundant communications and the shielding of such systems from potentially dangerous traffic.

- **Ability to attract/retain the skills and know-how required for the business**
  REN's success depends on the skills and efforts of its employees and its management teams. The continuation of the company's success depends, to a great extent, on its ability to attract, keep and motivate skilled employees.
  To this end, REN is developing its human resources policy by focusing on training, ethics, the development of potential and motivation. The human resources policy also aims to constantly update knowledge and strengthen a culture of quality, both of which are indispensable for it to fulfill its public service mission.

- **Adequacy of management information**
  REN regularly provides management information, to strictly monitor its operations. In this regard, all management information provided both for internal use and for disclosure to other organizations, is prepared on the basis of sophisticated IT systems. REN carries out initiatives that seek to continually improve the support information processes and systems that produce financial and management information.
  In this way, the production of accurate, reliable information allows us to ensure that the information does not contain errors that could compromise the decision-making process.

NO DEFENSIVE MEASURES THAT AUTOMATICALLY CAUSE A SERIOUS EROSION OF THE COMPANY'S ASSETS IN THE EVENT OF CHANGE OF CONTROL HAVE BEEN ADOPTED

REN has not adopted any defensive measures which result in a serious, automatic erosion of the Company's assets in the event of change of control or a change in the composition of the management body. This prevents any limitations on the free transfer of shares and the shareholders freedom to evaluate the performance of the members of the management bodies.
In specific terms, there are no significant agreements to which REN is a party that would come into force, be amended or terminate in the event of a change in control
over the Company. Nor are there any agreements between REN and the members of the management body or other officers, pursuant to paragraph 3 of article 248-B of the Portuguese Securities Code, that would award compensation in the event of resignation or dismissal of any member of the management and

supervisory bodies, or in the event of resignation of any employee, unfair dismissal or termination of the employment relationship, following a change in control over the Company.

Similarly, REN has not adopted any measure aimed at preventing the success of takeover bids.

However, the existence of legal limits on the ownership of shares representing REN's share capital should be highlighted, as sub-paragraphs i) and j) of paragraph 2 of article 25 of Decree-Law no. 29/2006, of February 15 (as amended by Decree-Law no. 78/2011, of June 20), as well as sub-paragraphs b) and c) of paragraph 3 of article 20-A and sub-paragraphs h) and i) of paragraph 3 of article 21 of Decree-Law no. 30/2006, of February 15 (as amended by Decree-Law no. 77/2011, of June 20) prohibit the ownership of shareholdings exceeding 5% or 10% of REN's share capital, depending on whether or not such entities carry out business directly or in any way indirectly in the respective sector.

Under the terms of the Resolution of the Council of Ministers no. 13/2012, of February 8, and in the context of the second reprivatization phase of the Company, amendments to the abovementioned legal documents concerning the ownership of shares representing REN'S capital share are expected.

On the other hand, and as disclosed by the Company, a shareholder proposal of amendment of REN's Articles of Association in order to not count the votes inherent to class A shares cast by any shareholder, on its own behalf or as a representative of any other shareholder, exceeding 25% of all votes corresponding to REN's share capital, shall be submitted to vote in the next General Meeting, and such amendment shall only enter into force after the amendment of the abovementioned legal rules.

WHISTLEBLOWING POLICY

REN's employees are required to report any irregular practices of which they become aware or suspect to the Audit Committee in order to prevent irregularities liable to cause financial loss or harm to REN's image. Similarly, the Audit Committee receives communications of irregular practices from any stakeholders. Communications must be submitted in writing and the electronic address comissao.auditoria@ren.pt, which is only accessible by the Audit Committee, may be used for this purpose. Communications must contain all the information the author has and considers necessary to the assessment of the irregularity. The author may also ask for his or her identity to be kept confidential.
The Audit Committee must assess the situation described and determine or propose actions that, in each case, are deemed appropriate, in accordance with the Internal Regulation approved by the Audit Committee. In 2011, no potential cases of irregularities within the REN Group were reported to the Audit Committee.

EXTERNAL AUDITOR

The Audit Committee represents the Company for all purposes before the external auditor. It is responsible for proposing the service provider and the respective remuneration and for ensuring that the proper conditions for those services to be performed are met within the Company.
In accordance with paragraph 2.2 of article 3 of the Audit Committee's Internal Regulation, this body is responsible for regularly monitoring the activities of the external auditors and of the Statutory Auditor by analyzing their periodic reports and overseeing the audit and review processes. It also assesses any changes in procedures recommended by the external auditors or the Statutory Auditor.
Accordingly, the Audit Committee is responsible for undertaking an annual assessment of the external auditor and has the power to propose the dismissal of the external auditor to the General Meeting if there are grounds to do so.
Taking into account the work carried out in 2011, the Audit Committee carried out its evaluation of the service provided to the Company by the external auditors. Consequently, the Audit Committee considers that the external auditors have provided their services in a positive way and have complied with the applicable standards and regulations, including international standards on auditing, and that they performed their activities with extreme technical accuracy.

Annex IV describes the annual fee paid to the external auditors, including the percentage for legal certification of accounts, other guarantees of accuracy and tax consultancy and other services.

6. REMUNERATION OF THE CORPORATE BODIES

REMUNERATION OF THE BOARD OF THE GENERAL MEETING MEMBERS

The members of the Board of the General Meeting are remunerated on the basis of attendance tickets. The Chairman and the Vice-Chairman of the Board of the General Meeting Board were remunerated, the Chairman having received €2 000, the Vice-Chairman €1 500 and the Secretary of the Company € 1 000.

REMUNERATION OF THE BOARD OF DIRECTORS

FRAMEWORK

REN's remuneration policy for 2011 takes into account the recent legal, regulatory and recommendatory rules regarding the remuneration of the members of corporate bodies, to which REN is subject, on the one hand, as an issuer of shares admitted to trading and, on the other hand, as a company of the State's corporate sector.

The following instruments stand out due to their importance and impact on REN's remuneration policy:

- As an issuer of shares admitted to trading, REN is subject to Law no. 28/2009, of June 19, and to Regulation no. 1/2010 of CMVM, as well as to CMVM's recommendations;
- On the other hand, as a company of the corporate sector of the State, REN is subject to (i) the Resolution of the Council of Ministers no. 49/2007, of March 28, regarding the principles of corporate governance, and (ii) the Ministerial Order no. 11420/2009, of May 11, which develops that Resolution concerning remuneration matters;
- Due to the implemented exceptional measures of budget consolidation, temporary restrictions on the remuneration of members of corporate bodies are applicable to REN, in particular Law no. 12-A/2010, of June 30, Ministerial Order 5696-A/2010, of March 29, and Law no. 55-A/2010, of December 31.

REN adopts a transparent and fair system regarding remuneration, which, on the one hand, complies with the restrictions applicable to the public sector and, on the other hand, remains flexible in order to be in a position to adopt CMVM's recommendations, through the establishment of remuneration based on the positive performance and aligned with the strategic objectives of the Company, once it ceases to be subject to the abovementioned restrictions.

The Remuneration Committee is the corporate body responsible for determining the value of the annual remuneration to be paid to the members of REN's corporate bodies.

FIXED COMPONENT OF DIRECTORS' REMUNERATION, SHARE AND OPTION PLANS

The fixed remuneration granted to REN's directors stems from the resolutions of the Remuneration Committee of April 23, 2007, as the Remuneration Committee appointed in the General Meeting of 2010 decided to maintain the same remuneration conditions, and was established taking into account (i) the policies pursued in other companies of the sector, including other domestic issuers, as well as (ii) the policies of its European counterparts, without prejudice to the different characteristics and dimensions of the relevant companies.

Given the current economic and financial situation, and without prejudice to the temporary reductions of 5% and 10% of the remuneration provided for in Law no. 12-A/2010, of June 30, and Law no. 55-A/2010, of December 31, respectively, in 2011 the fixed level of remuneration was maintained under the terms set out on for the previous term of office.

Non-Executive Director's remuneration is exclusively composed by a fixed component, paid out in twelve monthly payments during the year, which are not connected to the performance or value of REN and thus meet the applicable recommendation on this matter.

The remuneration of the Company's Directors does not include any mechanism of allocation or acquisition of shares or any other options or rights over Company's shares or of its Affiliates.

VARIABLE COMPONENT OF REMUNERATION OF EXECUTIVE DIRECTORS

Notwithstanding what is set out in 6.2.4 below, it is intended that the remuneration of the members of the Executive Committee is composed by a fixed component and by a variable component. There should be an adequate proportionality between both components as well as the establishment of a maximum limit for each one.

The remuneration of the members of the Executive Committee is mainly determined based on four general criteria:

- Competitiveness, taking into account the Portuguese market practices;
- Fairness, consisting in that the remuneration practice must be based on uniform, consistent, fair and balanced criteria;
- Performance evaluation, in accordance with the functions and level of responsibility of each person, the assumption of adequate levels of risk and compliance with rules governing the activities of REN; and
- The alignment of director's interests with the Company's interests and its sustainability and wealth creation in the long term.

The annual value of the variable component of the members of the Executive Committee remuneration is limited to an amount equal to six months of the fixed component of the remuneration and is based on an evaluation of its members, which considers key performance indicators on an individual and corporate basis and is carried out after the approval of each financial year's accounts.

Moreover, this value is calculated based on a technical study and on an evaluation model of Executive Directors approved by the Remuneration Committee on November 30, 2011, including parameters and the grid to be applied in accordance with the adoption of pre-defined strategic objectives, individually tailored for each director, both on a Corporate and at an individual level, and concerning, in particular, the verification of the following performance evaluation criteria:

- The creation of shareholder value;
- The efficiency (including OPEX, electricity and gas efficiency gains) and the level of the results obtained (including net results, EBITDA / operational gains and RAB e.o.p. (total REN));
- Continued supply of electricity and gas services;
- The development of non-regulated businesses and the respective pro-rata increase in the consolidated results;
- The maintenance and development of a favorable image and corporate reputation; and
- The demonstration of long-term financial and economic sustainability.

The abovementioned criteria are mechanisms intended to promote a proper alignment with medium and long term interests of the Company and shareholders and shall be determined for all financial years, regardless of the existence of variable remunerations.

The assessment of the achievement rate of the objectives set out in each one of these criteria is undertaken by the Remuneration Committee, with the support of the Non-Executive Directors of the Company.

The variable component of the remuneration of the Executive Committee members, when and if granted, will be paid in two stages:

- 50% after the approval of the respective financial year's accounts; and
- The remaining 50% will be deferred for a period of 3 years from the allocation and will be dependent on the continued positive performance of REN over this period. The payment must be preceded by a new resolution of the Remuneration Committee.

Although there are no mechanisms implemented in this regard, the Executive Directors have not entered into any agreements which have the effect of mitigating the risk inherent to the variability of the remuneration granted to them.

EXCEPTIONAL RESTRICTIONS ON THE REMUNERATION BY A VARIABLE COMPONENT

Considering the prohibition of the remuneration of management body members with variable components regarding performance, set out in the Ministerial Order no. 5696-A/2010, of March 29, and in article 29 of Law no. 55-A/2010, of December 31, the Remuneration Committee, similarly to what was determined for 2009 and 2010, does not admit the allocation of any variable remuneration or management bonuses (namely by means of profit sharing) for the financial year of 2011.

REMUNERATION OF AUDIT COMMITTEE MEMBERS

Taking into account the nature of their duties, as well as the applicable rules in this regard, the members of the Audit Committee receive only a fixed remuneration, which is paid out in twelve monthly payments during the year.

NON-CASH BENEFITS AND FRAMEWORKS OF SUPPLEMENTARY PENSIONS OR OF EARLY RETIREMENT

In 2011, Executive Directors were entitled to the use of a car and a cell phone for the performance of their duties.

There is no framework of supplementary pensions or early retirement for directors.

COMPENSATION IN CASE OF TERMINATION OF OFFICE

During the financial year of 2011 no compensations were paid or owed to former Executive Directors for the termination of their office during the financial year.
There are no agreements between the Company and the members of the managing and supervisory bodies providing the award of compensation in case of directors' resignation or dismissal from office.
According to the remuneration policy approved by the Remuneration Committee, upon termination of the management functions by agreement or by dismissal without fair grounds, no indemnification shall be paid if the termination or dismissal is due to inadequate performance by the director.

EVALUATION BY THE GENERAL MEETING OF THE COMPANY'S REMUNERATION POLICY AND EVALUATION OF THE CORPORATE BODIES' PERFORMANCE

The General Meeting is responsible for the appointment of the Remuneration Committee, which is responsible for fixing the remuneration and for submitting the declaration regarding the remuneration policy of members of the managing and supervisory bodies, attached to this report.
In turn, this declaration will be subject to independent assessment by the Annual General Meeting, under the terms and for the purposes of Law no. 28/2009, of June 19.
On the other hand, and under article 455 of the Portuguese Companies Code, the General Meeting has also the duty to evaluate the performance of the members of the managing and supervisory bodies by adopting an annual resolution regarding the maintenance of the trust in the members of those bodies.
It should also be pointed out that the Annual General Meeting of 2011 was attended by the Chairman of the Remuneration Committee, Mr. José Castel-Branco, as the representative of the Remuneration Committee of the Company.

DECLARATION ON THE REMUNERATION POLICY

According to the scope of powers set forth by article 26 of REN's Articles of Association, the Remuneration Committee of the Company is responsible for setting up the fixed and variable remunerations of each Director as well as for determining the remuneration to be granted to the members of the remaining corporate bodies.

Name	Office	Fixed Rem.(1)	Variable Rem.(2)	Total
Rui Cartaxo	Chairman of the Executive Committee	317 166.00	0	317 166.00 (3) (4)
Aníbal Durães Santos	Executive Committee	258 096.09	0	258 096.09(4)
João Caetano Conceição	Executive Committee	258 096.09	0	258 096.09(4)
João Plácido Pires	Executive Committee	258 096.09	0	258 096.09(4)
João Nuno Palma	Executive Committee	258 096.09	0	258 096.09(4)
José Carvalho Netto	Board of Directors	190 033.96		190 033.96(5)
Filipe Maurício Botton(6)	Board of Directors	7 857.50		7 857.50
Gonçalo Oliveira(7)	Board of Directors	7 857.50		7 857.50
Luis Atienza(7)	Board of Directors	7 857.50		7 857.50
Manuel Champalimaud(7)	Board of Directors	7 857.50		7 857.50
EGF, S.A.(7)	Board of Directors	19 082.50		19 082.50
Gestmin, SGPS, S.A.(8)	Board of Directors	19 082.50		19 082.50
Oliren, SGPS, S.A.(8)	Board of Directors	19 082.50		19 082.50
Red Electrica Corporácion, S.A.(8)	Board of Directors	19 082.50		19 082.50
José Luis Alvim	Audit Committee	51 300.00		51 300.00
José Frederico Jordão	Audit Committee	41 304.00		41 304.00
Fernando Rocha de Andrade	Audit Committee	41 304.00		41 304.00
Total		**1 781 252.41**	**-**	**1 781 252,41**

(1) The fixed remuneration determined by the Remuneration Committee was reduced by 5% since June 1, 2010, to which the 10% reduction imposed by the State Budget Law for 2011 is added.

(2) Regarding the 2010 financial year.

(3) This value includes €111 427 69 paid by the subsidiary Red Eléctrica Corporácion, S.A., a Company incorporated under Spanish Law, in which Rui Cartaxo inherently holds the office of member of the Board of Directors.

(4) Includes the food allowance of €1 596 09

(5) Includes the remuneration received as Chairman of the subsidiary OMIP - Operador do Mercado Ibérico de Energia (Portuguese Cluster), S.G.M.R., S.A., in the amount of €190 033 96.

(6) Resigned as Member of the Board of Directors on March 7, 2011

(7) Resigned as Member of the Board of Directors on March 16, 2011

(8) Appointed Member of the Board of Directors at the General Meeting of April 15, 2011

Thus, within its scope of powers, the Remuneration Committee approved, for the financial year of 2011 and regarding the corporate bodies' members in functions at the present term-of-office, the declaration on the remuneration policy of REN's corporate bodies. Fulfilling the requirement meanwhile established in this respect on paragraph 1 of article 2 of Law no. 28/2009, of June 18, the Remuneration Committee submitted, in autonomous voting, to the approval of the General Meeting, held on April 15, 2011, the declaration on the remuneration policy prepared by that Committee.

The declaration on the remuneration policy submitted to the General Meeting for the purposes of the Law no. 28/2009, of June 18, involves all of the persons discharging managerial functions (as defined in paragraph 3 of article 248-B of the Portuguese Securities Code), since REN's Board of Directors considers, since 2010, that such persons only correspond to the members of the managing and supervisory bodies of the Company. The Company considers that there are no other employees earning remuneration with a relevant variable component, whose professional activity can have a relevant impact on the risk profile of the Company.

Within the scope of its functions, the Remuneration Committee approved, for the financial year of 2012, the declaration on the remuneration policy of REN's corporate bodies, hereby attached to the present report (Annex V), and to be submitted to the General Meeting.

PROPOSAL TO APPROVE PLANS FOR ALLOCATION OF SHARES AND/OR OPTIONS TO PURCHASE SHARES OR BASED ON CHANGES IN SHARE PRICES

There are no programs or variable remunerations plans that include the allocation of shares, options to purchase shares or other incentive system based on variation of the price of shares for members of the managing and supervisory bodies or other persons discharging managerial functions, within the meaning of paragraph 3 of article 248-B of the Portuguese Securities Code. Furthermore, there is no system of retirement benefits for the members of the managing and supervisory bodies.

ANNUAL DISCLOSURE OF INDIVIDUAL REMUNERATION OF THE MEMBERS OF THE MANAGING AND SUPERVISORY BODIES

Following the entry into force of Law no. 28/2009, of June 19, and taking into account what is set forth in article 3 thereof, entitled "Disclosure of remuneration", REN discloses the individual and aggregate remuneration of the members of managing and supervisory bodies.

There are no agreements between the Company and the members of the managing and supervisory bodies setting forth compensations in the event of directors' resignation or removal.

The members of the corporate bodies of REN did not receive any amounts paid by other companies in a domain or group relationship with REN.

REMUNERATION OF THE STATUTORY AUDITOR

The Statutory Auditor of the Company is remunerated under the terms and conditions to be agreed on the services agreement entered into between the Statutory Auditor and REN, according to the market practices and to the legal and regulatory framework.The REN Group, within the scope of the supervisory activities, relies on the collaboration of its Statutory Auditor, Deloitte & Associados, SROC S.A.. The total amount recorded as cost related to audit services and to the legal review of accounts rendered by the Statutory Auditor during 2011 amounted up top €307 550.

7. Annexes

ANNEX I. Description of the present Board of Directors, namely concerning: a) Identity of its members, distinguishing between executive and non-executive members and between independent and non-independent non-executive members; b) Offices that its members hold in other companies, detailing those performed in companies of the same Group; c) Professional qualifications of the members of the management body, previous positions held in at least the previous five years, the date of their first appointment and the date for the end of their term of office.

ANNEX II. Description of the main details of the relationships with related parties.

ANNEX III. Qualified holdings in REN's share capital as of December 31, 2011 and shares representing REN's share capital held by members of the management and supervisory bodies.

ANNEX IV. The annual fee paid to the Statutory Auditor and to other natural or legal persons belonging to the same network, borne by the Company or a legal person in a group or control relationship, as well as a breakdown of the percentage relating to the following services: a) Audit services; b) Other services guaranteeing accuracy, c) Tax consultancy services, d) Non-audit services.

ANNEX V. Declaration on the remuneration policy regarding the members of the management and supervisory bodies approved by the Remunerations Committee.

ANNEX I

Description of the Board of Directors
On December 31, 2011, the current composition and description of the Board of Directors was as follows:

NAME	AGE	POSITION	YEAR OF FIRST APPOINTMENT	YEAR OF ENDING OF TERM OF OFFICE9
Rui Manuel Janes Cartaxo	59	Chairman of the Board of Directors	2007	2012
Aníbal Durães dos Santos	64	Executive Director	2001	2012
João Caetano Carreira Faria Conceição	37	Executive Director	2009	2012
João Manuel de Castro Plácido Pires	61	Executive Director	2010	2012
João Nuno de Oliveira Jorge Palma	46	Executive Director	2010	201210
Luís Maria Atienza Serna (representing Red Eléctrica Corporación, S.A.)	54	Director	201111	2012
Gonçalo Xavier de Araújo (representing Oliren, SGPS, S.A.)	36	Director	2011	2012
José Manuel Félix Morgado (representing Gestmin, SGPS, S.A.)	51	Director	2011	2012
José Isidoro de Oliveira Carvalho Netto	66	Director (Independent)	2008	2012
Luís Guedes da Cruz Almeida (representing EGF – Gestão e Consultoria Financeira, S.A.)	33	Director	2011	2012
José Luís Alvim Marinho	59	Chairman of the Audit Committee (Independent)	2007	2012
José Frederico Vieira Jordão	66	Member of the Audit Committee (Independent)	2007	2012
Fernando António Portela Rocha de Andrade	40	Member of the Audit Committee (Independent)	2008	2012

In 2011, the Board of Directors also included the following members, who have resigned from their position on March 10, 2011:

[9] As disclosed by the Company, a shareholders proposal will be submitted to next Shareholders Meeting with the purpose to amend the Articles of Associations in order to: (i) deem the current term-of-office (which corresponds to the three year period 2010-2012) as ended and (ii) determine the year of 2012 as the time reference for the beginning of the new terms-of-office of the corporate bodies, the first of which thus corresponding to the three-year period 2012-2014.

[10] The Director João Nuno de Oliveira Jorge Palma resigned from his office, as disclosed on December 29, 2011.

[11] The Director Luís Maria Atienza Serna performed management duties in the Company since 2007. However, only on September 15, 2011 did he start performing duties in representation of Red Eléctrica Corporación, S.A..

Name	Age	Position	Year of first appointment	Year of ending of Term of Office 12
Filipe Maurício de Botton	53	Non-Executive Director	2008	2012
Gonçalo José Zambrano de Oliveira	41	Non-Executive Director	2007	2012
Manuel Carlos de Melo Champalimaud	65	Non-Executive Director	2007	2012

Rui Manuel Janes Cartaxo
He holds a degree in Economics from the Universidade Técnica de Lisboa. Between 2002 and 2006, he served as Executive Director of Galp Energia, director of several companies of the GALP group since 1997, and Chairman of the Board of Directors of Lisboagás and GDP Distribuição. From 1992 to 1995 he was Executive Director of CN - Comunicações Nacionais SGPS. In the early stages of his professional career he was an economist at Banco de Portugal.

Aníbal Durães dos Santos
He holds a degree in Finance from ISCEF and a PhD in Economics from UCP. Professor Aníbal Santos is a member of REN SGPS's Board of Directors, and has been a member of the Board of Directors of ELECPOR since December 2006. Prof. Aníbal Santos has also been a board member of several companies, General-Director of European Affairs at the Ministry of Industry and Energy, Chairman of the Portuguese Section of CEEP and European Vice-Chairman. He is also a former Director of the Department of Economics of the Universidade Católica Portuguesa (1987-1993), and a Professor at the Economics Department of such University.

João Caetano Carreira Faria Conceição
He holds a degree in Aerospacial Engineering from Instituto Superior Técnico, having advanced studies in Von Karman Institute for Fluid Dynamics in Brussels as well, and a MBA from Insead (France) in 2005. Between 2000 and 2007, he was consultant at The Boston Consulting Group and, for two years, worked with the Ministry of Economy and Innovation. He began his career at JPMorgan in Brussels.

João Manuel de Castro Plácido Pires
He holds a degree in Finance from Instituto Superior de Economia, and a MBA from HEC (Lausanne). Between 1974 and 1989 he was assistant professor, teaching Analytic Accountability and Budget Management in the Instituto Superior de Economia. From February 1974 to 1986, he was Inspector and Vice-Inspector of the Finance General Inspection and, from 1983 to 1986, Member of the Accounting Standard Executive Committee. Between 1987 and 1991 he was Executive Member of the Board of Directors of EDP. From 1992 to 2010, he served as Chairman of the Board of Directors of PARPÚBLICA, SGPS, S.A. and Chairman or Director of affiliates, namely SAGESTAMO, ADP, PARCAIXA. He has served as Executive Director of REN SGPS, S.A. since March 2010.

João Nuno de Oliveira Jorge Palma
He holds a degree in Economics from the Faculdade de Economia of the Universidade Nova de Lisboa (FEUNL) and a Post-Graduate degree in Business – PDE-VII Program regarding Companies Direction from AESE, in collaboration with IESE from Universidad de Navarra. He is the CFO for REN - Redes Energéticas Nacionais, SGPS, SA. He was Director/CFO of the Banco Caixa Geral (CGD Group Spain), Director of SOGRUPO SI (CGD Group), Director/CFO of HCB - Hidroeléctrica de Cahora Bassa, Vice-Chairman of PARAREDE, SGPS, Coordinator Director and Controller of Banco Pinto & Sotto Mayor, Banco Totta & Açores, Crédito Predial Português and Banco Chemical Finance, Regional Director of SCA-Sanchez

[12] As disclosed by the Company, a shareholders proposal will be submitted to next Shareholders Meeting with the purpose to amend the Articles of Associations in order to: (i) deem the current term-of-office (which corresponds to the three year period 2010-2012) as ended and (ii) determine the year of 2012 as the time reference for the beginning of the new terms-of-office of the corporate bodies, the first of which thus corresponding to the three-year period 2012-2014.

Computer Associates, Deputy Director and Controller of Banco Central Hispano Português, and Financial Analyst of BCI VALORES – Sociedade Financeira de Corretagem.

Luís Maria Atienza Serna
He holds a degree in Economic and Company Sciences from the Universidad de Deusto. Among other positions, Mr. Serna is now the Chairman of the Board of Directors of Red Eléctrica Corporación, S.A. (previously named as Rede Eléctrica de España and member of the Board of Directors of Red Eléctrica International, S.A. Unipersonal. Throughout his working life, Mr. Luis Serna acted, among other duties, as Spanish Minister of Agriculture, Fisheries and Food; General Secretary for Energy and Mineral Resources of the Ministry of Industry and Energy of Spain; Chairman of the Spanish Institute for the Diversification and Energy Investment (IDEA); and General Secretary of the Spanish Agricultural Structures Department of the Agriculture, Fisheries and Food Ministry.

Gonçalo Xavier de Araújo
He holds a degree in Economics from the Faculty of Economics of the Universidade do Porto (1999) and a Master's Degree in Finances from the Universidade Católica Portuguesa (2002).
From February 1999 to July 2006, he was part of Securities Management Division of the BPI Group and, from July 2006 to August 2007, of the Management and Investments Department at the Private Banking Division of the BPI Group. Since September 2007, he has been part of the Financial Department of the Riopele Textile Group, as head of the area of Management Control and for the area of Treasury and Credit Control.

José Manuel Félix Morgado
With a degree in Business Management and Administration from the Universidade Católica Portuguesa, he holds a specialization in Asset and Liability Management from INSEAD. From 1990 to 1993, he was a staff member of Samuel Montagu Investment Bank and of HSBC Investment Bank, in London and Lisbon. From 1993 to 2005, he was a senior managerial staff member of Banco Comercial Português, S.A., having served, among others, as CFO of Seguros & Pensões (Insurance & Pensions), and Director of the following insurance companies: Ocidental Vida, Ocidental Seguros, Império Bonança and Companhia Portuguesa de Seguros de Saúde. He was Chairman of the Board of Directors of Império Vida y Diversos, and member of the Steering Committee of BCP Investimento.
From 2005 to 2006, he was a member of Senior Management at EDP – Energias de Portugal, CFO and later Delegated Director of Oni SGPS, where he headed the carrier's restructuring and repositioning plan in the Portuguese and Spanish markets.
He has been Vice-Chairman of the Board of Directors and Chief Executive Officer (CEO) of Inapa – Investimentos, Gestão e Participações, IPG, SGPS, since February 2007 and Chairman of the Board of Directors of its subsidiaries in Germany, France, Spain, Switzerland, Belgium, Angola and Portugal.

José Isidoro d'Oliveira Carvalho Netto
He holds a degree in Mechanical Engineering from the Instituto Superior Técnico (6-year degree). He has been a Director of Transgás and of GDP, SGPS, S.A and Chairman of the Boards of Directors of the natural gas distribution companies – Dianagás; Duriensegás; Medigás; and Paxgás. He held several positions in the then called Directorate General for Energy, where, inter alia, he was technically responsible for the coordination of the base works of the National Energy Plans of 1982 and 1984. From 1984 to 1988, by an Order from the Prime Minister, he held a position in the Secretariat of the International Energy Agency of OECD. Between 1988 and 1995 he was a high ranking officer of the Directorate General for Energy of the European Commission. In 2002 he held office in ERSE. From 2005 to 2007 he was Advisor for the energy sector of the Deputy Secretary of State for Industry and Innovation (2005-2007) and for the Minister of Economic Affairs and Innovation (2007-2008). He led several international projects of which resulted the publishing of several articles on energy matters.

Luís Guedes da Cruz Almeida
He holds a degree in Management from the Faculty of Economics of the Universidade Nova de Lisboa. He is currently in charge of Logoplaste's expansion to new geographical areas, a post which he held while serving as director of Lusofinança.

From 2003 to 2008, he was in London at UBS and at Goldmans Sachs, with responsibilities in the field of Fixed Income and Derivatives for the Iberian Peninsula.
He began his professional career in 2001 at Banco de Investimento Global (Global Investment Bank), where he worked at the capital market department.

José Luís Alvim Marinho
He holds a degree in Economics from the Faculdade de Economia do Porto and, since November 2009, has been (non-executive) Chairman of the Board of Directors of Microprocessador – Sistemas Digitais, SA. Since March 2007, he has been a Non-Executive Director of CUF-SGPS and is a Professor at the Escola de Gestão do Porto – Business School of the University of Oporto. Mr. Marinho was a Director of Banco Pinto e Sotto Mayor, S.A., of Chemical Finance, of Totta e Açores, S.A., and of Banco Santander de Negócios Portugal, S.A. During his career he was also Director of IAPMEI and of several companies and groups of companies (Amorim and Tabaqueira).

José Frederico Vieira Jordão
He holds a degree in Finance from the Instituto Superior de Ciências Económicas e Financeiras. Mr. Jordão has held, among other positions, those of Director of RAR (Holding)
and of Chairman of the boards of directors of Iberholding, RAR Imobiliária, RAR (Genéve), and RAR (London). Mr. Jordão was Member of the Board of Directors of Finantipar (holding which controls the Finantia Group) and Member of the General Council and Chairman of the General Meeting of the insurance companies Global and Global Vida. Mr. Jordão also acted for Shell Portuguesa, CUF Group, Mobil Oil Portuguesa and Dow Chemical, among other companies.

Fernando António Portela Rocha de Andrade
He holds a Master in Law in the area of legal and economic sciences from the Law School of the Universidade de Coimbra. He is assistant Professor at the Law School of the Universidadede Coimbra since 1995. He acted as Home Affairs Undersecretary of State from March 2005 to February 1st 2008. He was Assistant to the Minister of Justice (2001-2002), Assessor of the Chairman of the Constitutional Court (1999-2000) and Assistant of the Minister of Parliamentary Affairs (1995-1999). He has been author and co-author of books and articles covering areas such as taxation, public finances and electoral law.

Gonçalo José Zambrano de Oliveira
He holds a degree in economics and finance from the Bentley College and an MBA from the University of Miami. Mr. Oliveira is presently a director of ESCONCESSÕES, SGPS, S.A., Ipodec Portugal - Gestão de Resíduos, Lda. and of Auto-Vila - Reciclagem de Resíduos, S.A. Since 2000, Mr. Oliveira has been a director of Sociedade Central de Cervejas e Bebidas, S.A. and of Sociedade da Água do Luso, S.A. and since January 1999 has been Executive Director of Olinveste, SGPS, Lda. Mr. Gonçalo de Oliveira has also been Chairman of the Board of Directors of Medios del Pacifico, S.A.

Manuel Carlos de Melo Champalimaud
He is currently the Chairman of the Board of Directors of Gestfin SGPS, S.A., of Prodimed, S.A. and of Sogestão, S.A., is Member of the Board of Directors of Winreason, S.A. and Delegated-Manager of the companies Da Praia - Promoção Imobiliária, Lda., Sogolfe - Empreendimentos Turísticos, Lda. and Agrícola São Barão, Lda.

Filipe de Botton
He holds a degree in Business Management from the Universidade Católica Portuguesa. He is Director of Logoenergia SGPS, SA, and founding partner of LOGOPLASTE (where he has the office of CEO), NORFIN and INVESFIN (where he has the office of Manager) and of the companies LOGOVINHA and LOGOHOTÉIS. He was also a founding partner and Director of INTERFINANÇA and FONSECAS & BURNAY - Sociedade Gestora de Patrimónios. From 1990 to 1994, he was Director of Hotel da Lapa. He also acts as Chairman of ELO – Associação Portuguesa para o Desenvolvimento Económico e Cooperação and Director of the Entrepreneurial Council of CPLP. He is also Foreign Trade Counselor of France e Member of the Strategic Council of the University of Minho and of the Management of Sporting Clube de Portugal.

The professional address of each of these members of the Board of Directors is that of REN's registered office at Avenida Estados Unidos da América no. 55, parish of Alvalade, Lisbon.
There are no family ties between the members of the Board of Directors or between the Statutory Auditor and the members of the Board of Directors.

The following table shows the offices held by the members of the Board of Directors in management or supervisory bodies in the last 5 years. Their current offices have been highlighted in bold:

Name	Office
Rui Manuel Janes Cartaxo	**Chairman of the Board of Directors and Chief Executive Officer of REN – Redes Energéticas Nacionais, SGPS, S.A.** **Chairman of the Board of Directors of REN Rede Eléctrica Nacional, S.A.** **Chairman of the Board of Directors of REN Gasodutos, S.A** **Chairman of the Board of Directors of REN Atlântico – Terminal de GNL, S.A.** **Chairman of the Board of Directors of REN Armazenagem, S.A.(** **Chairman of the Board of Directors of REN Serviços, S.A.** **Chairman of the Board of Directors of RENTELECOM – Comunicações, S.A.** **Chairman of the Board of Directors of ENONDAS, Energia das Ondas, S.A.** **Chairman of the Board of Directors of REN, Gás, S.A.** **Non-executive Director of Red Eléctrica Corporatión, S.A.** **Chairman of the Board of Directors of Gasoduto Campo Maior – Leiria – Braga, S.A.** **Chairman of the Board of Directors of Gasoduto Braga - Tuy, S.A.** Executive Director of Galp Energia, SGPS, S.A. Chairman of the Board of Directors of GDP Distribuição, SGPS, S.A., S.A. Chairman of the Board of Directors of Lisboagás – Sociedade Distribuidora de Gás Natural de Lisboa, S.A. Chairman of the Board of Directors of Água Solar – Serviços de Energia Solar, S.A. Chairman of the Board of Directors of Porten – Portugal Energia, S.A. Member of the Board of Directors of Petróleos de Petrogal, S.A. Member of the Board of Directors of GDP – Gás de Portugal, SGPS, S.A. Member of the Board of Directors of Transgás, SGPS, S.A. Member of the Board of Directors of Galp Energia España, S.A. Member of the Board of Directors of Ecogen, Serviços de Energia Descentralizada, S.A.
Aníbal Durães dos Santos	**Member of the Board of Directors and of the Executive Committee of REN – Redes Energéticas Nacionais, SGPS, S.A.** **Member of the Board of Directors of REN Rede Eléctrica Nacional, S.A.** **Member of the Board of Directors of REN Gasodutos, S.A.** **Member of the Board of Directors of REN Atlântico – Terminal de GNL, S.A.** **Member of the Board of Directors of REN Armazenagem, S.A.** **Member of the Board of Directors of REN Serviços, S.A.** **Member of the Board of Directors of ENONDAS, Energia das**

Name	Office
	Ondas, S.A.
	Member of the Board of Directors of REN, Gás, S.A.
	Member of the Board of Directors of Elecpor
	Member of the Board of Directors of REN Trading, S.A.
João Conceição	**Member of the Board of Directors and of the Executive Committee of REN – Redes Energéticas Nacionais, SGPS, S.A.**
	Member of the Board of Directors of REN Rede Eléctrica Nacional, S.A.
	Member of the Board of Directors of REN Gasodutos, S.A.
	Member of the Board of Directors of REN Atlântico – Terminal de GNL, S.A.
	Member of the Board of Directors of REN Armazenagem, S.A.
	Member of the Board of Directors of REN Serviços, S.A.
	Member of the Board of Directors of RENTELECOM – Comunicações, S.A.
	Member of the Board of Directors of Gasoduto Campo Maior – Leiria – Braga, S.A.
	Member of the Board of Directors of Gasoduto Braga - Tuy, S.A.
	Member of the Board of Directors of REN, Gás, S.A.
	Non-executive Member of the Board of Directors of OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.
João Manuel de Castro Plácido Pires	**Member of the Board of Directors and of the Executive Committee of REN – Redes Energéticas Nacionais, SGPS, S.A.**
	Member of the Board of Directors of REN Rede Eléctrica Nacional, S.A.
	Member of the Board of Directors of REN Gasodutos, S.A.
	Member of the Board of Directors of REN Atlântico – Terminal de GNL, S.A.
	Member of the Board of Directors of REN Armazenagem, S.A.
	Member of the Board of Directors of REN Serviços, S.A.
	Member of the Board of Directors of RENTELECOM – Comunicações, S.A.
	Member of the Board of Directors of REN, Gás, S.A.
	Member of the Board of Directors of OMIP – Operador do Mercadon Ibérico (Portugal), SGPS, S.A.
	Member of the Board of Directors of OMEL – Operador do Mercado Ibérico de Energia, Pólo Espanhol, S.A.
	Chairman of the Board of Directors of PARPÚBLICA – Participações Públicas (SGPS), S.A.
	Chairman of the Board of Directors of SAGESTAMO, SGPS, S.A.
	Non-Executive Director of AdP – Águas de Portugal, SGPS, S.A.
	Non-Executive Director of SGH – CUP, S.A.
	Director of PARCAIXA, SGPS, S.A.
	Chairman of the Board of Directors of CAPITALPOR – Participações Portuguesas, SGPS, S.A.
	Chairman of the Board of Directors of LAZER E FLORESTA – Empresa de Desenvolvimento Agro-Florestal, Imobiliário, Turismo e Cinegético, S.A.
	Chairman of the Board of Directors of SAGESECUR – Sociedade de Estudos, Desenvolvimento e Participação em Projectos,
João Nuno de Oliveira Jorge Palma[13]	**Member of the Board of Directors of Caixa Geral de Depósitos, S.A.**

[13] He presented his resignation from the office of Member of the Board of Directors on December 29, 2011.

Name	Office
	Member of the Board of Directors and of the Executive Committee of REN – Redes Energéticas Nacionais, SGPS, S.A. Member of the Board of Directors of REN Rede Eléctrica Nacional, S.A. Member of the Board of Directors of REN Gasodutos, S.A. Member of the Board of Directors of REN Atlântico – Terminal de GNL, S.A. Member of the Board of Directors of REN Armazenagem, S.A. Member of the Board of Directors of REN Gás, S.A. Member of the Board of Directors of Gasoduto Campo Maior – Leiria – Braga, S.A. Member of the Board of Directors of Gasoduto Braga - Tuy, S.A. Member of the Board of Directors of Enondas, Energia das Ondas, S.A. Member of the Board of Directors of REN Serviços, S.A. Director of INMOBILIARIA Caixa Geral, SL Director of ISOGRUPO SI – Caixa Geral de Depósitos Group Director of Hidroeléctrica de Cahora Bassa, S.A.
Luís Maria Atienza Serna[14]	**Member of the Board of Directors of REN - Redes Energéticas Nacionais, SGPS, S.A.** **Chairman and Executive member of the Board of Directors of Red EléctricaCorporación, S.A.** **Director of Red Eléctrica Internacional, S.A., unipersonal** **Chairman of the Board of Directors of Red Eléctrica del Sur, S.A. (a Peruvian company)** **Chairman of the Board of Directors of Transportadora de Electricidad, S.A. (a Bolivian company)** **Chairman of Fundación Doñana 21, para el Desarrollo Sostenible del Entorno de Doñana**
Gonçalo José Zambrano de Oliveira[15]	**Director of Esconcessões – SGPS, SA, Ipodec Portugal – Gestão de Resíduos, Lda. and of Auto-Vila – Reciclagem de Resíduos, S.A.** **Director of SCC- Central de Cervejas e Bebidas, S.A. and of Sociedade da Água do Luso, S.A.** **Executive Director of Olinveste SGPS Lda. (Oliveira Group)** Member of the Board of Directors of REN - Redes Energéticas Nacionais, SGPS, S.A.
Manuel Carlos de Melo Champalimaud[16] **(iv)**	Chairman of the **Board of Directors of Gestmin, SGPS, S.A.Delegated Manager of Agrícola São Barão – Unipessoal, Lda.** **Manager of Da Praia – Promoção Imobiliária, Lda.** **Chairman of the Board of Directors of Sogestão – Administração e Gerência, S.A.** **Delegated Manager of Sogolfe – Empreendimentos Turísticos, Sociedade Unipessoal, Lda.** **Member of the Board of Directors of Prodimed, S.A.** **Member of the Board of Directors of Winreason, S.A.** Member of the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, S.A.
José Isidoro d'Oliveira	**Member of the Board of Directors of REN – Redes Energéticas**

[14] In representation of Red Eléctrica Corporación, S.A. since April 15, 2011.

[15] Ceased to be Member of the Board of Directors on April 15, 2011.

[16] Ceased to be Member of the Board of Directors on April 15, 2011.

Name	Office
Carvalho Netto	**Nacionais, SGPS, S.A.** **Chairman of the Board of Directors of OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.** **Chairman of the Board of Directors of OMIP - Operador do Mercado Ibérico de Energia (Pólo Português), SGMR, S.A.** **Chairman of the Board of Directors of OMIClear – Sociedade de Compensação de Mercados de Energia, SGCCCC, S.A.** **Chairman of the Board of Directors of OMIE, Operador del Mercado Ibérico de Energia, Polo Espanhol S.A**. Member of the Board of Directors of REN Armazenagem, S.A. Member of the Supervisory Board of APE - Associação Portuguesa da Energia
Filipe de Botton[17]	**Chairman of the Board of Directors of EGF – Gestão e Consutoria Financeira, S.A.** **Chairman of the Board of Directors of Logoinveste, SGPS, S.A.** **Manager of Norfin – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.** **Manager of Invesfin- Assessores Financeiros, Lda.** **Manager of Logovinha – Sociedade Agrícola, Lda.** **Manager of Logohotéis – Consultoria e Gestão, Lda.** Member of the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, S.A.
José Luís Alvim Marinho	**Chairman of the Audit Committee of REN - Redes Energéticas Nacionais, SGPS, S.A.** **Non-executive Director of CUF - Companhia de Unidade Fabril, SGPS, S.A.** **Non-executive Chairman of the Board of Directors of Microprocessador – Sistemas Digitais, S.A.** **Director of J.L. ALVIM – Consultoria Estratégica e Formação Avançada, Lda.**
José Frederico Vieira Jordão	**Member of the Audit Committee of REN – Redes Energéticas Nacionais, SGPS, S.A.** Consultant of the Chairman of the Board of Directors of RAR, Sociedade de Controle (Holding), S.A.
Fernando António Portela Rocha de Andrade	**Member of the Audit Committee of REN – Redes Energéticas Nacionais, SGPS, S.A.**
Gonçalo Xavier de Araújo[18]	**Member of the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, S.A.** **Member of the Financial Department of the Riopele Textile, S.A.** Member of the Private Banking Board of the BPI Group Member of the Bond Department of the BPI Group
José Manuel Félix Morgado[19]	**Member of the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, S.A.** **Chairman of the Board of Directors of several subsidiaries of Inapa – Investimentos, Participações e Gestão, S.A.** **Chief Executive Officer of Inapa – Investimentos, Participações e Gestão, S.A.** Vice-Chairman of the Board of Directors of Inapa – Investimentos,

[17] Ceased to be Member of the Board of Directors on April 15, 2011.

[18] In representation of Oliren, SGPS, S.A.

[19] In representation of Gestmin, SGPS, S.A.

Name	Office
	Participações e Gestão, S.A.
Luís Guedes da Cruz Almeida[20]	**Member of the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, S.A.** **Member of the administrative body of Lusofinança Dois – Consultores de Gestão, Lda.** **Person in charge of EGF – Gestão e Consultoria Financeira, S.A. expansion to new geographical areas** Person in charge of the area of Fixed Income and derivatives at Goldmans Sachs for the Iberian Peninsula

[20] In representation of EGF, Gestão e Consultoria Financeira, S.A.

ANNEX II

Description of the main elements of the relationships with related parties

Transactions with related parties

On December 31, 2011, REN was listed at Euronext Lisbon. Its main shareholders, with registered transactions in 2011, are: EDP Group21 and Caixa Geral de Depósitos Group22.
During the financial year, REN Group carried out the following transactions with these entities:

2.1 Revenues

	2011	2010
Invoicing issued		
Electricity - EDP	1,146,657	1,487,362
Other services - EDP	274,342	20,930
Financial income		
Interest on applications - CGD	1,548	-
	1,422,547	1,508,292

The amounts shown for sales refer to movements resulting from REN Trading's role as agent in relation to the PPAs of the powerhouses of Pego (Tejo Energia) and Tapada do Outeiro (Turbogás).

2.2 Expenses

	2011	2010
Invoicing received		
Electricity - EDP	657,364	642,814
	657,364	**642,814**
Purchase of services		
Sundry services - EDP	9,733	10,139
Financial costs		
Interest on Commercial paper - CGD	1,480	2,878
Borrowings fees - CGD	539	640
Derivative financial instruments	461	-
Other interest - CGD (leases and credit lines)	22	31
	12,235	**13,688**

The amounts shown for the purchase of products are recognized under "Customers and other receivables", due to the role of intermediary that REN plays in the purchase and sale of electricity.

2.3 Balances with related parties

[21] For these purposes, EDP Group includes EDP – Energias de Portugal, S.A., EDP – Distribuição – Energia, S.A., EDP, EDP Serviços Universal, S.A., EDP Valor – Gestão Integrada de Serviços, S.A., EDP Gestão da Produção da Energia, S.A., EDP Gestão da Produção da Energia, S.A, Portgás, S.A., EDP Gás.Com, S.A., EDP Gás, SGPS, S.A., O&M Serviços, S.A., Sãvida, S.A. and Labelec, S.A.

[22] For these purposes, Caixa Geral de Depósitos includes Caixa Geral de Depósitos S.A. and Caixa BI.

At the end of the financial years ended on December 31, 2011 and 2010, the balances resulting from transactions with related parties are as follows:

Trade and other receivables		
EDP - Trade receivables	89,984	84,467
EDP - Other receivables	1,471	802
Cash and cash equivalents		
CGD - Treasury investments	26,000	63,100
CGD - Bank deposits	701	1,527
	118,156	**149,896**
Trade and other payables		
EDP - Trade payables	9,979	7,674
EDP - Other payables	268	234
CGD - Trade payables	-	36
Borrowings		
CGD - Borrowings (Commercial paper)	5,000	27,000
CGD - Finance lease	406	131
	15,653	**35,075**

ANNEX III

Qualified shareholdings in REN's share capital on December 31, 2011 and shares held by members of corporate bodies

Taking into account the communications submitted to the Company in accordance with article 447 of the Portuguese Companies Code, article 16 of the Portuguese Securities Code and article 14 of Regulation no. 5/2008 of CMVM, with reference to December 31, 2011, the shareholders holding qualified shareholdings representing at least 2% of REN's share capital, calculated in accordance with Article 20 of the Portuguese Securities Code, were the following:

List of Holders of Qualified Shareholdings (on 31/12/2011)	No. of shares	Capital (%)	Voting rights (%)
Parpública - Participações Públicas (SGPS), S.A.[23]	266 471 340	51.1%	51.1%
EDP-Energias de Portugal, S.A.	26 700 000	5.0%	5.0%
EGF, Gestão e Consultoria Financeira, S.A.[24]	27 933 66625	5.23%	8.41%
Gestmin, SGPS, S.A.	30 135 818	5.6%	5.6%
Oliren, SGPS, S.A.	26 700 000	5.0%	5.0%
Red Eléctrica Corporación, S.A.	26 700 000	5.0%	5.0%
Morgan Stanley	21 253 96126	3.98%	3.98%

Shareholder Portuguese State	No. of shares	Voting rights (%)

[23] Capitalpor – Participações Portuguesas, SGPS, S.A. was dissolved following the merger by complete incorporation into Parpública – Participações Públicas (SGPS), S.A. ("Parpública"), and thus the shareholding corresponding to 245 645 340 shares representing 46% of the share capital directly held by the dissolved company was transferred to Parpública as of the date of the merger registration - December 26, 2011.

[24] Formerly named Logoplaste Gestão e Consultoria Financeira, S.A..

[25] On June 3, 2011, a press release was issued to inform the market that EGF, Gestão e Consultoria Financeira, S.A. ("EGF") and Banco Comercial Português, S.A. *("Millennium BCP"*) agreed upon a right of disposal under Articles 9 and 10 of Decree-Law no. 105/2004, of May 8, regarding 28 131 422 nominative book-entry shares, representing 5.27% of REN's share capital. In accordance with said agreement, the voting rights held before this transaction will continue to be attributed to EGF, under the terms laid down in sub-paragraph (e) of paragraph 1 of Article 20 of the Portuguese Securities Code, maintaining the right to dividends. Therefore, the exercise of such right of disposal by Millennium BCP does not affect the current qualified shareholding, in terms of voting rights of EGF in REN, which amount up to 8.41% of its share capital. Before said transaction, EGF held 28 189 792 shares directly and 16 743 874 shares indirectly, of which 10 933 393 are held through Logo Finance, S.A. and 5 809 991 shares are held through Logoinvest SGPS, S.A., companies in a group relationship with EGF, and 490 shares are held directly and indirectly by the Member of the Board of Directors of that company, Mr. Alexandre Relvas. After this transaction, EGF continues to hold indirectly 16 743 874 shares, in the abovementioned terms, in addition to 58 370 shares, which continue to be held directly, and 11 131 422 shares included in aforementioned disposal agreement, concerning which we have not been informed that they have been disposed by Millennium BCP, and thus the attributable shareholding amounts up to a total of 27 935 176 shares representing REN's share capital. Without prejudice to the above, 8.41% of the voting rights representing REN's share capital are attributable to EGF, as the voting rights corresponding to the remainder of the shares comprised by the agreement with Millennium BCP (17 000 000 shares that were disposed) are also attributable to EGF.

[26] The shareholding attributable to Morgan Stanley concerns, besides a percentage of shares held directly (4 253 961 shares, representing 0.79% of REN's share capital), financial instruments relating to REN shares (17 000 000 shares, corresponding to about 3.18% of REN's share capital) that have been entered into by Morgan Stanley & Co. International as hedge to a short position in financial instruments over shares in REN, as established with Millennium BCP, subsequently to the transactions announced on June 3, 2011. The shares and, therefore, the voting rights shall be transferred to Millennium BCP if the latter or Morgan Stanley cause the relevant financial instruments to cease.
In this context, we are assuming that Morgan Stanley continued to be holder of 7 000 000 shares, subject to swaps with cash settlement, which expiry date was November 2, 2011, pursuant to the press release of June 10, 2011.

Parpública - Participações Públicas (SGPS), S.A.	266 471 340	49.9%
Total of CGD Group	6 285 281	1.17%
Through Caixa Geral de Depósitos, S.A.	6 027 514	1.129%
Through CGD Employee Pension Fund	139 327	0.026%
Through Companhia de Seguros Fidelidade-Mundial, S.A (Insurance Company)	111 924	0.021%
Via Império Bonança – Companhia de Seguros, S.A (Insurance Company)	6 516	0.001%
Total attributable	272 756 621	51.1%

It is also clarified that, pursuant to sub-paragraph a) of paragraph 1 of article 20 and sub-paragraph a) of article 21 of the Portuguese Securities Code, the following shareholdings and corresponding voting rights are attributable to the Portuguese State:

Therefore, the voting rights attributable to the Portuguese State, due to the total control relationships with Parpública and CGD, correspond overall to 51.1% of the voting rights inherent to the share capital of REN.

It is also clarified that the following shareholdings and corresponding voting rights are attributable to EDP - Energias de Portugal, S.A.:

EDP-Energias de Portugal, S.A.	No. of shares	Voting rights (%)
Directly	18 690 000	3.5%
Through EDP Pension Fund (company controlled by EDP)	8 010 000	1.5%
Total attributable	26 700 000	5.00%

In its turn, the following shareholdings and corresponding voting rights are attributable to EGF - Gestão e Consultoria Financeira, S.A. ("EGF")27:

EGF – Gestão e Consultoria Financeira, S.A.	No. of shares	Voting rights (%)
Directly	58 370	0.011%
Comprised by the disposal agreement entered into with Millennium BCP and were not subject to disposal.	11 131 422	2.08%
Comprised by the disposal agreement entered into with Millennium BCP and were subject to disposal.	17 000 000	3.18%
Through Logo Finance S.A. (controlled by EGF – Gestão e Consultoria Financeira, S.A.)	10 933 393	2.05%
Through Logoinveste SGPS, S.A. (controlled by EGF – Gestão e Consultoria Financeira, S.A.)	5 809 991	1.09%
Directors of the mentioned companies	490	0.00%
Total attributable	44 933 666	8.41%

[27] Formerly named Logoplaste Gestão e Consultoria Financeira, S.A..

The following shareholdings and corresponding voting rights are attributable to Morgan Stanley:

Morgan Stanley	No. of shares	Voting rights (%)
Directly	4 253 961	0.79%
Through Financial Instruments regarding REN shares	17 000 000	3.18%
Total attributable	21 253 961	3.98%

The following shareholdings and corresponding voting rights are attributable to Gestmin, SGPS, S.A.:

Gestmin, SGPS, S.A.	No. of shares	Voting rights (%)
Directly	30 135 818	5.6%
Total attributable	30 135 818	5.6%

The voting rights attributable to Gestmin, SGPS, S.A. are also attributable to Mr. Manuel Carlos de Melo Champalimaud, in his capacity of majority shareholder of said company.

In accordance with and for the purposes of Article 447 of the Portuguese Companies Code, in particular paragraph 5 thereof, the number of shares held by the members of the management and supervisory bodies of REN and by the persons related to them pursuant to paragraph 2 of the mentioned article28, as well as all its acquisitions, encumbrances or disposals with reference to the financial year 2011 are as follows:

Audit Committee:

Audit Committee	No. of Shares on 31.12.2010	Acquisitions	Encumbrances	Disposals	No. of Shares on 31.12.2011
José Luís Alvim Marinho	0 (zero)	-	-	-	0 (zero)
José Frederico Vieira Jordão	0 (zero)	-	-	-	0 (zero)
Fernando António Portela Rocha de Andrade	0 (zero)	-	-	-	0 (zero)

Board of Directors, according to its composition on 31.12.2011:

Board of Directors	No. of Shares on 31.12.2010	Acquisitions	Encumbrances	Disposals	No. of Shares on 31.12.2011
Rui Manuel Janes Cartaxo	19 162	-	-	-	19 16229
Aníbal Durães dos Santos	10 250	-	-	-	10 25030
João Caetano Faria Carreira Conceição	500	-	-	-	500

[28] It comprises the shares held by members of the management and supervisory bodies of REN and, if applicable,(i) of the spouse not judicially separated, irrespective of the matrimonial property regime; (ii) of under aged descendents; (iii) of persons in whose name shares are registered, in case they have been acquired on behalf of a member of the management or supervisory bodies and of persons referred to in (i) and (ii); and (iv) the shares held by companies of which a member of the management or supervisory bodies and the persons referred to in (i) and (ii) are shareholders with unlimited responsibility, are engaged in the management or exercise any management or supervisory duties or hold, alone or together with the persons referred to in (i) to (iii), at least half of the share capital or corresponding voting rights.

[29] Comprises 18 672 directly held shares and 490 shares held by his spouse.

[30] Comprises 10 000 directly held shares and 250 shares held by his spouse.

Board of Directors	No. of Shares on 31.12.2010	Acquisitions	Encumbrances	Disposals	No. of Shares on 31.12.2011
João Nuno de Oliveira Jorge Palma[31]	18 700	10 000	-	-	28 70032
João Manuel de Castro Plácido Pires	0	-	-	-	0
José Isidoro d'Oliveira Carvalho Netto	970	-	-	-	97033
EGF – Gestão Consultoria Financeira, S.A.	N/A	-	28 131 422	17 000 000	44 933 17634
Luís Guedes da Cruz Almeida	N/A	-	-	-	885
Gestmin, SGPS, S.A.	N/A	1 989 339	-	-	30 135 818
José Manuel Félix Morgado	N/A	-	-	-	30 135 81835
Oliren, SGPS, S.A.	N/A	-	-	-	26 700 000
Gonçalo Xavier de Araújo	N/A	-	-	-	0
Red Eléctrica Corporación, S.A.	N/A	-	-	-	26 700 000
Luís Maria Atienza Serna	26 700 000	-	-	-	26 700 000 36

Outgoing members of the Board of Directors

Board of Directors	No. of Shares on 31.12.2010	Acquisitions	Encumbrances	Disposals	No. of Shares on 31.12.2011
Filipe Maurício de Botton[37]	44 933 176	2.000	-	-	44 935 17638
Gonçalo Zambrano de Oliveira[39]	26 700 000	-	-	-	26 700 00040
Manuel Carlos de Melo Champalimaud[41]	28 146 479	10.000	-	-	28 156 47942

[31] Resigned to his office, pursuant to the press release dated December 29, 2011.
[32] Comprises 28 400 directly held shares and 300 shares held by his spouse.
[33] Comprises 490 directly held shares and 480 shares held by his spouse.

[34] Comprises the following shares attributable for the purposes of Article 447 of the Portuguese Companies Code : (i) 28 189 792 shares held by the shareholder EGF (including 11 189 792 directly held shares, of which 11 131 422 are subject to the right of disposal of Millennium BCP and 17 000 000 are equally subject to the disposal agreement entered into with said institution, which EGF has the right to repurchase), (ii) 5 809 991 shares held by the shareholder Logoinvest, SGPS, S.A., a company indirectly controlled by EGF and (iii) 10 933 393 shares held by the shareholder Logo Finance, S.A., a company indirectly controlled by EGF.

[35] Shares held by Gestmin SGPS, SA, where this director performs management duties, and which are attributable for the purposes of article 447 of the Portuguese Companies Code.
[36] Corresponds to the shares held by Red Eléctrica Corporación, S.A., which are attributable for the purposes of article 447 of the Portuguese Companies Code, due to the exercise of the duties of Chairman of the management body of this company.
[37] Ceased to be member of the Board of Directors after the resignation submitted and announced to the market on March 10, 2011.
[38] Comprised the following shares attributable for the purposes of Article 447 of the Portuguese Companies Code : (i) 2 000 shares held by the spouse and under aged descendants, (ii) 28 189 792 shares held by the shareholder EGF (including 11 189 792 directly held shares, of which 11 131 422 are subject to the right of disposal of Millennium BCP and 17 000 000 are equally subject to the disposal agreement entered into with said institution, which EGF has the right to repurchase), attributable for the purposes of Article 447 of the Portuguese Companies Code, to the extent that EGF is a company indirectly controlled by the director and in which the latter performs management duties, (iii) 5 809 991 shares held by the shareholder Logoinvest, SGPS, S.A., a company indirectly controlled by the director and in which the latter performed management duties and (iv) 10 933 393 shares held by the shareholder Logo Finance, S.A., a company indirectly controlled by the director and in which the latter performed management duties.
[39] Ceased to be member of the Board of Directors after the resignation submitted and announced to the market on March 10, 2011.

[40] Corresponded to the shares held by the shareholder Oliren, SGPS, S.A., which are attributable for the purposes of article 447 of the Portuguese Companies Code, due to the exercise of the duties of Chairman of the management body of this company.

As of December 31, 2011, the members of the management and supervisory bodies of REN and those related to them pursuant to paragraph 2 of Article 447 of the Portuguese Companies Code did not hold any bonds issued by REN nor shares or bonds issued by companies in a group or control relationship with REN, nor did they perform any transaction related to those securities in 2011, in both cases pursuant to and for the purposes of the aforementioned article 447.

During the year of 2011, REN was informed that the following persons discharging managerial functions of the Company (i.e., the members of its management and supervisory bodies) executed the following transactions related to shares of REN, relevant for the purposes of Article 14 of CMVM Regulation 5/2008:

Logoinveste SGPS, S.A.:

Type of Transaction	Local	Quantity	Price	Transaction Date
Merger by incorporation	Not applicable	5 809 991	€2 495	11-Jan-2011

Filipe Maurício de Botton (Member of the Board of Directors until 15.04.2011):

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1 958	€2 5410	25-Jan-2011
Acquisition	Euronext Lisbon	42	€2 5640	26-Jan-2011

GESTMIN SGPS, S.A.:

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	922	€2 470	25-Mar-2011
Acquisition	Euronext Lisbon	5 876	€2 470	25-Mar-2011
Acquisition	Euronext Lisbon	2 000	€2 470	25-Mar-2011
Acquisition	Euronext Lisbon	1 000	€2 470	25-Mar-2011
Acquisition	Euronext Lisbon	124	€2 470	25-Mar-2011
Acquisition	Euronext Lisbon	78	€2 470	25-Mar-2011
Acquisition	Euronext Lisbon	2 458	€2 378	2-Jun-2011
Acquisition	Euronext Lisbon	2 032	€2 378	2-Jun-2011
Acquisition	Euronext Lisbon	3 400	€2 378	2-Jun-2011
Acquisition	Euronext Lisbon	1 500	€2 378	2-Jun-2011
Acquisition	Euronext Lisbon	490	€2 378	2-Jun-2011
Acquisition	Euronext Lisbon	6 000	€2 378	2-Jun-2011
Acquisition	Euronext Lisbon	3 000	€2 378	2-Jun-2011
Acquisition	Euronext Lisbon	1 120	€2 378	2-Jun-2011
Acquisition	Euronext Lisbon	70	€2 369	17-Jun-2011
Acquisition	Euronext Lisbon	500	€2 350	17-Jun-2011
Acquisition	Euronext Lisbon	500	€2 356	17-Jun-2011
Acquisition	Euronext Lisbon	500	€2 360	17-Jun-2011

[41] Ceased to be member of the Board of Directors after the resignation submitted and announced to the market on March 10, 2011.

[42] Comprised 69 300 directly held shares and 28 087 179 shares held by the shareholder Gestmin SGPS, S.A., which, due to the exercise of the duties of Chairman of the management body of this company and the holding of the majority of the corresponding share capital, are attributable for the purposes of article 447 of the Portuguese Companies Code.

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	500	€2 362	17-Jun-2011
Acquisition	Euronext Lisbon	536	€2 370	17-Jun-2011
Acquisition	Euronext Lisbon	500	€2 362	17-Jun-2011
Acquisition	Euronext Lisbon	930	€2 369	17-Jun-2011
Acquisition	Euronext Lisbon	1 464	€2 370	17-Jun-2011
Acquisition	Euronext Lisbon	2 082	€2 340	17-Jun-2011
Acquisition	Euronext Lisbon	5 000	€2 370	17-Jun-2011
Acquisition	Euronext Lisbon	35 918	€2 340	17-Jun-2011
Acquisition	Euronext Lisbon	1	€2 334	20-Jun-2011
Acquisition	Euronext Lisbon	51	€2 360	20-Jun-2011
Acquisition	Euronext Lisbon	74	€2 357	20-Jun-2011
Acquisition	Euronext Lisbon	100	€2 334	20-Jun-2011
Acquisition	Euronext Lisbon	174	€2 327	20-Jun-2011
Acquisition	Euronext Lisbon	190	€2 320	20-Jun-2011
Acquisition	Euronext Lisbon	300	€2 347	20-Jun-2011
Acquisition	Euronext Lisbon	330	€2 356	20-Jun-2011
Acquisition	Euronext Lisbon	400	€2 331	20-Jun-2011
Acquisition	Euronext Lisbon	414	€2 327	20-Jun-2011
Acquisition	Euronext Lisbon	432	€2 350	20-Jun-2011
Acquisition	Euronext Lisbon	500	€2 330	20-Jun-2011
Acquisition	Euronext Lisbon	588	€2 327	20-Jun-2011
Acquisition	Euronext Lisbon	600	€2 327	20-Jun-2011
Acquisition	Euronext Lisbon	600	€2 344	20-Jun-2011
Acquisition	Euronext Lisbon	800	€2 338	20-Jun-2011
Acquisition	Euronext Lisbon	850	€2 355	20-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 327	20-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 329	20-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 338	20-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 340	20-Jun-2011
Acquisition	Euronext Lisbon	1 010	€2 319	20-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 346	20-Jun-2011
Acquisition	Euronext Lisbon	1 006	€2 348	20-Jun-2011
Acquisition	Euronext Lisbon	1 108	€2 300	20-Jun-2011
Acquisition	Euronext Lisbon	1 176	€2 327	20-Jun-2011
Acquisition	Euronext Lisbon	1 494	€2 348	20-Jun-2011
Acquisition	Euronext Lisbon	1 500	€2 362	20-Jun-2011
Acquisition	Euronext Lisbon	1 892	€2 300	20-Jun-2011
Acquisition	Euronext Lisbon	1	€2 313	21-Jun-2011
Acquisition	Euronext Lisbon	37	€2 324	21-Jun-2011
Acquisition	Euronext Lisbon	400	€2 320	21-Jun-2011
Acquisition	Euronext Lisbon	490	€2 304	21-Jun-2011
Acquisition	Euronext Lisbon	510	€2 304	21-Jun-2011
Acquisition	Euronext Lisbon	600	€2 320	21-Jun-2011
Acquisition	Euronext Lisbon	786	€2 301	21-Jun-2011
Acquisition	Euronext Lisbon	963	€2 324	21-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 307	21-Jun-2011
Acquisition	Euronext Lisbon	999	€2 313	21-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 311	21-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 313	21-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 314	21-Jun-2011
Acquisition	Euronext Lisbon	2 000	€2 320	21-Jun-2011
Acquisition	Euronext Lisbon	37	€2 296	22-Jun-2011
Acquisition	Euronext Lisbon	43	€2 293	22-Jun-2011

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	65	€2 301	22-Jun-2011
Acquisition	Euronext Lisbon	195	€2 321	22-Jun-2011
Acquisition	Euronext Lisbon	374	€2 295	22-Jun-2011
Acquisition	Euronext Lisbon	490	€2 308	22-Jun-2011
Acquisition	Euronext Lisbon	488	€2 320	22-Jun-2011
Acquisition	Euronext Lisbon	500	€2 294	22-Jun-2011
Acquisition	Euronext Lisbon	500	€2 296	22-Jun-2011
Acquisition	Euronext Lisbon	500	€2 300	22-Jun-2011
Acquisition	Euronext Lisbon	500	€2 306	22-Jun-2011
Acquisition	Euronext Lisbon	518	€2 298	22-Jun-2011
Acquisition	Euronext Lisbon	983	€2 296	22-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 294	22-Jun-2011
Acquisition	Euronext Lisbon	1 021	€2 300	22-Jun-2011
Acquisition	Euronext Lisbon	1 300	€2 314	22-Jun-2011
Acquisition	Euronext Lisbon	1 479	€2 300	22-Jun-2011
Acquisition	Euronext Lisbon	1 548	€2 320	22-Jun-2011
Acquisition	Euronext Lisbon	2 973	€2 293	22-Jun-2011
Acquisition	Euronext Lisbon	3 000	€2 299	22-Jun-2011
Acquisition	Euronext Lisbon	4 000	€2 314	22-Jun-2011
Acquisition	Euronext Lisbon	1	€2 284	23-Jun-2011
Acquisition	Euronext Lisbon	2	€2 295	23-Jun-2011
Acquisition	Euronext Lisbon	3	€2 293	23-Jun-2011
Acquisition	Euronext Lisbon	9	€2 295	23-Jun-2011
Acquisition	Euronext Lisbon	14	€2 293	23-Jun-2011
Acquisition	Euronext Lisbon	15	€2 286	23-Jun-2011
Acquisition	Euronext Lisbon	17	€2 292	23-Jun-2011
Acquisition	Euronext Lisbon	27	€2 289	23-Jun-2011
Acquisition	Euronext Lisbon	42	€2 295	23-Jun-2011
Acquisition	Euronext Lisbon	43	€2 290	23-Jun-2011
Acquisition	Euronext Lisbon	60	€2 323	23-Jun-2011
Acquisition	Euronext Lisbon	71	€2 293	23-Jun-2011
Acquisition	Euronext Lisbon	179	€2 0284	23-Jun-2011
Acquisition	Euronext Lisbon	190	€2 295	23-Jun-2011
Acquisition	Euronext Lisbon	230	€2 292	23-Jun-2011
Acquisition	Euronext Lisbon	253	€2 292	23-Jun-2011
Acquisition	Euronext Lisbon	354	€2 295	23-Jun-2011
Acquisition	Euronext Lisbon	403	€2 295	23-Jun-2011
Acquisition	Euronext Lisbon	440	€2 323	23-Jun-2011
Acquisition	Euronext Lisbon	500	€2 292	23-Jun-2011
Acquisition	Euronext Lisbon	505	€2 293	23-Jun-2011
Acquisition	Euronext Lisbon	820	€2 284	23-Jun-2011
Acquisition	Euronext Lisbon	851	€2 289	23-Jun-2011
Acquisition	Euronext Lisbon	1 398	€2 293	23-Jun-2011
Acquisition	Euronext Lisbon	1 400	€2 297	23-Jun-2011
Acquisition	Euronext Lisbon	1 411	€2 290	23-Jun-2011
Acquisition	Euronext Lisbon	1 610	€2 283	23-Jun-2011
Acquisition	Euronext Lisbon	1 676	€2 292	23-Jun-2011
Acquisition	Euronext Lisbon	1 719	€2 323	23-Jun-2011
Acquisition	Euronext Lisbon	1 956	€2 323	23-Jun-2011
Acquisition	Euronext Lisbon	2 000	€2 323	23-Jun-2011
Acquisition	Euronext Lisbon	2 307	€2 323	23-Jun-2011
Acquisition	Euronext Lisbon	2 485	€2 286	23-Jun-2011
Acquisition	Euronext Lisbon	3 841	€2 323	23-Jun-2011

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	1	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	2	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	3	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	3	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	4	€2 311	24-Jun-2011
Acquisition	Euronext Lisbon	8	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	9	€2 296	24-Jun-2011
Acquisition	Euronext Lisbon	16	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	41	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	43	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	71	€2 300	24-Jun-2011
Acquisition	Euronext Lisbon	78	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	160	€2 320	24-Jun-2011
Acquisition	Euronext Lisbon	211	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	158	€2 320	24-Jun-2011
Acquisition	Euronext Lisbon	303	€2 311	24-Jun-2011
Acquisition	Euronext Lisbon	319	€2 311	24-Jun-2011
Acquisition	Euronext Lisbon	381	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	381	€2 311	24-Jun-2011
Acquisition	Euronext Lisbon	433	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	439	€2 320	24-Jun-2011
Acquisition	Euronext Lisbon	447	€2 311	24-Jun-2011
Acquisition	Euronext Lisbon	490	€2 286	24-Jun-2011
Acquisition	Euronext Lisbon	490	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	490	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	572	€2 294	24-Jun-2011
Acquisition	Euronext Lisbon	645	€2 291	24-Jun-2011
Acquisition	Euronext Lisbon	667	€2 297	24-Jun-2011
Acquisition	Euronext Lisbon	693	€2 302	24-Jun-2011
Acquisition	Euronext Lisbon	698	€2 299	24-Jun-2011
Acquisition	Euronext Lisbon	697	€2 311	24-Jun-2011
Acquisition	Euronext Lisbon	702	€2 298	24-Jun-2011
Acquisition	Euronext Lisbon	724	€2 305	24-Jun-2011
Acquisition	Euronext Lisbon	750	€2 292	24-Jun-2011
Acquisition	Euronext Lisbon	772	€2 298	24-Jun-2011
Acquisition	Euronext Lisbon	773	€2 301	24-Jun-2011
Acquisition	Euronext Lisbon	799	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	864	€2 294	24-Jun-2011
Acquisition	Euronext Lisbon	929	€2 300	24-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 292	24-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 300	24-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 300	24-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	1 182	€2 320	24-Jun-2011
Acquisition	Euronext Lisbon	1 203	€2 300	24-Jun-2011
Acquisition	Euronext Lisbon	1 500	€2 291	24-Jun-2011
Acquisition	Euronext Lisbon	1 500	€2 293	24-Jun-2011
Acquisition	Euronext Lisbon	1 500	€2 299	24-Jun-2011
Acquisition	Euronext Lisbon	1 500	€2 303	24-Jun-2011
Acquisition	Euronext Lisbon	1 500	€2 312	24-Jun-2011

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	2 000	€2 308	24-Jun-2011
Acquisition	Euronext Lisbon	2 089	€2 296	24-Jun-2011
Acquisition	Euronext Lisbon	2 243	€2 320	24-Jun-2011
Acquisition	Euronext Lisbon	2 500	€2 300	24-Jun-2011
Acquisition	Euronext Lisbon	3 511	€2 320	24-Jun-2011
Acquisition	Euronext Lisbon	4 307	€2 320	24-Jun-2011
Acquisition	Euronext Lisbon	1	€2 304	27-Jun-2011
Acquisition	Euronext Lisbon	7	€2 319	27-Jun-2011
Acquisition	Euronext Lisbon	24	€2 316	27-Jun-2011
Acquisition	Euronext Lisbon	33	€2 320	27-Jun-2011
Acquisition	Euronext Lisbon	112	€2 320	27-Jun-2011
Acquisition	Euronext Lisbon	150	€2 309	27-Jun-2011
Acquisition	Euronext Lisbon	442	€2 315	27-Jun-2011
Acquisition	Euronext Lisbon	490	€2 307	27-Jun-2011
Acquisition	Euronext Lisbon	490	€2 320	27-Jun-2011
Acquisition	Euronext Lisbon	500	€2 309	27-Jun-2011
Acquisition	Euronext Lisbon	542	€2 306	27-Jun-2011
Acquisition	Euronext Lisbon	574	€2 306	27-Jun-2011
Acquisition	Euronext Lisbon	700	€2 291	27-Jun-2011
Acquisition	Euronext Lisbon	1 467	€2 310	27-Jun-2011
Acquisition	Euronext Lisbon	1 540	€2 320	27-Jun-2011
Acquisition	Euronext Lisbon	1 993	€2 319	27-Jun-2011
Acquisition	Euronext Lisbon	2 958	€2 320	27-Jun-2011
Acquisition	Euronext Lisbon	4	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	4	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	24	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	31	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	36	€2 336	28-Jun-2011
Acquisition	Euronext Lisbon	39	€2 333	28-Jun-2011
Acquisition	Euronext Lisbon	61	€2 333	28-Jun-2011
Acquisition	Euronext Lisbon	66	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	68	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	73	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	73	€2 335	28-Jun-2011
Acquisition	Euronext Lisbon	79	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	115	€2 311	28-Jun-2011
Acquisition	Euronext Lisbon	212	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	221	€2 337	28-Jun-2011
Acquisition	Euronext Lisbon	235	€2 326	28-Jun-2011
Acquisition	Euronext Lisbon	248	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	315	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	322	€2 335	28-Jun-2011
Acquisition	Euronext Lisbon	390	€2 334	28-Jun-2011
Acquisition	Euronext Lisbon	438	€2 334	28-Jun-2011
Acquisition	Euronext Lisbon	490	€2 325	28-Jun-2011
Acquisition	Euronext Lisbon	495	€2 337	28-Jun-2011
Acquisition	Euronext Lisbon	500	€2 326	28-Jun-2011
Acquisition	Euronext Lisbon	500	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	530	€2 326	28-Jun-2011
Acquisition	Euronext Lisbon	541	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	678	€2 335	28-Jun-2011
Acquisition	Euronext Lisbon	765	€2 326	28-Jun-2011
Acquisition	Euronext Lisbon	802	€2 330	28-Jun-2011

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	818	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	927	€2 335	28-Jun-2011
Acquisition	Euronext Lisbon	969	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	976	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 320	28-Jun-2011
Acquisition	Euronext Lisbon	996	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 333	28-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 335	28-Jun-2011
Acquisition	Euronext Lisbon	975	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 064	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 100	€2 320	28-Jun-2011
Acquisition	Euronext Lisbon	1 198	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	1 510	€2 325	28-Jun-2011
Acquisition	Euronext Lisbon	2 000	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	2 000	€2 335	28-Jun-2011
Acquisition	Euronext Lisbon	2 128	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	2 127	€2 333	28-Jun-2011
Acquisition	Euronext Lisbon	2 722	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	2 867	€2 332	28-Jun-2011
Acquisition	Euronext Lisbon	2 872	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	3 037	€2 329	28-Jun-2011
Acquisition	Euronext Lisbon	3 358	€2 330	28-Jun-2011
Acquisition	Euronext Lisbon	4 716	€2 338	28-Jun-2011
Acquisition	Euronext Lisbon	4 800	€2 337	28-Jun-2011
Acquisition	Euronext Lisbon	1	€2 385	29-Jun-2011
Acquisition	Euronext Lisbon	10	€2 389	29-Jun-2011
Acquisition	Euronext Lisbon	13	€2 381	29-Jun-2011
Acquisition	Euronext Lisbon	27	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	27	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	30	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	34	€2 397	29-Jun-2011
Acquisition	Euronext Lisbon	39	€2 396	29-Jun-2011
Acquisition	Euronext Lisbon	39	€2 397	29-Jun-2011
Acquisition	Euronext Lisbon	40	€2 389	29-Jun-2011
Acquisition	Euronext Lisbon	42	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	54	€2 386	29-Jun-2011
Acquisition	Euronext Lisbon	57	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	64	€2 393	29-Jun-2011
Acquisition	Euronext Lisbon	64	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	65	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	68	€2 369	29-Jun-2011
Acquisition	Euronext Lisbon	69	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	69	€2 397	29-Jun-2011
Acquisition	Euronext Lisbon	72	€2 393	29-Jun-2011

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	72	€2 393	29-Jun-2011
Acquisition	Euronext Lisbon	72	€2 398	29-Jun-2011
Acquisition	Euronext Lisbon	72	€2 398	29-Jun-2011
Acquisition	Euronext Lisbon	72	€2 398	29-Jun-2011
Acquisition	Euronext Lisbon	72	€2 398	29-Jun-2011
Acquisition	Euronext Lisbon	73	€2 396	29-Jun-2011
Acquisition	Euronext Lisbon	76	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	76	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	77	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	79	€2 391	29-Jun-2011
Acquisition	Euronext Lisbon	79	€2 397	29-Jun-2011
Acquisition	Euronext Lisbon	83	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	83	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	132	€2 369	29-Jun-2011
Acquisition	Euronext Lisbon	144	€2 370	29-Jun-2011
Acquisition	Euronext Lisbon	150	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	150	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	158	€2 390	29-Jun-2011
Acquisition	Euronext Lisbon	160	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	167	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	187	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	199	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	215	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	242	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	250	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	254	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	278	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	283	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	299	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	310	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	350	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	354	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	350	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	368	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	400	€2 357	29-Jun-2011
Acquisition	Euronext Lisbon	426	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	422	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	433	€2 389	29-Jun-2011
Acquisition	Euronext Lisbon	434	€2 398	29-Jun-2011
Acquisition	Euronext Lisbon	450	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	483	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	490	€2 386	29-Jun-2011
Acquisition	Euronext Lisbon	500	€2 346	29-Jun-2011
Acquisition	Euronext Lisbon	500	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	496	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	500	€2 395	29-Jun-2011
Acquisition	Euronext Lisbon	501	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	504	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	514	€2 370	29-Jun-2011
Acquisition	Euronext Lisbon	519	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	647	€2 352	29-Jun-2011
Acquisition	Euronext Lisbon	689	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	717	€2 366	29-Jun-2011

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	717	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	774	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	800	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	800	€2 364	29-Jun-2011
Acquisition	Euronext Lisbon	800	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	800	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	853	€2 352	29-Jun-2011
Acquisition	Euronext Lisbon	889	€2 395	29-Jun-2011
Acquisition	Euronext Lisbon	900	€2 386	29-Jun-2011
Acquisition	Euronext Lisbon	938	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	956	€2 368	29-Jun-2011
Acquisition	Euronext Lisbon	980	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	980	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	973	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	1 001	€2 347	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 369	29-Jun-2011
Acquisition	Euronext Lisbon	993	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 386	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 386	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 392	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 395	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 397	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	1 000	€2 400	29-Jun-2011
Acquisition	Euronext Lisbon	1 050	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 050	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 050	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	1 200	€2 364	29-Jun-2011
Acquisition	Euronext Lisbon	1 200	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	1 200	€2 368	29-Jun-2011
Acquisition	Euronext Lisbon	1 200	€2 368	29-Jun-2011
Acquisition	Euronext Lisbon	1 200	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	1 200	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	1 200	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	1 200	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	1 250	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	1 250	€2 391	29-Jun-2011
Acquisition	Euronext Lisbon	1 250	€2 391	29-Jun-2011
Acquisition	Euronext Lisbon	1 257	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	1 300	€2 343	29-Jun-2011
Acquisition	Euronext Lisbon	1 276	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	1 333	€2 392	29-Jun-2011

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1 333	€2 394	29-Jun-2011
Acquisition	Euronext Lisbon	1 415	€2 366	29-Jun-2011
Acquisition	Euronext Lisbon	1 888	€2 387	29-Jun-2011
Acquisition	Euronext Lisbon	2 000	€2 354	29-Jun-2011
Acquisition	Euronext Lisbon	2 000	€2 339	29-Jun-2011
Acquisition	Euronext Lisbon	2 303	€2 370	29-Jun-2011
Acquisition	Euronext Lisbon	2 564	€2 398	29-Jun-2011
Acquisition	Euronext Lisbon	2 605	€2 365	29-Jun-2011
Acquisition	Euronext Lisbon	2 912	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	2 923	€2 343	29-Jun-2011
Acquisition	Euronext Lisbon	2 895	€2 399	29-Jun-2011
Acquisition	Euronext Lisbon	2 913	€2 393	29-Jun-2011
Acquisition	Euronext Lisbon	3 033	€2 347	29-Jun-2011
Acquisition	Euronext Lisbon	3 257	€2 388	29-Jun-2011
Acquisition	Euronext Lisbon	3 390	€2 391	29-Jun-2011
Acquisition	Euronext Lisbon	3 967	€2 345	29-Jun-2011
Acquisition	Euronext Lisbon	3 900	€2 389	29-Jun-2011
Acquisition	Euronext Lisbon	4 888	€2 350	29-Jun-2011
Acquisition	Euronext Lisbon	12 484	€2 393	29-Jun-2011
Acquisition	Euronext Lisbon	3	€2 380	30-Jun-2011
Acquisition	Euronext Lisbon	395	€2 380	30-Jun-2011
Acquisition	Euronext Lisbon	36	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	69	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	941	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	1 464	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	1 510	€ 2 400	06-Jul-11
Acquisition	Euronext Lisbon	64	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	70	€ 2 298	13-Jul-11
Acquisition	Euronext Lisbon	70	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	133	€ 2 290	13-Jul-11
Acquisition	Euronext Lisbon	259	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	274	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	320	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	355	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	371	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	507	€ 2 272	13-Jul-11
Acquisition	Euronext Lisbon	506	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	547	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	550	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	694	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	701	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	740	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	787	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	805	€ 2 299	13-Jul-11
Acquisition	Euronext Lisbon	828	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	889	€ 2 289	13-Jul-11
Acquisition	Euronext Lisbon	885	€ 2 300	13-Jul-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	930	€ 2 298	13-Jul-11
Acquisition	Euronext Lisbon	961	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	1 200	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	1 297	€ 2 299	13-Jul-11
Acquisition	Euronext Lisbon	1 333	€ 2300	13-Jul-11
Acquisition	Euronext Lisbon	1 406	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	1 409	€ 2 299	13-Jul-11
Acquisition	Euronext Lisbon	1 495	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	1 547	€ 2 295	13-Jul-11
Acquisition	Euronext Lisbon	1 575	€ 2 263	13-Jul-11
Acquisition	Euronext Lisbon	1 553	€ 2 299	13-Jul-11
Acquisition	Euronext Lisbon	1 575	€ 2 296	13-Jul-11
Acquisition	Euronext Lisbon	1 618	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	1 649	€ 2 290	13-Jul-11
Acquisition	Euronext Lisbon	1 934	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	1 945	€ 2 263	13-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	2 329	€ 2 299	13-Jul-11
Acquisition	Euronext Lisbon	2 500	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	2 570	€ 2 299	13-Jul-11
Acquisition	Euronext Lisbon	2 601	€ 2 300	13-Jul-11
Acquisition	Euronext Lisbon	2 718	€ 2 297	13-Jul-11
Acquisition	Euronext Lisbon	10 784	€ 2 280	13-Jul-11
Acquisition	Euronext Lisbon	39	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	61	€ 2 288	14-Jul-11
Acquisition	Euronext Lisbon	70	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	90	€ 2 296	14-Jul-11
Acquisition	Euronext Lisbon	152	€ 2 288	14-Jul-11
Acquisition	Euronext Lisbon	160	€ 2 265	14-Jul-11
Acquisition	Euronext Lisbon	160	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	168	€ 2 297	14-Jul-11
Acquisition	Euronext Lisbon	175	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	210	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	268	€ 2 299	14-Jul-11
Acquisition	Euronext Lisbon	283	€ 2 289	14-Jul-11
Acquisition	Euronext Lisbon	300	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	300	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	314	€ 2 280	14-Jul-11
Acquisition	Euronext Lisbon	411	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	475	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	500	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	499	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	501	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	525	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	740	€ 2 290	14-Jul-11
Acquisition	Euronext Lisbon	787	€ 2 288	14-Jul-11
Acquisition	Euronext Lisbon	800	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	825	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	832	€ 2 297	14-Jul-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	910	€ 2 296	14-Jul-11
Acquisition	Euronext Lisbon	959	€ 2 274	14-Jul-11
Acquisition	Euronext Lisbon	980	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	980	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 265	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 265	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 270	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 271	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 274	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 274	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 297	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 299	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 299	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 299	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 299	14-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	1 032	€ 2 278	14-Jul-11
Acquisition	Euronext Lisbon	1 056	€ 2 274	14-Jul-11
Acquisition	Euronext Lisbon	1 065	€ 2 297	14-Jul-11
Acquisition	Euronext Lisbon	1 196	€ 2 299	14-Jul-11
Acquisition	Euronext Lisbon	1 200	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	1 281	€ 2 288	14-Jul-11
Acquisition	Euronext Lisbon	1 351	€ 2 274	14-Jul-11
Acquisition	Euronext Lisbon	1 377	€ 2 274	14-Jul-11
Acquisition	Euronext Lisbon	1 686	€ 2 280	14-Jul-11
Acquisition	Euronext Lisbon	1 934	€ 2 300	14-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 295	14-Jul-11
Acquisition	Euronext Lisbon	2 567	€ 2 274	14-Jul-11
Acquisition	Euronext Lisbon	2 690	€ 2 274	14-Jul-11
Acquisition	Euronext Lisbon	2 840	€ 2 265	14-Jul-11
Acquisition	Euronext Lisbon	2 798	€ 2 299	14-Jul-11
Acquisition	Euronext Lisbon	5 000	€ 2 293	14-Jul-11
Acquisition	Euronext Lisbon	100	€ 2 298	15-Jul-11
Acquisition	Euronext Lisbon	107	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	136	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	276	€ 2 298	15-Jul-11
Acquisition	Euronext Lisbon	300	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	423	€ 2 298	15-Jul-11
Acquisition	Euronext Lisbon	436	€ 2 292	15-Jul-11
Acquisition	Euronext Lisbon	477	€ 2 298	15-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 291	15-Jul-11
Acquisition	Euronext Lisbon	500	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	535	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	724	€ 2 298	15-Jul-11
Acquisition	Euronext Lisbon	864	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	889	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 292	15-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 293	15-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 293	15-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 298	15-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	15-Jul-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1 000	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	15-Jul-11
Acquisition	Euronext Lisbon	1 614	€ 2 299	15-Jul-11
Acquisition	Euronext Lisbon	2 282	€ 2 298	15-Jul-11
Acquisition	Euronext Lisbon	2 718	€ 2 299	15-Jul-11
Acquisition	Euronext Lisbon	3 386	€ 2 299	15-Jul-11
Acquisition	Euronext Lisbon	3 500	€ 2 299	15-Jul-11
Acquisition	Euronext Lisbon	6	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	35	€ 2 296	18-Jul-11
Acquisition	Euronext Lisbon	70	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	176	€ 2 288	18-Jul-11
Acquisition	Euronext Lisbon	215	€ 2 296	18-Jul-11
Acquisition	Euronext Lisbon	230	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	371	€ 2 288	18-Jul-11
Acquisition	Euronext Lisbon	371	€ 2 288	18-Jul-11
Acquisition	Euronext Lisbon	453	€ 2 288	18-Jul-11
Acquisition	Euronext Lisbon	468	€ 2 296	18-Jul-11
Acquisition	Euronext Lisbon	629	€ 2 288	18-Jul-11
Acquisition	Euronext Lisbon	715	€ 2 296	18-Jul-11
Acquisition	Euronext Lisbon	785	€ 2 296	18-Jul-11
Acquisition	Euronext Lisbon	818	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 288	18-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 288	18-Jul-11
Acquisition	Euronext Lisbon	1 032	€ 2 296	18-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	1 859	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	1 969	€ 2 300	18-Jul-11
Acquisition	Euronext Lisbon	2 250	€ 2 296	18-Jul-11
Acquisition	Euronext Lisbon	40	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	23	€ 2 290	19-Jul-11
Acquisition	Euronext Lisbon	174	€ 2 293	19-Jul-11
Acquisition	Euronext Lisbon	1 749	€ 2 294	19-Jul-11
Acquisition	Euronext Lisbon	820	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	916	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	572	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	1 338	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	1	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	2 540	€ 2 293	19-Jul-11
Acquisition	Euronext Lisbon	1 134	€ 2 286	19-Jul-11
Acquisition	Euronext Lisbon	162	€ 2 280	19-Jul-11
Acquisition	Euronext Lisbon	984	€ 2 295	19-Jul-11
Acquisition	Euronext Lisbon	190	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	182	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	300	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	500	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	2 500	€ 2 298	19-Jul-11
Acquisition	Euronext Lisbon	94	€ 2 290	19-Jul-11
Acquisition	Euronext Lisbon	383	€ 2 290	19-Jul-11
Acquisition	Euronext Lisbon	807	€ 2 293	19-Jul-11
Acquisition	Euronext Lisbon	251	€ 2 294	19-Jul-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	179	€ 2 294	19-Jul-11
Acquisition	Euronext Lisbon	139	€ 2 292	19-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	200	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	180	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	30	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	1 600	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	47	€ 2 298	19-Jul-11
Acquisition	Euronext Lisbon	1 953	€ 2 298	19-Jul-11
Acquisition	Euronext Lisbon	38	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	158	€ 2 293	19-Jul-11
Acquisition	Euronext Lisbon	168	€ 2 293	19-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	230	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 298	19-Jul-11
Acquisition	Euronext Lisbon	21	€ 2 300	19-Jul-11
Acquisition	Euronext Lisbon	1 760	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	662	€ 2 270	20-Jul-11
Acquisition	Euronext Lisbon	878	€ 2 278	20-Jul-11
Acquisition	Euronext Lisbon	766	€ 2 278	20-Jul-11
Acquisition	Euronext Lisbon	678	€ 2 278	20-Jul-11
Acquisition	Euronext Lisbon	840	€ 2 278	20-Jul-11
Acquisition	Euronext Lisbon	61	€ 2 282	20-Jul-11
Acquisition	Euronext Lisbon	1 523	€ 2 281	20-Jul-11
Acquisition	Euronext Lisbon	1 953	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	318	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	727	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	327	€ 2 288	20-Jul-11
Acquisition	Euronext Lisbon	961	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	1 136	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	1 600	€ 2 283	20-Jul-11
Acquisition	Euronext Lisbon	960	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	100	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	100	€ 2 284	20-Jul-11
Acquisition	Euronext Lisbon	1 150	€ 2 284	20-Jul-11
Acquisition	Euronext Lisbon	150	€ 2 281	20-Jul-11
Acquisition	Euronext Lisbon	352	€ 2 283	20-Jul-11
Acquisition	Euronext Lisbon	547	€ 2 288	20-Jul-11
Acquisition	Euronext Lisbon	194	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	449	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	100	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	1 041	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	1 148	€ 2 291	20-Jul-11
Acquisition	Euronext Lisbon	635	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	1 147	€ 2 295	20-Jul-11
Acquisition	Euronext Lisbon	1 017	€ 2 296	20-Jul-11
Acquisition	Euronext Lisbon	92	€ 2 294	20-Jul-11
Acquisition	Euronext Lisbon	16	€ 2 294	20-Jul-11
Acquisition	Euronext Lisbon	1 467	€ 2 295	20-Jul-11
Acquisition	Euronext Lisbon	5 637	€ 2 296	20-Jul-11
Acquisition	Euronext Lisbon	947	€ 2 300	20-Jul-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	587	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	221	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	855	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	292	€ 2 288	20-Jul-11
Acquisition	Euronext Lisbon	596	€ 2 288	20-Jul-11
Acquisition	Euronext Lisbon	1 936	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 270	20-Jul-11
Acquisition	Euronext Lisbon	27	€ 2 278	20-Jul-11
Acquisition	Euronext Lisbon	1 870	€ 2 278	20-Jul-11
Acquisition	Euronext Lisbon	438	€ 2 283	20-Jul-11
Acquisition	Euronext Lisbon	1 303	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	1 138	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	1 111	€ 2 295	20-Jul-11
Acquisition	Euronext Lisbon	657	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	435	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	272	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	231	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	420	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	1 600	€ 2 283	20-Jul-11
Acquisition	Euronext Lisbon	572	€ 2 283	20-Jul-11
Acquisition	Euronext Lisbon	1 006	€ 2 284	20-Jul-11
Acquisition	Euronext Lisbon	461	€ 2 288	20-Jul-11
Acquisition	Euronext Lisbon	94	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	153	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	393	€ 2 291	20-Jul-11
Acquisition	Euronext Lisbon	754	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	1 338	€ 2 295	20-Jul-11
Acquisition	Euronext Lisbon	3 000	€ 2297	20-Jul-11
Acquisition	Euronext Lisbon	2 222	€ 2 298	20-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 299	20-Jul-11
Acquisition	Euronext Lisbon	343	€ 2 299	20-Jul-11
Acquisition	Euronext Lisbon	130	€ 2 299	20-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	1 517	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	934	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	221	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	469	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	257	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	1 500	€ 2 286	20-Jul-11
Acquisition	Euronext Lisbon	330	€ 2 275	20-Jul-11
Acquisition	Euronext Lisbon	10	€ 2 275	20-Jul-11
Acquisition	Euronext Lisbon	1 140	€ 2 275	20-Jul-11
Acquisition	Euronext Lisbon	520	€ 2 275	20-Jul-11
Acquisition	Euronext Lisbon	477	€ 2 270	20-Jul-11
Acquisition	Euronext Lisbon	450	€ 2 278	20-Jul-11
Acquisition	Euronext Lisbon	1 088	€ 2 282	20-Jul-11
Acquisition	Euronext Lisbon	1 183	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	1 135	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	763	€ 2 294	20-Jul-11
Acquisition	Euronext Lisbon	268	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	268	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	1 523	€ 2 280	20-Jul-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1 285	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	1 137	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	1 592	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	694	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	100	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	842	€ 2 284	20-Jul-11
Acquisition	Euronext Lisbon	100	€ 2 284	20-Jul-11
Acquisition	Euronext Lisbon	703	€ 2 283	20-Jul-11
Acquisition	Euronext Lisbon	934	€ 2 282	20-Jul-11
Acquisition	Euronext Lisbon	679	€ 2 288	20-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	100	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	645	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	253	€ 2 295	20-Jul-11
Acquisition	Euronext Lisbon	999	€ 2 294	20-Jul-11
Acquisition	Euronext Lisbon	338	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	554	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	2 258	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	491	€ 2 287	20-Jul-11
Acquisition	Euronext Lisbon	501	€ 2 278	20-Jul-11
Acquisition	Euronext Lisbon	937	€ 2 283	20-Jul-11
Acquisition	Euronext Lisbon	1 354	€ 2 291	20-Jul-11
Acquisition	Euronext Lisbon	685	€ 2 291	20-Jul-11
Acquisition	Euronext Lisbon	905	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	866	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	592	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	908	€ 2 280	20-Jul-11
Acquisition	Euronext Lisbon	2 188	€ 2 281	20-Jul-11
Acquisition	Euronext Lisbon	1 260	€ 2 288	20-Jul-11
Acquisition	Euronext Lisbon	302	€ 2 288	20-Jul-11
Acquisition	Euronext Lisbon	1 119	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	100	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	2 090	€ 2 289	20-Jul-11
Acquisition	Euronext Lisbon	1 148	€ 2 284	20-Jul-11
Acquisition	Euronext Lisbon	200	€ 2 281	20-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	465	€ 2 290	20-Jul-11
Acquisition	Euronext Lisbon	1 138	€ 2 295	20-Jul-11
Acquisition	Euronext Lisbon	1 400	€ 2 299	20-Jul-11
Acquisition	Euronext Lisbon	120	€ 2 294	20-Jul-11
Acquisition	Euronext Lisbon	226	€ 2 294	20-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 299	20-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	1 120	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	1 551	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	230	€ 2 300	21-Jul-11
Acquisition	Euronext Lisbon	500	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	1 280	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	1 954	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	546	€ 2 300	20-Jul-11
Acquisition	Euronext Lisbon	1 604	€ 2 296	20-Jul-11
Acquisition	Euronext Lisbon	1 024	€ 2 296	20-Jul-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1 204	€ 2 296	20-Jul-11
Acquisition	Euronext Lisbon	67	€ 2 296	20-Jul-11
Acquisition	Euronext Lisbon	944	€ 2 299	20-Jul-11
Acquisition	Euronext Lisbon	1 056	€ 2 299	20-Jul-11
Acquisition	Euronext Lisbon	124	€ 2 335	25-Jul-11
Acquisition	Euronext Lisbon	618	€ 2 335	25-Jul-11
Acquisition	Euronext Lisbon	258	€ 2 335	25-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 335	25-Jul-11
Acquisition	Euronext Lisbon	1 192	€ 2 335	25-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 335	25-Jul-11
Acquisition	Euronext Lisbon	57	€ 2 335	25-Jul-11
Acquisition	Euronext Lisbon	751	€ 2 335	25-Jul-11
Acquisition	Euronext Lisbon	2 288	€ 2 330	25-Jul-11
Acquisition	Euronext Lisbon	50	€ 2 330	25-Jul-11
Acquisition	Euronext Lisbon	162	€ 2 330	25-Jul-11
Acquisition	Euronext Lisbon	2 500	€ 2 330	25-Jul-11
Acquisition	Euronext Lisbon	2 500	€ 2 320	25-Jul-11
Acquisition	Euronext Lisbon	2 500	€ 2 310	25-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 300	25-Jul-11
Acquisition	Euronext Lisbon	3 000	€ 2 300	25-Jul-11
Acquisition	Euronext Lisbon	10 000	€ 2 300	25-Jul-11
Acquisition	Euronext Lisbon	10 000	€ 2 300	25-Jul-11
Acquisition	Euronext Lisbon	725	€ 2 300	25-Jul-11
Acquisition	Euronext Lisbon	6 000	€ 2 300	25-Jul-11
Acquisition	Euronext Lisbon	1 116	€ 2 300	25-Jul-11
Acquisition	Euronext Lisbon	32 159	€ 2 300	25-Jul-11
Acquisition	Euronext Lisbon	744	€ 2 282	20-Jul-11
Acquisition	Euronext Lisbon	756	€ 2 282	20-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 285	26-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 285	26-Jul-11
Acquisition	Euronext Lisbon	685	€ 2 289	26-Jul-11
Acquisition	Euronext Lisbon	529	€ 2 290	26-Jul-11
Acquisition	Euronext Lisbon	1 786	€ 2 290	26-Jul-11
Acquisition	Euronext Lisbon	423	€ 2 284	26-Jul-11
Acquisition	Euronext Lisbon	1 798	€ 2 284	26-Jul-11
Acquisition	Euronext Lisbon	1 279	€ 2 286	26-Jul-11
Acquisition	Euronext Lisbon	2 500	€ 2 286	26-Jul-11
Acquisition	Euronext Lisbon	57	€ 2 320	26-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 330	26-Jul-11
Acquisition	Euronext Lisbon	500	€ 2 330	26-Jul-11
Acquisition	Euronext Lisbon	222	€ 2 325	26-Jul-11
Acquisition	Euronext Lisbon	2 278	€ 2 325	26-Jul-11
Acquisition	Euronext Lisbon	265	€ 2 325	26-Jul-11
Acquisition	Euronext Lisbon	1 850	€ 2 325	26-Jul-11
Acquisition	Euronext Lisbon	385	€ 2 325	26-Jul-11
Acquisition	Euronext Lisbon	2 443	€ 2 320	26-Jul-11
Acquisition	Euronext Lisbon	23	€ 2 339	26-Jul-11
Acquisition	Euronext Lisbon	4 977	€ 2 339	26-Jul-11
Acquisition	Euronext Lisbon	4 982	€ 2 340	26-Jul-11
Acquisition	Euronext Lisbon	18	€ 2 340	26-Jul-11
Acquisition	Euronext Lisbon	2 500	€ 2 340	27-Jul-11
Acquisition	Euronext Lisbon	5 000	€ 2 340	27-Jul-11
Acquisition	Euronext Lisbon	849	€ 2 307	29-Jul-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	2 695	€ 2 307	29-Jul-11
Acquisition	Euronext Lisbon	1 314	€ 2 307	29-Jul-11
Acquisition	Euronext Lisbon	142	€ 2 307	29-Jul-11
Acquisition	Euronext Lisbon	856	€ 2 313	29-Jul-11
Acquisition	Euronext Lisbon	1 644	€ 2 313	29-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 306	29-Jul-11
Acquisition	Euronext Lisbon	367	€ 2 306	29-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 306	29-Jul-11
Acquisition	Euronext Lisbon	410	€ 2 306	29-Jul-11
Acquisition	Euronext Lisbon	223	€ 2 306	29-Jul-11
Acquisition	Euronext Lisbon	261	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	739	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	1 000	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	997	€ 2 298	29-Jul-11
Acquisition	Euronext Lisbon	949	€ 2 298	29-Jul-11
Acquisition	Euronext Lisbon	1 703	€ 2 299	29-Jul-11
Acquisition	Euronext Lisbon	607	€ 2 299	29-Jul-11
Acquisition	Euronext Lisbon	744	€ 2 299	29-Jul-11
Acquisition	Euronext Lisbon	607	€ 2 301	29-Jul-11
Acquisition	Euronext Lisbon	1 806	€ 2 301	29-Jul-11
Acquisition	Euronext Lisbon	1 587	€ 2 301	29-Jul-11
Acquisition	Euronext Lisbon	120	€ 2 295	29-Jul-11
Acquisition	Euronext Lisbon	1 880	€ 2 295	29-Jul-11
Acquisition	Euronext Lisbon	497	€ 2 295	29-Jul-11
Acquisition	Euronext Lisbon	209	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	490	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	480	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	600	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	221	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	857	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	2 000	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	737	€ 2 300	29-Jul-11
Acquisition	Euronext Lisbon	87	€ 2 305	29-Jul-11
Acquisition	Euronext Lisbon	988	€ 2 305	29-Jul-11
Acquisition	Euronext Lisbon	711	€ 2 305	29-Jul-11
Acquisition	Euronext Lisbon	214	€ 2 305	29-Jul-11
Acquisition	Euronext Lisbon	300	€ 2 305	29-Jul-11
Acquisition	Euronext Lisbon	858	€ 2 308	29-Jul-11
Acquisition	Euronext Lisbon	271	€ 2 308	29-Jul-11
Acquisition	Euronext Lisbon	548	€ 2 309	29-Jul-11
Acquisition	Euronext Lisbon	160	€ 2 310	29-Jul-11
Acquisition	Euronext Lisbon	1 410	€ 2 310	29-Jul-11
Acquisition	Euronext Lisbon	230	€ 2 310	29-Jul-11
Acquisition	Euronext Lisbon	3 000	€ 2 295	29-Jul-11
Acquisition	Euronext Lisbon	1 354	€ 2 295	29-Jul-11
Acquisition	Euronext Lisbon	3 778	€ 2 295	29-Jul-11
Acquisition	Euronext Lisbon	230	€ 2 300	01-Aug-11
Acquisition	Euronext Lisbon	242	€ 2 304	01-Aug-11
Acquisition	Euronext Lisbon	758	€ 2 304	01-Aug-11
Acquisition	Euronext Lisbon	96	€ 2 304	01-Aug-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	382	€ 2 304	01-Aug-11
Acquisition	Euronext Lisbon	375	€ 2 304	01-Aug-11
Acquisition	Euronext Lisbon	147	€ 2 304	01-Aug-11
Acquisition	Euronext Lisbon	81	€ 2 304	01-Aug-11
Acquisition	Euronext Lisbon	919	€ 2 304	01-Aug-11
Acquisition	Euronext Lisbon	2 000	€ 2 304	01-Aug-11
Acquisition	Euronext Lisbon	1 770	€ 2 300	01-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 286	01-Aug-11
Acquisition	Euronext Lisbon	1 500	€ 2 286	01-Aug-11
Acquisition	Euronext Lisbon	356	€ 2 290	01-Aug-11
Acquisition	Euronext Lisbon	2 140	€ 2 297	01-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 298	01-Aug-11
Acquisition	Euronext Lisbon	1 860	€ 2 298	01-Aug-11
Acquisition	Euronext Lisbon	390	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	277	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	333	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	3 667	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	500	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	3 035	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	1 965	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	50	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	646	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	840	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	2 000	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	50	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	400	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	1 064	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	53	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	150	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	10	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	737	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	37	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	2	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	961	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	48	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	3	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	782	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	723	€ 2 290	01-Aug-11
Acquisition	Euronext Lisbon	3 677	€ 2 290	01-Aug-11
Acquisition	Euronext Lisbon	592	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	353	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	1 262	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	937	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	70	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	786	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	1 314	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	1 181	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	2 505	€ 2 291	01-Aug-11
Acquisition	Euronext Lisbon	138	€ 2 282	01-Aug-11
Acquisition	Euronext Lisbon	600	€ 2 292	01-Aug-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	930	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	1 096	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	160	€ 2 292	01-Aug-11
Acquisition	Euronext Lisbon	364	€ 2 280	01-Aug-11
Acquisition	Euronext Lisbon	2 993	€ 2 280	01-Aug-11
Acquisition	Euronext Lisbon	2 265	€ 2 280	01-Aug-11
Acquisition	Euronext Lisbon	2 414	€ 2 280	01-Aug-11
Acquisition	Euronext Lisbon	6 987	€ 2 280	01-Aug-11
Acquisition	Euronext Lisbon	159	€ 2 280	01-Aug-11
Acquisition	Euronext Lisbon	2 638	€ 2 280	01-Aug-11
Acquisition	Euronext Lisbon	26	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	231	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	2 500	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	166	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	426	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	768	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	1 240	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	785	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	938	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	938	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	331	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	928	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	635	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	1 146	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	3 219	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	1 873	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	2 146	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	981	€ 2 285	02-Aug-11
Acquisition	Euronext Lisbon	277	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 248	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	830	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	366	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	244	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	162	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 126	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	95	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	448	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 483	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	608	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	608	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 268	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	495	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	755	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 840	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 910	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	107	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	717	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 170	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	942	€ 2 281	02-Aug-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	600	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 030	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	434	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	66	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	500	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	89	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 536	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	382	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	428	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	144	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 855	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	145	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	855	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	2 000	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 840	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	1 054	€ 2 281	02-Aug-11
Acquisition	Euronext Lisbon	137	€ 2 282	02-Aug-11
Acquisition	Euronext Lisbon	1 418	€ 2 282	02-Aug-11
Acquisition	Euronext Lisbon	33	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 291	02-Aug-11
Acquisition	Euronext Lisbon	28	€ 2 297	02-Aug-11
Acquisition	Euronext Lisbon	1 340	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	274	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	107	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	2	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	123	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	1 490	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	74	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	4	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	4 289	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	2 297	€ 2 287	02-Aug-11
Acquisition	Euronext Lisbon	1 523	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	2 491	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	3 114	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	3 072	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	100	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	900	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	2 588	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	7 277	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	3 935	€ 2 283	02-Aug-11
Acquisition	Euronext Lisbon	7 000	€ 2 231	03-Aug-11
Acquisition	Euronext Lisbon	253	€ 2 263	03-Aug-11
Acquisition	Euronext Lisbon	7	€ 2 263	03-Aug-11
Acquisition	Euronext Lisbon	217	€ 2 265	03-Aug-11
Acquisition	Euronext Lisbon	2 000	€ 2 282	03-Aug-11
Acquisition	Euronext Lisbon	1 024	€ 2 283	03-Aug-11
Acquisition	Euronext Lisbon	1 499	€ 2 296	03-Aug-11
Acquisition	Euronext Lisbon	914	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	883	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	1 813	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	1 390	€ 2 270	03-Aug-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	5 000	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	60	€ 2 262	03-Aug-11
Acquisition	Euronext Lisbon	970	€ 2 262	03-Aug-11
Acquisition	Euronext Lisbon	1 131	€ 2 262	03-Aug-11
Acquisition	Euronext Lisbon	562	€ 2 262	03-Aug-11
Acquisition	Euronext Lisbon	219	€ 2 262	03-Aug-11
Acquisition	Euronext Lisbon	875	€ 2 262	03-Aug-11
Acquisition	Euronext Lisbon	1 183	€ 2 262	03-Aug-11
Acquisition	Euronext Lisbon	664	€ 2 254	03-Aug-11
Acquisition	Euronext Lisbon	1 628	€ 2 254	03-Aug-11
Acquisition	Euronext Lisbon	1 407	€ 2 254	03-Aug-11
Acquisition	Euronext Lisbon	618	€ 2 265	03-Aug-11
Acquisition	Euronext Lisbon	181	€ 2 265	03-Aug-11
Acquisition	Euronext Lisbon	502	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	8 000	€ 2 250	03-Aug-11
Acquisition	Euronext Lisbon	828	€ 2 237	03-Aug-11
Acquisition	Euronext Lisbon	831	€ 2 237	03-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 237	03-Aug-11
Acquisition	Euronext Lisbon	909	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	621	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	637	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	1 415	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	1 434	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	233	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	1 791	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	117	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	204	€ 2 242	03-Aug-11
Acquisition	Euronext Lisbon	4 500	€ 2 240	03-Aug-11
Acquisition	Euronext Lisbon	500	€ 2 240	03-Aug-11
Acquisition	Euronext Lisbon	1 539	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	157	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	6 364	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	2 164	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	3 504	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	1 019	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	953	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	2 300	€ 2 270	03-Aug-11
Acquisition	Euronext Lisbon	2 828	€ 2 230	04-Aug-11
Acquisition	Euronext Lisbon	893	€ 2 241	04-Aug-11
Acquisition	Euronext Lisbon	1 323	€ 2 241	04-Aug-11
Acquisition	Euronext Lisbon	1 787	€ 2 241	04-Aug-11
Acquisition	Euronext Lisbon	997	€ 2 241	04-Aug-11
Acquisition	Euronext Lisbon	130	€ 2 230	04-Aug-11
Acquisition	Euronext Lisbon	164	€ 2 230	04-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 230	04-Aug-11
Acquisition	Euronext Lisbon	1 388	€ 2 230	04-Aug-11
Acquisition	Euronext Lisbon	950	€ 2 225	04-Aug-11
Acquisition	Euronext Lisbon	1 991	€ 2 225	04-Aug-11
Acquisition	Euronext Lisbon	2 059	€ 2 225	04-Aug-11
Acquisition	Euronext Lisbon	2 167	€ 2 224	04-Aug-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	2 674	€ 2 225	04-Aug-11
Acquisition	Euronext Lisbon	159	€ 2 225	04-Aug-11
Acquisition	Euronext Lisbon	1 469	€ 2 244	04-Aug-11
Acquisition	Euronext Lisbon	471	€ 2 244	04-Aug-11
Acquisition	Euronext Lisbon	126	€ 2 244	04-Aug-11
Acquisition	Euronext Lisbon	6	€ 2 244	04-Aug-11
Acquisition	Euronext Lisbon	1	€ 2 244	04-Aug-11
Acquisition	Euronext Lisbon	2 927	€ 2 244	04-Aug-11
Acquisition	Euronext Lisbon	980	€ 2 231	04-Aug-11
Acquisition	Euronext Lisbon	861	€ 2 231	04-Aug-11
Acquisition	Euronext Lisbon	1 469	€ 2 231	04-Aug-11
Acquisition	Euronext Lisbon	626	€ 2 231	04-Aug-11
Acquisition	Euronext Lisbon	1 507	€ 2 231	04-Aug-11
Acquisition	Euronext Lisbon	1 834	€ 2 231	04-Aug-11
Acquisition	Euronext Lisbon	2 723	€ 2 231	04-Aug-11
Acquisition	Euronext Lisbon	1 525	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	858	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	44	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	458	€ 2 228	04-Aug-11
Acquisition	Euronext Lisbon	2 115	€ 2 228	04-Aug-11
Acquisition	Euronext Lisbon	677	€ 2 221	04-Aug-11
Acquisition	Euronext Lisbon	2 427	€ 2 225	04-Aug-11
Acquisition	Euronext Lisbon	551	€ 2 235	04-Aug-11
Acquisition	Euronext Lisbon	1 345	€ 2 235	04-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 206	04-Aug-11
Acquisition	Euronext Lisbon	1 959	€ 2 207	04-Aug-11
Acquisition	Euronext Lisbon	909	€ 2 207	04-Aug-11
Acquisition	Euronext Lisbon	1 959	€ 2 208	04-Aug-11
Acquisition	Euronext Lisbon	775	€ 2 209	04-Aug-11
Acquisition	Euronext Lisbon	1 959	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	909	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	2 252	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	839	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	500	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	27	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	330	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	595	€ 2 215	04-Aug-11
Acquisition	Euronext Lisbon	43	€ 2 216	04-Aug-11
Acquisition	Euronext Lisbon	1 032	€ 2 216	04-Aug-11
Acquisition	Euronext Lisbon	548	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	1 452	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	5 900	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	12	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	1 434	€ 2 209	04-Aug-11
Acquisition	Euronext Lisbon	500	€ 2 210	04-Aug-11
Acquisition	Euronext Lisbon	327	€ 2 211	04-Aug-11
Acquisition	Euronext Lisbon	2 300	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	1 328	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	68	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	3 338	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	5 191	€ 2 220	04-Aug-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	2 585	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	5 064	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	627	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	2 238	€ 2 220	04-Aug-11
Acquisition	Euronext Lisbon	5 000	€ 2 200	05-Aug-11
Acquisition	Euronext Lisbon	5 000	€ 2 200	05-Aug-11
Acquisition	Euronext Lisbon	260	€ 2 185	05-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 185	05-Aug-11
Acquisition	Euronext Lisbon	3 650	€ 2 200	05-Aug-11
Acquisition	Euronext Lisbon	489	€ 2 200	05-Aug-11
Acquisition	Euronext Lisbon	861	€ 2 200	05-Aug-11
Acquisition	Euronext Lisbon	1 043	€ 2 200	05-Aug-11
Acquisition	Euronext Lisbon	230	€ 2 210	05-Aug-11
Acquisition	Euronext Lisbon	854	€ 2 210	05-Aug-11
Acquisition	Euronext Lisbon	3 595	€ 2 213	05-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 230	05-Aug-11
Acquisition	Euronext Lisbon	637	€ 2 240	05-Aug-11
Acquisition	Euronext Lisbon	1 184	€ 2 240	05-Aug-11
Acquisition	Euronext Lisbon	300	€ 2 231	05-Aug-11
Acquisition	Euronext Lisbon	234	€ 2 232	05-Aug-11
Acquisition	Euronext Lisbon	1 373	€ 2 242	05-Aug-11
Acquisition	Euronext Lisbon	1 958	€ 2 243	05-Aug-11
Acquisition	Euronext Lisbon	1 135	€ 2 244	05-Aug-11
Acquisition	Euronext Lisbon	1 200	€ 2 243	05-Aug-11
Acquisition	Euronext Lisbon	1 012	€ 2 243	05-Aug-11
Acquisition	Euronext Lisbon	304	€ 2 243	05-Aug-11
Acquisition	Euronext Lisbon	953	€ 2 244	05-Aug-11
Acquisition	Euronext Lisbon	855	€ 2 244	05-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 245	05-Aug-11
Acquisition	Euronext Lisbon	242	€ 2 245	05-Aug-11
Acquisition	Euronext Lisbon	335	€ 2 248	05-Aug-11
Acquisition	Euronext Lisbon	300	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	2 500	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	319	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	391	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	241	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	650	€ 2 251	05-Aug-11
Acquisition	Euronext Lisbon	484	€ 2 251	05-Aug-11
Acquisition	Euronext Lisbon	1 250	€ 2 253	05-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 254	05-Aug-11
Acquisition	Euronext Lisbon	368	€ 2 254	05-Aug-11
Acquisition	Euronext Lisbon	122	€ 2 254	05-Aug-11
Acquisition	Euronext Lisbon	368	€ 2 254	05-Aug-11
Acquisition	Euronext Lisbon	1 132	€ 2 254	05-Aug-11
Acquisition	Euronext Lisbon	300	€ 2 260	05-Aug-11
Acquisition	Euronext Lisbon	5 000	€ 2 264	05-Aug-11
Acquisition	Euronext Lisbon	365	€ 2 279	05-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 279	05-Aug-11
Acquisition	Euronext Lisbon	230	€ 2 280	05-Aug-11
Acquisition	Euronext Lisbon	2 901	€ 2 280	05-Aug-11
Acquisition	Euronext Lisbon	204	€ 2 280	05-Aug-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	368	€ 2 254	05-Aug-11
Acquisition	Euronext Lisbon	122	€ 2 254	05-Aug-11
Acquisition	Euronext Lisbon	622	€ 2 264	05-Aug-11
Acquisition	Euronext Lisbon	2 500	€ 2 265	05-Aug-11
Acquisition	Euronext Lisbon	622	€ 2 265	05-Aug-11
Acquisition	Euronext Lisbon	2 500	€ 2 270	05-Aug-11
Acquisition	Euronext Lisbon	2 500	€ 2 275	05-Aug-11
Acquisition	Euronext Lisbon	1 256	€ 2 280	05-Aug-11
Acquisition	Euronext Lisbon	368	€ 2 254	05-Aug-11
Acquisition	Euronext Lisbon	589	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	882	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	136	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	345	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	1 111	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	252	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	4 510	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	834	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	13 462	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	3 112	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	1 453	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	1 537	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	4 110	€ 2 250	05-Aug-11
Acquisition	Euronext Lisbon	5 000	€ 2 182	08-Aug-11
Acquisition	Euronext Lisbon	5 000	€ 2 217	08-Aug-11
Acquisition	Euronext Lisbon	1 859	€ 2 244	08-Aug-11
Acquisition	Euronext Lisbon	3 250	€ 2 245	08-Aug-11
Acquisition	Euronext Lisbon	4 891	€ 2 245	08-Aug-11
Acquisition	Euronext Lisbon	109	€ 2 245	08-Aug-11
Acquisition	Euronext Lisbon	162	€ 2 245	08-Aug-11
Acquisition	Euronext Lisbon	570	€ 2 250	08-Aug-11
Acquisition	Euronext Lisbon	200	€ 2 250	08-Aug-11
Acquisition	Euronext Lisbon	125	€ 2 250	08-Aug-11
Acquisition	Euronext Lisbon	350	€ 2 250	08-Aug-11
Acquisition	Euronext Lisbon	3 484	€ 2 261	08-Aug-11
Acquisition	Euronext Lisbon	230	€ 2 215	08-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 215	08-Aug-11
Acquisition	Euronext Lisbon	490	€ 2 215	08-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 215	08-Aug-11
Acquisition	Euronext Lisbon	1 620	€ 2 215	08-Aug-11
Acquisition	Euronext Lisbon	1 170	€ 2 215	08-Aug-11
Acquisition	Euronext Lisbon	1 987	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	20 000	€ 2 220	08-Aug-11
Acquisition	Euronext Lisbon	295	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	1 000	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	957	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	90	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	5 000	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	671	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	553	€ 2 213	08-Aug-11
Acquisition	Euronext Lisbon	8 149	€ 2 214	08-Aug-11
Acquisition	Euronext Lisbon	372	€ 2 214	08-Aug-11
Acquisition	Euronext Lisbon	260	€ 2 214	08-Aug-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	666	€ 2 214	08-Aug-11
Acquisition	Euronext Lisbon	6 450	€ 2 209	08-Aug-11
Acquisition	Euronext Lisbon	170	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	3 380	€ 2 210	08-Aug-11
Acquisition	Euronext Lisbon	2 705	€ 2 209	08-Aug-11
Acquisition	Euronext Lisbon	7 295	€ 2 209	08-Aug-11
Acquisition	Euronext Lisbon	10 000	€ 2 200	08-Aug-11
Acquisition	Euronext Lisbon	83	€ 2 200	08-Aug-11
Acquisition	Euronext Lisbon	4 917	€ 2 200	08-Aug-11
Acquisition	Euronext Lisbon	5 000	€ 2 200	08-Aug-11
Acquisition	Euronext Lisbon	635	€ 2 198	08-Aug-11
Acquisition	Euronext Lisbon	6 245	€ 2 198	08-Aug-11
Acquisition	Euronext Lisbon	3 120	€ 2 198	08-Aug-11
Acquisition	Euronext Lisbon	810	€ 2 185	08-Aug-11
Acquisition	Euronext Lisbon	460	€ 2 185	08-Aug-11
Acquisition	Euronext Lisbon	1 041	€ 2 185	08-Aug-11
Acquisition	Euronext Lisbon	7 689	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	11 502	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	666	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	3 087	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	832	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	1 489	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	1 642	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	200	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	4 931	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	3 724	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	916	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	916	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	95	€ 2 206	08-Aug-11
Acquisition	Euronext Lisbon	1 809	€ 2 100	21-Sep-11
Acquisition	Euronext Lisbon	3 191	€ 2 100	21-Sep-11
Acquisition	Euronext Lisbon	960	€ 2 090	21-Sep-11
Acquisition	Euronext Lisbon	40	€ 2 090	21-Sep-11
Acquisition	Euronext Lisbon	480	€ 2 098	21-Sep-11
Acquisition	Euronext Lisbon	450	€ 2 101	21-Sep-11
Acquisition	Euronext Lisbon	871	€ 2 110	21-Sep-11
Acquisition	Euronext Lisbon	478	€ 2 110	21-Sep-11
Acquisition	Euronext Lisbon	611	€ 2 110	21-Sep-11
Acquisition	Euronext Lisbon	110	€ 2 110	21-Sep-11
Acquisition	Euronext Lisbon	400	€ 2 083	22-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 083	22-Sep-11
Acquisition	Euronext Lisbon	110	€ 2 083	22-Sep-11
Acquisition	Euronext Lisbon	287	€ 2 074	22-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 120	22-Sep-11
Acquisition	Euronext Lisbon	9 000	€ 2 120	22-Sep-11
Acquisition	Euronext Lisbon	673	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	327	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	2 673	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	300	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	700	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	300	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	27	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	1 123	€ 2 100	22-Sep-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1 123	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	877	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	90	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	800	€ 2 082	22-Sep-11
Acquisition	Euronext Lisbon	3 200	€ 2 082	22-Sep-11
Acquisition	Euronext Lisbon	800	€ 2 081	22-Sep-11
Acquisition	Euronext Lisbon	3 200	€ 2 081	22-Sep-11
Acquisition	Euronext Lisbon	72	€ 2 075	22-Sep-11
Acquisition	Euronext Lisbon	928	€ 2 075	22-Sep-11
Acquisition	Euronext Lisbon	3 500	€ 2 075	22-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 062	22-Sep-11
Acquisition	Euronext Lisbon	3 000	€ 2 062	22-Sep-11
Acquisition	Euronext Lisbon	3 500	€ 2 061	22-Sep-11
Acquisition	Euronext Lisbon	864	€ 2 058	22-Sep-11
Acquisition	Euronext Lisbon	70	€ 2 058	22-Sep-11
Acquisition	Euronext Lisbon	1 557	€ 2 058	22-Sep-11
Acquisition	Euronext Lisbon	2 009	€ 2 070	22-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 081	23-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 081	23-Sep-11
Acquisition	Euronext Lisbon	20	€ 2 081	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	41	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	1 959	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	190	€ 2 091	23-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 091	23-Sep-11
Acquisition	Euronext Lisbon	1 310	€ 2 091	23-Sep-11
Acquisition	Euronext Lisbon	3 220	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	1 005	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	775	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	597	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	2 168	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	235	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 050	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 050	23-Sep-11
Acquisition	Euronext Lisbon	100	€ 2 050	23-Sep-11
Acquisition	Euronext Lisbon	3 900	€ 2 050	23-Sep-11
Acquisition	Euronext Lisbon	5 000	€ 2 040	23-Sep-11
Acquisition	Euronext Lisbon	346	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	154	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	1 504	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	246	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	5 000	€ 2 064	23-Sep-11
Acquisition	Euronext Lisbon	1 043	€ 2 065	23-Sep-11
Acquisition	Euronext Lisbon	1 971	€ 2 065	23-Sep-11
Acquisition	Euronext Lisbon	236	€ 2 065	23-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 045	23-Sep-11
Acquisition	Euronext Lisbon	1 809	€ 2 100	21-Sep-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	3 191	€ 2 100	21-Sep-11
Acquisition	Euronext Lisbon	960	€ 2 090	21-Sep-11
Acquisition	Euronext Lisbon	40	€ 2 090	21-Sep-11
Acquisition	Euronext Lisbon	480	€ 2 098	21-Sep-11
Acquisition	Euronext Lisbon	450	€ 2 101	21-Sep-11
Acquisition	Euronext Lisbon	871	€ 2 110	21-Sep-11
Acquisition	Euronext Lisbon	478	€ 2 110	21-Sep-11
Acquisition	Euronext Lisbon	611	€ 2 110	21-Sep-11
Acquisition	Euronext Lisbon	110	€ 2 110	21-Sep-11
Acquisition	Euronext Lisbon	400	€ 2 083	22-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 083	22-Sep-11
Acquisition	Euronext Lisbon	110	€ 2 083	22-Sep-11
Acquisition	Euronext Lisbon	287	€ 2 074	22-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 120	22-Sep-11
Acquisition	Euronext Lisbon	9 000	€ 2 120	22-Sep-11
Acquisition	Euronext Lisbon	673	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	327	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	2 673	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	300	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	700	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	300	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	27	€ 2 101	22-Sep-11
Acquisition	Euronext Lisbon	1 123	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	1 123	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	877	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	90	€ 2 100	22-Sep-11
Acquisition	Euronext Lisbon	800	€ 2 082	22-Sep-11
Acquisition	Euronext Lisbon	3 200	€ 2 082	22-Sep-11
Acquisition	Euronext Lisbon	800	€ 2 081	22-Sep-11
Acquisition	Euronext Lisbon	3 200	€ 2 081	22-Sep-11
Acquisition	Euronext Lisbon	72	€ 2 075	22-Sep-11
Acquisition	Euronext Lisbon	928	€ 2 075	22-Sep-11
Acquisition	Euronext Lisbon	3 500	€ 2 075	22-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 062	22-Sep-11
Acquisition	Euronext Lisbon	3 000	€ 2 062	22-Sep-11
Acquisition	Euronext Lisbon	3 500	€ 2 061	22-Sep-11
Acquisition	Euronext Lisbon	864	€ 2 058	22-Sep-11
Acquisition	Euronext Lisbon	70	€ 2 058	22-Sep-11
Acquisition	Euronext Lisbon	1 557	€ 2 058	22-Sep-11
Acquisition	Euronext Lisbon	2 009	€ 2 070	22-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 081	23-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 081	23-Sep-11
Acquisition	Euronext Lisbon	20	€ 2 081	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	41	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	1 959	€ 2 082	23-Sep-11
Acquisition	Euronext Lisbon	190	€ 2 091	23-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 091	23-Sep-11
Acquisition	Euronext Lisbon	1 310	€ 2 091	23-Sep-11
Acquisition	Euronext Lisbon	3 220	€ 2 080	23-Sep-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1 005	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	775	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	597	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	2 168	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	235	€ 2 080	23-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 050	23-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 050	23-Sep-11
Acquisition	Euronext Lisbon	100	€ 2 050	23-Sep-11
Acquisition	Euronext Lisbon	3 900	€ 2 050	23-Sep-11
Acquisition	Euronext Lisbon	5 000	€ 2 040	23-Sep-11
Acquisition	Euronext Lisbon	346	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	154	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	1 504	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	246	€ 2 056	23-Sep-11
Acquisition	Euronext Lisbon	5 000	€ 2 064	23-Sep-11
Acquisition	Euronext Lisbon	1 043	€ 2 065	23-Sep-11
Acquisition	Euronext Lisbon	1 971	€ 2 065	23-Sep-11
Acquisition	Euronext Lisbon	236	€ 2 065	23-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 045	23-Sep-11
Acquisition	Euronext Lisbon	2 500	€ 2 050	26-Sep-11
Acquisition	Euronext Lisbon	2 500	€ 2 065	26-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 050	26-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 050	26-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 050	26-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 055	26-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 055	26-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 055	26-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	280	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	10	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	284	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	3	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	7	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	716	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	2 500	€ 2 052	26-Sep-11
Acquisition	Euronext Lisbon	671	€ 2 050	26-Sep-11
Acquisition	Euronext Lisbon	108	€ 2 050	26-Sep-11
Acquisition	Euronext Lisbon	1 404	€ 2 050	26-Sep-11
Acquisition	Euronext Lisbon	317	€ 2 050	26-Sep-11
Acquisition	Euronext Lisbon	110	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	610	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	86	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	414	€ 2 045	26-Sep-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	902	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	2 091	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	7	€ 2 045	26-Sep-11
Acquisition	Euronext Lisbon	1 376	€ 2 079	27-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 080	27-Sep-11
Acquisition	Euronext Lisbon	134	€ 2 080	27-Sep-11
Acquisition	Euronext Lisbon	1 152	€ 2 085	27-Sep-11
Acquisition	Euronext Lisbon	4 848	€ 2 086	27-Sep-11
Acquisition	Euronext Lisbon	1 610	€ 2 085	27-Sep-11
Acquisition	Euronext Lisbon	390	€ 2 085	27-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 085	27-Sep-11
Acquisition	Euronext Lisbon	3 898	€ 2 098	27-Sep-11
Acquisition	Euronext Lisbon	330	€ 2 100	27-Sep-11
Acquisition	Euronext Lisbon	70	€ 2 100	27-Sep-11
Acquisition	Euronext Lisbon	1 702	€ 2 100	27-Sep-11
Acquisition	Euronext Lisbon	517	€ 2 090	27-Sep-11
Acquisition	Euronext Lisbon	483	€ 2 090	27-Sep-11
Acquisition	Euronext Lisbon	3 000	€ 2 090	27-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 084	27-Sep-11
Acquisition	Euronext Lisbon	1 388	€ 2 100	27-Sep-11
Acquisition	Euronext Lisbon	160	€ 2 100	27-Sep-11
Acquisition	Euronext Lisbon	452	€ 2 100	27-Sep-11
Acquisition	Euronext Lisbon	330	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	1 100	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	1 070	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 096	28-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 096	28-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	510	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	40	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	960	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	4 500	€ 2 100	28-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 098	28-Sep-11
Acquisition	Euronext Lisbon	3 000	€ 2 098	28-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 096	28-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 096	28-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 093	28-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 090	28-Sep-11
Acquisition	Euronext Lisbon	1 500	€ 2 085	28-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 080	28-Sep-11
Acquisition	Euronext Lisbon	6 000	€ 2 080	28-Sep-11
Acquisition	Euronext Lisbon	394	€ 2 058	29-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 058	29-Sep-11
Acquisition	Euronext Lisbon	106	€ 2 058	29-Sep-11
Acquisition	Euronext Lisbon	490	€ 2 070	29-Sep-11
Acquisition	Euronext Lisbon	1 400	€ 2 090	29-Sep-11
Acquisition	Euronext Lisbon	1 500	€ 2 098	29-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 087	29-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 084	29-Sep-11
Acquisition	Euronext Lisbon	1 500	€ 2 084	29-Sep-11
Acquisition	Euronext Lisbon	7	€ 2 084	29-Sep-11
Acquisition	Euronext Lisbon	1 000	€ 2 102	29-Sep-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	2 000	€ 2 100	29-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 100	29-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 100	29-Sep-11
Acquisition	Euronext Lisbon	993	€ 2 100	29-Sep-11
Acquisition	Euronext Lisbon	610	€ 2 100	29-Sep-11
Acquisition	Euronext Lisbon	1 500	€ 2 100	29-Sep-11
Acquisition	Euronext Lisbon	133	€ 2 096	30-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 100	30-Sep-11
Acquisition	Euronext Lisbon	450	€ 2 095	30-Sep-11
Acquisition	Euronext Lisbon	1 200	€ 2 100	30-Sep-11
Acquisition	Euronext Lisbon	1 200	€ 2 100	30-Sep-11
Acquisition	Euronext Lisbon	1 017	€ 2 095	30-Sep-11
Acquisition	Euronext Lisbon	500	€ 2 092	30-Sep-11
Acquisition	Euronext Lisbon	873	€ 2 092	30-Sep-11
Acquisition	Euronext Lisbon	2 500	€ 2 099	30-Sep-11
Acquisition	Euronext Lisbon	6 627	€ 2 104	30-Sep-11
Acquisition	Euronext Lisbon	263	€ 2 110	30-Sep-11
Acquisition	Euronext Lisbon	547	€ 2 105	30-Sep-11
Acquisition	Euronext Lisbon	377	€ 2 105	30-Sep-11
Acquisition	Euronext Lisbon	1 190	€ 2 105	30-Sep-11
Acquisition	Euronext Lisbon	123	€ 2 105	30-Sep-11
Acquisition	Euronext Lisbon	859	€ 2 100	30-Sep-11
Acquisition	Euronext Lisbon	136	€ 2 107	30-Sep-11
Acquisition	Euronext Lisbon	760	€ 2 107	30-Sep-11
Acquisition	Euronext Lisbon	104	€ 2 107	30-Sep-11
Acquisition	Euronext Lisbon	244	€ 2 111	30-Sep-11
Acquisition	Euronext Lisbon	756	€ 2 111	30-Sep-11
Acquisition	Euronext Lisbon	94	€ 2 105	30-Sep-11
Acquisition	Euronext Lisbon	371	€ 2 105	30-Sep-11
Acquisition	Euronext Lisbon	4 000	€ 2 110	30-Sep-11
Acquisition	Euronext Lisbon	3 000	€ 2 110	30-Sep-11
Acquisition	Euronext Lisbon	676	€ 2 110	30-Sep-11
Acquisition	Euronext Lisbon	2 000	€ 2 104	03-Oct-11
Acquisition	Euronext Lisbon	817	€ 2 095	03-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 110	03-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 110	03-Oct-11
Acquisition	Euronext Lisbon	1 183	€ 2 095	03-Oct-11
Acquisition	Euronext Lisbon	206	€ 2 103	03-Oct-11
Acquisition	Euronext Lisbon	794	€ 2 103	03-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 109	03-Oct-11
Acquisition	Euronext Lisbon	150	€ 2 114	03-Oct-11
Acquisition	Euronext Lisbon	1 356	€ 2 114	03-Oct-11
Acquisition	Euronext Lisbon	1 494	€ 2 114	03-Oct-11
Acquisition	Euronext Lisbon	820	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	180	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	640	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	360	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 110	03-Oct-11
Acquisition	Euronext Lisbon	820	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	820	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	360	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	460	€ 2 093	03-Oct-11
Acquisition	Euronext Lisbon	320	€ 2 093	03-Oct-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	850	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	650	€ 2 100	03-Oct-11
Acquisition	Euronext Lisbon	1 220	€ 2 093	03-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 115	03-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 115	03-Oct-11
Acquisition	Euronext Lisbon	400	€ 2 081	04-Oct-11
Acquisition	Euronext Lisbon	259	€ 2 100	04-Oct-11
Acquisition	Euronext Lisbon	741	€ 2 100	04-Oct-11
Acquisition	Euronext Lisbon	230	€ 2 092	04-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 092	04-Oct-11
Acquisition	Euronext Lisbon	4 815	€ 2 100	04-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 100	04-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 100	04-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 119	04-Oct-11
Acquisition	Euronext Lisbon	1 424	€ 2 120	04-Oct-11
Acquisition	Euronext Lisbon	641	€ 2 120	04-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 115	04-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 115	04-Oct-11
Acquisition	Euronext Lisbon	330	€ 2 115	04-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 125	04-Oct-11
Acquisition	Euronext Lisbon	12	€ 2 115	04-Oct-11
Acquisition	Euronext Lisbon	158	€ 2 115	04-Oct-11
Acquisition	Euronext Lisbon	501	€ 2 115	04-Oct-11
Acquisition	Euronext Lisbon	1 519	€ 2 125	04-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 120	04-Oct-11
Acquisition	Euronext Lisbon	149	€ 2 120	05-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 120	05-Oct-11
Acquisition	Euronext Lisbon	361	€ 2 120	05-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 140	05-Oct-11
Acquisition	Euronext Lisbon	114	€ 2 125	05-Oct-11
Acquisition	Euronext Lisbon	6	€ 2 125	05-Oct-11
Acquisition	Euronext Lisbon	107	€ 2 145	05-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 145	05-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 145	05-Oct-11
Acquisition	Euronext Lisbon	205	€ 2 140	05-Oct-11
Acquisition	Euronext Lisbon	795	€ 2 140	05-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 137	05-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 137	05-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 137	05-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 137	05-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 130	05-Oct-11
Acquisition	Euronext Lisbon	880	€ 2 130	05-Oct-11
Acquisition	Euronext Lisbon	393	€ 2 130	05-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 103	06-Oct-11
Acquisition	Euronext Lisbon	400	€ 2 103	06-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 128	06-Oct-11
Acquisition	Euronext Lisbon	143	€ 2 128	06-Oct-11
Acquisition	Euronext Lisbon	857	€ 2 128	06-Oct-11
Acquisition	Euronext Lisbon	94	€ 2 123	06-Oct-11
Acquisition	Euronext Lisbon	340	€ 2 128	06-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 128	06-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 128	06-Oct-11
Acquisition	Euronext Lisbon	906	€ 2 128	06-Oct-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	168	€ 2 125	06-Oct-11
Acquisition	Euronext Lisbon	932	€ 2 125	06-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 127	06-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 127	06-Oct-11
Acquisition	Euronext Lisbon	759	€ 2 125	06-Oct-11
Acquisition	Euronext Lisbon	241	€ 2 125	06-Oct-11
Acquisition	Euronext Lisbon	259	€ 2 125	06-Oct-11
Acquisition	Euronext Lisbon	741	€ 2 125	06-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 121	06-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 121	06-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 101	06-Oct-11
Acquisition	Euronext Lisbon	4 000	€ 2 101	06-Oct-11
Acquisition	Euronext Lisbon	3 456	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	1 544	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	3 390	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	610	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	3 000	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	715	€ 2 109	06-Oct-11
Acquisition	Euronext Lisbon	3 000	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	606	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	679	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	2 500	€ 2 108	06-Oct-11
Acquisition	Euronext Lisbon	2 500	€ 2 107	06-Oct-11
Acquisition	Euronext Lisbon	1 532	€ 2 107	06-Oct-11
Acquisition	Euronext Lisbon	468	€ 2 107	06-Oct-11
Acquisition	Euronext Lisbon	1 823	€ 2 113	06-Oct-11
Acquisition	Euronext Lisbon	177	€ 2 113	06-Oct-11
Acquisition	Euronext Lisbon	669	€ 2 108	06-Oct-11
Acquisition	Euronext Lisbon	331	€ 2 108	06-Oct-11
Acquisition	Euronext Lisbon	29	€ 2 108	06-Oct-11
Acquisition	Euronext Lisbon	360	€ 2 108	06-Oct-11
Acquisition	Euronext Lisbon	611	€ 2 108	06-Oct-11
Acquisition	Euronext Lisbon	747	€ 2 109	06-Oct-11
Acquisition	Euronext Lisbon	253	€ 2 109	06-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 116	06-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 111	06-Oct-11
Acquisition	Euronext Lisbon	365	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	1 535	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	100	€ 2 110	06-Oct-11
Acquisition	Euronext Lisbon	205	€ 2 103	06-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 111	06-Oct-11
Acquisition	Euronext Lisbon	452	€ 2 111	06-Oct-11
Acquisition	Euronext Lisbon	237	€ 2 119	06-Oct-11
Acquisition	Euronext Lisbon	1 559	€ 2 119	06-Oct-11
Acquisition	Euronext Lisbon	204	€ 2 119	06-Oct-11
Acquisition	Euronext Lisbon	360	€ 2 111	06-Oct-11
Acquisition	Euronext Lisbon	171	€ 2 119	06-Oct-11
Acquisition	Euronext Lisbon	748	€ 2 122	06-Oct-11
Acquisition	Euronext Lisbon	876	€ 2 122	06-Oct-11
Acquisition	Euronext Lisbon	1 188	€ 2 117	06-Oct-11
Acquisition	Euronext Lisbon	1 475	€ 2 117	06-Oct-11
Acquisition	Euronext Lisbon	525	€ 2 117	06-Oct-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	2 356	€ 2 120	06-Oct-11
Acquisition	Euronext Lisbon	1 644	€ 2 120	06-Oct-11
Acquisition	Euronext Lisbon	404	€ 2 128	07-Oct-11
Acquisition	Euronext Lisbon	1 596	€ 2 128	07-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 112	07-Oct-11
Acquisition	Euronext Lisbon	510	€ 2 112	07-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 111	07-Oct-11
Acquisition	Euronext Lisbon	291	€ 2 111	07-Oct-11
Acquisition	Euronext Lisbon	709	€ 2 111	07-Oct-11
Acquisition	Euronext Lisbon	917	€ 2 110	07-Oct-11
Acquisition	Euronext Lisbon	1 083	€ 2 110	07-Oct-11
Acquisition	Euronext Lisbon	230	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	305	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	48	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	302	€ 2 126	07-Oct-11
Acquisition	Euronext Lisbon	1 115	€ 2 126	07-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 115	07-Oct-11
Acquisition	Euronext Lisbon	1 800	€ 2 115	07-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	1 153	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	347	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	300	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	2 064	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	2 636	€ 2 120	07-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 110	10-Oct-11
Acquisition	Euronext Lisbon	340	€ 2 110	10-Oct-11
Acquisition	Euronext Lisbon	80	€ 2 121	10-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 125	10-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 125	10-Oct-11
Acquisition	Euronext Lisbon	89	€ 2 125	10-Oct-11
Acquisition	Euronext Lisbon	251	€ 2 125	10-Oct-11
Acquisition	Euronext Lisbon	920	€ 2 125	10-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 115	10-Oct-11
Acquisition	Euronext Lisbon	383	€ 2 115	10-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 120	10-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 120	10-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 125	10-Oct-11
Acquisition	Euronext Lisbon	510	€ 2 125	10-Oct-11
Acquisition	Euronext Lisbon	313	€ 2 125	10-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 130	10-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 140	10-Oct-11
Acquisition	Euronext Lisbon	379	€ 2 140	10-Oct-11
Acquisition	Euronext Lisbon	492	€ 2 149	10-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 150	10-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 150	10-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 150	10-Oct-11
Acquisition	Euronext Lisbon	198	€ 2 150	10-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 145	10-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 145	10-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 141	10-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 141	10-Oct-11
Acquisition	Euronext Lisbon	1 018	€ 2 140	10-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 140	10-Oct-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	230	€ 2 140	10-Oct-11
Acquisition	Euronext Lisbon	262	€ 2 140	10-Oct-11
Acquisition	Euronext Lisbon	461	€ 2 135	10-Oct-11
Acquisition	Euronext Lisbon	208	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	1 205	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	1 170	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	1 243	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	582	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	340	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	57	€ 2 138	10-Oct-11
Acquisition	Euronext Lisbon	2 603	€ 2 145	10-Oct-11
Acquisition	Euronext Lisbon	1 266	€ 2 150	10-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 150	10-Oct-11
Acquisition	Euronext Lisbon	3 800	€ 2 140	11-Oct-11
Acquisition	Euronext Lisbon	1 361	€ 2 140	11-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 140	11-Oct-11
Acquisition	Euronext Lisbon	1 285	€ 2 140	11-Oct-11
Acquisition	Euronext Lisbon	250	€ 2 140	11-Oct-11
Acquisition	Euronext Lisbon	314	€ 2 140	11-Oct-11
Acquisition	Euronext Lisbon	389	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	1 111	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	198	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	139	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	163	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	1 265	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	230	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	1 005	€ 2 130	11-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	992	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	40	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	1	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	199	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	108	€ 2 125	11-Oct-11
Acquisition	Euronext Lisbon	1 903	€ 2 134	11-Oct-11
Acquisition	Euronext Lisbon	597	€ 2 135	11-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 110	11-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 110	11-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 111	11-Oct-11
Acquisition	Euronext Lisbon	228	€ 2 111	11-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 111	11-Oct-11
Acquisition	Euronext Lisbon	272	€ 2 111	11-Oct-11
Acquisition	Euronext Lisbon	999	€ 2 115	11-Oct-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1	€ 2 115	11-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 115	11-Oct-11
Acquisition	Euronext Lisbon	281	€ 2 115	11-Oct-11
Acquisition	Euronext Lisbon	219	€ 2 115	11-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 112	11-Oct-11
Acquisition	Euronext Lisbon	219	€ 2 112	11-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 112	11-Oct-11
Acquisition	Euronext Lisbon	1 321	€ 2 118	11-Oct-11
Acquisition	Euronext Lisbon	592	€ 2 118	11-Oct-11
Acquisition	Euronext Lisbon	587	€ 2 118	11-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 112	11-Oct-11
Acquisition	Euronext Lisbon	175	€ 2 110	11-Oct-11
Acquisition	Euronext Lisbon	2 106	€ 2 110	11-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 101	12-Oct-11
Acquisition	Euronext Lisbon	915	€ 2 101	12-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	770	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	230	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	900	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	290	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	210	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	100	€ 2 115	12-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 113	12-Oct-11
Acquisition	Euronext Lisbon	247	€ 2 113	12-Oct-11
Acquisition	Euronext Lisbon	170	€ 2 113	12-Oct-11
Acquisition	Euronext Lisbon	152	€ 2 113	12-Oct-11
Acquisition	Euronext Lisbon	178	€ 2 113	12-Oct-11
Acquisition	Euronext Lisbon	753	€ 2 113	12-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 118	12-Oct-11
Acquisition	Euronext Lisbon	480	€ 2 118	12-Oct-11
Acquisition	Euronext Lisbon	20	€ 2 118	12-Oct-11
Acquisition	Euronext Lisbon	443	€ 2 118	12-Oct-11
Acquisition	Euronext Lisbon	1 142	€ 2 120	12-Oct-11
Acquisition	Euronext Lisbon	594	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	1 906	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	1 567	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	414	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	519	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	1 387	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	470	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	2 030	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	1 113	€ 2 125	12-Oct-11
Acquisition	Euronext Lisbon	151	€ 2 120	12-Oct-11
Acquisition	Euronext Lisbon	63	€ 2 143	12-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 143	12-Oct-11
Acquisition	Euronext Lisbon	263	€ 2 143	12-Oct-11
Acquisition	Euronext Lisbon	523	€ 2 143	12-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 143	12-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 143	12-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 109	13-Oct-11
Acquisition	Euronext Lisbon	2 218	€ 2 140	13-Oct-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	282	€ 2 140	13-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 122	13-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 122	13-Oct-11
Acquisition	Euronext Lisbon	25	€ 2 122	13-Oct-11
Acquisition	Euronext Lisbon	315	€ 2 122	13-Oct-11
Acquisition	Euronext Lisbon	888	€ 2 122	13-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 122	13-Oct-11
Acquisition	Euronext Lisbon	340	€ 2 122	13-Oct-11
Acquisition	Euronext Lisbon	122	€ 2 122	13-Oct-11
Acquisition	Euronext Lisbon	18	€ 2 130	13-Oct-11
Acquisition	Euronext Lisbon	1 309	€ 2 140	13-Oct-11
Acquisition	Euronext Lisbon	691	€ 2 140	13-Oct-11
Acquisition	Euronext Lisbon	29	€ 2 135	13-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 140	13-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 131	13-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 131	13-Oct-11
Acquisition	Euronext Lisbon	800	€ 2 132	13-Oct-11
Acquisition	Euronext Lisbon	800	€ 2 132	13-Oct-11
Acquisition	Euronext Lisbon	65	€ 2 132	13-Oct-11
Acquisition	Euronext Lisbon	735	€ 2 132	13-Oct-11
Acquisition	Euronext Lisbon	4	€ 2 132	13-Oct-11
Acquisition	Euronext Lisbon	49	€ 2 132	13-Oct-11
Acquisition	Euronext Lisbon	980	€ 2 125	13-Oct-11
Acquisition	Euronext Lisbon	20	€ 2 125	13-Oct-11
Acquisition	Euronext Lisbon	52	€ 2 130	13-Oct-11
Acquisition	Euronext Lisbon	7	€ 2 130	13-Oct-11
Acquisition	Euronext Lisbon	333	€ 2 130	13-Oct-11
Acquisition	Euronext Lisbon	396	€ 2 139	13-Oct-11
Acquisition	Euronext Lisbon	487	€ 2 121	14-Oct-11
Acquisition	Euronext Lisbon	313	€ 2 121	14-Oct-11
Acquisition	Euronext Lisbon	300	€ 2 142	14-Oct-11
Acquisition	Euronext Lisbon	1 200	€ 2 142	14-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 140	14-Oct-11
Acquisition	Euronext Lisbon	1 700	€ 2 140	14-Oct-11
Acquisition	Euronext Lisbon	2 500	€ 2 135	14-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 130	14-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 130	14-Oct-11
Acquisition	Euronext Lisbon	320	€ 2 127	14-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 130	14-Oct-11
Acquisition	Euronext Lisbon	370	€ 2 130	14-Oct-11
Acquisition	Euronext Lisbon	101	€ 2 130	14-Oct-11
Acquisition	Euronext Lisbon	529	€ 2 130	14-Oct-11
Acquisition	Euronext Lisbon	480	€ 2 127	14-Oct-11
Acquisition	Euronext Lisbon	320	€ 2 127	14-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 130	14-Oct-11
Acquisition	Euronext Lisbon	3 132	€ 2 131	14-Oct-11
Acquisition	Euronext Lisbon	748	€ 2 138	14-Oct-11
Acquisition	Euronext Lisbon	329	€ 2 140	17-Oct-11
Acquisition	Euronext Lisbon	171	€ 2 140	17-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 135	17-Oct-11
Acquisition	Euronext Lisbon	230	€ 2 140	17-Oct-11
Acquisition	Euronext Lisbon	200	€ 2 140	17-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 140	17-Oct-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	80	€ 2 140	17-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 140	17-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 140	17-Oct-11
Acquisition	Euronext Lisbon	470	€ 2 135	17-Oct-11
Acquisition	Euronext Lisbon	480	€ 2 135	17-Oct-11
Acquisition	Euronext Lisbon	50	€ 2 135	17-Oct-11
Acquisition	Euronext Lisbon	440	€ 2 131	17-Oct-11
Acquisition	Euronext Lisbon	320	€ 2 131	17-Oct-11
Acquisition	Euronext Lisbon	240	€ 2 131	17-Oct-11
Acquisition	Euronext Lisbon	750	€ 2 131	17-Oct-11
Acquisition	Euronext Lisbon	41	€ 2 131	17-Oct-11
Acquisition	Euronext Lisbon	709	€ 2 131	17-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 125	17-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 125	17-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 125	17-Oct-11
Acquisition	Euronext Lisbon	287	€ 2 125	17-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 125	17-Oct-11
Acquisition	Euronext Lisbon	213	€ 2 125	17-Oct-11
Acquisition	Euronext Lisbon	1 245	€ 2 125	17-Oct-11
Acquisition	Euronext Lisbon	1 255	€ 2 125	17-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 130	17-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 123	18-Oct-11
Acquisition	Euronext Lisbon	10	€ 2 123	18-Oct-11
Acquisition	Euronext Lisbon	480	€ 2 123	18-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 123	18-Oct-11
Acquisition	Euronext Lisbon	1 020	€ 2 123	18-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 120	18-Oct-11
Acquisition	Euronext Lisbon	4 000	€ 2 120	18-Oct-11
Acquisition	Euronext Lisbon	536	€ 2 120	18-Oct-11
Acquisition	Euronext Lisbon	464	€ 2 120	18-Oct-11
Acquisition	Euronext Lisbon	69	€ 2 118	18-Oct-11
Acquisition	Euronext Lisbon	431	€ 2 118	18-Oct-11
Acquisition	Euronext Lisbon	229	€ 2 118	18-Oct-11
Acquisition	Euronext Lisbon	592	€ 2 120	18-Oct-11
Acquisition	Euronext Lisbon	20	€ 2 120	18-Oct-11
Acquisition	Euronext Lisbon	1 159	€ 2 120	18-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 116	18-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 120	19-Oct-11
Acquisition	Euronext Lisbon	1 010	€ 2 120	19-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	480	€ 2 118	19-Oct-11
Acquisition	Euronext Lisbon	520	€ 2 118	19-Oct-11
Acquisition	Euronext Lisbon	214	€ 2 118	19-Oct-11
Acquisition	Euronext Lisbon	248	€ 2 118	19-Oct-11
Acquisition	Euronext Lisbon	631	€ 2 118	19-Oct-11
Acquisition	Euronext Lisbon	104	€ 2 118	19-Oct-11
Acquisition	Euronext Lisbon	17	€ 2 118	19-Oct-11
Acquisition	Euronext Lisbon	286	€ 2 118	19-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 111	19-Oct-11
Acquisition	Euronext Lisbon	1 500	€ 2 111	19-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 110	19-Oct-11
Acquisition	Euronext Lisbon	300	€ 2 110	19-Oct-11

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	1 000	€ 2 115	19-Oct-11
Acquisition	Euronext Lisbon	6 000	€ 2 115	19-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 110	19-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 110	19-Oct-11
Acquisition	Euronext Lisbon	567	€ 2 119	19-Oct-11
Acquisition	Euronext Lisbon	35	€ 2 120	19-Oct-11
Acquisition	Euronext Lisbon	1 898	€ 2 120	19-Oct-11
Acquisition	Euronext Lisbon	2 000	€ 2 120	19-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 120	19-Oct-11
Acquisition	Euronext Lisbon	41	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	290	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	150	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	160	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	359	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	141	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	359	€ 2 121	19-Oct-11
Acquisition	Euronext Lisbon	320	€ 2 122	19-Oct-11
Acquisition	Euronext Lisbon	393	€ 2 122	19-Oct-11
Acquisition	Euronext Lisbon	100	€ 2 122	19-Oct-11
Acquisition	Euronext Lisbon	1 107	€ 2 130	19-Oct-11
Acquisition	Euronext Lisbon	130	€ 2 130	19-Oct-11
Acquisition	Euronext Lisbon	540	€ 2 101	20-Oct-11
Acquisition	Euronext Lisbon	97	€ 2 115	20-Oct-11
Acquisition	Euronext Lisbon	403	€ 2 115	20-Oct-11
Acquisition	Euronext Lisbon	87	€ 2 115	20-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 115	20-Oct-11
Acquisition	Euronext Lisbon	1 250	€ 2 115	20-Oct-11
Acquisition	Euronext Lisbon	22	€ 2 115	20-Oct-11
Acquisition	Euronext Lisbon	141	€ 2 115	20-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 111	20-Oct-11
Acquisition	Euronext Lisbon	454	€ 2 110	20-Oct-11
Acquisition	Euronext Lisbon	1 006	€ 2 110	20-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 110	20-Oct-11
Acquisition	Euronext Lisbon	400	€ 2 110	21-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 110	21-Oct-11
Acquisition	Euronext Lisbon	490	€ 2 110	21-Oct-11
Acquisition	Euronext Lisbon	510	€ 2 110	21-Oct-11
Acquisition	Euronext Lisbon	500	€ 2 110	21-Oct-11
Acquisition	Euronext Lisbon	1 000	€ 2 101	21-Oct-11
Acquisition	Euronext Lisbon	990	€ 2 101	21-Oct-11
Acquisition	Euronext Lisbon	3 000	€ 2 110	21-Oct-11
Acquisition	Euronext Lisbon	747	€ 2 150	21-Oct-11
Acquisition	Euronext Lisbon	65	€ 2 150	21-Oct-11
Acquisition	Euronext Lisbon	151	€ 2 150	21-Oct-11

João Nuno de Oliveira Jorge Palma

Type of Transaction	Local	Quantity	Price	Transaction Date
Acquisition	Euronext Lisbon	750	€2 124	11-Aug-2011
Acquisition	Euronext Lisbon	778	€2 134	11-Aug-2011

Acquisition	Euronext Lisbon	2 500	€2 135	11-Aug-2011
Acquisition	Euronext Lisbon	300	€2 140	11-Aug-2011
Acquisition	Euronext Lisbon	4 495	€2 142	11-Aug-2011
Acquisition	Euronext Lisbon	1 177	€2 121	11-Aug-2011

ANNEX IV

Auditor's annual remuneration

Invoicing of Deloitte's fees in 2011:

	Amount (€)	P Percentage
Auditing Services and Legal Review of Accounts	307 550	37.92%
Other guarantee of accuracy services	269 575	33.24%
Tax consultancy services	139 500	17.20%
Non-audit services:	94 380	11.64%
Draft and implementation of Accounting and Finance Dept.	13 680	-
Definition of the specifications for the technology for support of the purchase function of REN	11 400	-
Regulatory consulting	40 000	-
Translation	29 300	-
Total	811 005 00	100%

Pursuant to sub-paragraph o) of article 423-F of the Portuguese Companies Code, the Audit Committee is responsible for supervising and evaluating the activity and independence of REN's Auditor, as well as approving the respective fees for audit services and contracting of additional services.

In 2011, the Audit Committee carried out an evaluation of the activity of the Chartered Accountant/External Auditor, through regular monitoring of their activities, namely, through the analysis of periodic reports and overseeing the performance of audit and review services, as well as by assessing any changes in procedures recommended by the Chartered Accountant/External Auditor.

Within the compliance with the independence rules established in relation to the External Auditor, REN's Audit Committee accompanied, in 2011, the provision of non-audit services by Deloitte in order to ensure that situations of conflicts of interest would not arise. Thus, the Audit Committee approved the provision of these services by the External Auditor, due to fact that they were matters in relation to which the specific knowledge of Deloitte in terms of auditing, as well its complementarity regarding audit services, would justify such approval, based on the associated cost control.

The Company considers that it fully complies with the CMVM's Recommendation III.1.5., as the services other than audit services do not extend the limit of 30%, given that 71.16% of the total services provided by the External Auditor are services consisting in the legal review of accounts, as well as audit related services.

ANNEX V.

DECLARATION OF THE REMUNERATION COMMITTEE ON THE REMUNERATION POLICY OF REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.'S MANAGEMENT AND SUPERVISORY BODIES

Under the terms of paragraph 1 of article 2 of the Law no. 28/2009, of June 19, the management body or the remuneration committee, if any, shall annually submit to the approval of the General Meeting a statement on the remuneration policy for the members of the management and supervisory bodies.
In turn, Recommendation II.1.5.2. of the Code of Corporate Governance approved by the Portuguese Securities Market Commission (hereinafter referred to as "CMVM") in 2010, recommends that the statement referred to in the preceding paragraph should also contains the additional information described therein, particularly in relation to the benchmarking used to fix the remuneration, as well as any payments relating to dismissal or termination by agreement of the offices of directors;
Under the terms of article 26 of the Articles of Association of REN – Redes Energéticas Nacionais, SGPS, S.A. (hereinafter referred to as "REN"), the Remuneration Committee of REN is competent and responsible for determining the fixed and variable remunerations of each Director, as well as for determining the remuneration to be ascribed to the members of the remaining corporate bodies.
Under the applicable legal terms, as well as the Articles of Association, the Remuneration Committee was appointed by the General Meeting on March 15, 2010, being composed by three members which are independent in regard to the members of the managing and supervisory bodies of REN and with adequate experience regarding remuneration issues.
Therefore, on the one hand, In the interest of transparency and legitimacy of the fixing of remuneration and, on the other hand, for purposes of compliance with the legal and recommendatory provisions described above, the Remuneration Committee submits to the appraisal of the annual General Meeting, the following declaration on the remuneration policy, which terms were subject to prior resolutions of this Committee.

Accordingly, considering that:

The present economic and financial situation has motivated significant legislative, regulatory and recommendatory amendments regarding, inter alia, the remuneration of members of corporate bodies, which affect REN in its aspects of, on the one hand, a company issuing shares admitted to trading on a regulated market and, on the other hand, a company of the corporate sector of the State;
The second reprivatization phase of REN is in progress, to be carried out under the terms of Decree-law no. 106-B/2011, of November 3, through a direct reference sale of shares representing the REN's share capital to one or more investors, domestic or foreign, and under the terms of the paragraph 1 of the article 7 of the terms of reference approved by the Resolution of the Council of Ministers no. 52-B/2011, of December 7, the direct reference sale concerning a minimum of 26 700 000 shares and a maximum of 213 600 000 shares representing at least 5% and a maximum of 40% of REN's share capital.
Under this phase of reprivatization, and by the Resolution of the Council of Ministers no. 13/2012, of February 8, the Council of Ministers decided to select on that date the bidders within the direct sale, which will lead to the execution of the sales agreements concerning the abovementioned 40% of REN's share capital, the transfer of shares being subject to conditions precedent that should be fulfilled until June 30, 2012.

Due to their importance and impact in REN's remuneration policy, the following instruments shall be emphasized:

as an issuer of shares admitted to trading into a regulated market, REN is subject to Law no. 28/2009 and to Regulation no. 1/2010, as well as to CMVM's recommendations;
on the other hand, as a company of the corporate sector of the State, REN is subject to (i) Council of Ministers Resolution 49/2007 of March 28, regarding the principles of corporate governance, and (ii) the Dispatch 11420/2009 of May 11, which develops that Resolution in what concerns to remuneration matters;
REN shall also comply with the Law of Public Directors approved by Decree-Law no. 71/2007, of March 27, as amended;

The Resolution of Council of Ministers 16/2012, of February 14, particularly the paragraph 23, which, following the amendments introduced to Decree-Law 71/2007, of March 27, which approved the Law of Public Directors, by Decree-Law 8/2012, of January 18, proceeded to define the categories and objective criteria for determining the monthly salary of public directors, has impact on the remuneration regime of the members of the REN's Board of Directors.
due to the exceptional measures of budgetary consolidation implemented, temporary restrictions on the remuneration of members of its corporate bodies are applicable to REN, particularly, Law 12-A/2010 of June 30 and Law 64-B/2011 of December 30, which approved the Annual State Budget for 2012.
REN is also subject to the Decree-Law 106-B/2011, of November 3, and to the Resolution of the Council of Ministers 52-B/2011, of December 7, which approves and regulates the second reprivatization phase of REN's share capital.
REN intends to adopt a transparent and fair system regarding remuneration, which, on the one hand, respect the restrictions applicable to the public sector and, on the other hand, remains flexible to adopt CMVM's recommendations, including the remuneration based on the positive performance and aligned with the strategic objectives of REN, once it ceases to be subject the restrictions in force;
The evaluation model applicable to the executive directors of REN, prepared following the work, studies and analysis developed for this purpose in conjunction with the Board of Directors, was approved by the Remuneration Committee at the meeting of November 30, 2011 (hereinafter referred to as "Evaluation Model of Executive Directors");

Based on the grounds presented herein, the remuneration policy applicable to the members of the management and supervisory bodies of REN, in the financial year of 2012, follows the subsequent principles and rules:

1. Fixed component of director's remuneration and plans of options and shares

The Remuneration Committee determines the amount of members of the management body of REN's fixed component of the remuneration, taking into account (i) the policies pursued on other companies of the sector, including other domestic issuers, as well as (ii) to its Spanish peer, save from the different characteristics and dimensions of the relevant companies.

Given the current economic and financial situation, and without prejudice of temporary reductions on the remunerations provided for in Law 12-A/2010, of June 30, and on Law 55-A/2010, of December 31, in the latter case applicable for determination of paragraph 1 of article 20 of Law 64-B/2011, of December 30, the Remuneration Committee resolved that the fixed remunerations level of the current directors will be maintained under the terms fixed for the prior financial year.

This resolution is subject to different conditions during 2012, particularly dependent of: (i) rules, in each time, applicable for public directors, especially considering the fact that the company is under a reprivatization process; and (ii) conclusion of the second privatization phase in result of which REN will no longer be classified as state-owned a company.

Non executive director's remuneration is exclusively composed by a fixed component, not being connected to the performance or value of REN, meeting the applicable recommendations on this matter. Their remuneration is paid in twelve monthly instalments during the year, in cash.
The remuneration of REN's directors does not include any mechanism of allocation or acquisition of shares or options or any other rights over REN's shares or its affiliates.

2. Remuneration of the members of the Executive Committee

General principle

Notwithstanding the mentioned on c) below, it is intended that the remuneration of the members of the Executive Committee is composed by a fixed component, paid in twelve monthly instalments during the year, in cash, and by a variable component. There should be an adequate proportionality between both

components as well as the establishment of a maximum limit for each of them, without prejudice of what is established in the Law of Public Directors.

The remuneration of the members of the Executive Committee is mainly determined based on four general criteria: (i) competitiveness, taking into account the practices of the Portuguese market; (ii) fairness, being that the remuneration must be based on uniform, consistent, fair and balanced criteria; (iii) performance evaluation, in accordance with the functions and level of responsibility of each person and with the assumption of adequate levels of risk and compliance with the rules governing the activities of REN; and (iv) the alignment of director's interests with the Company's interests and its sustainability and wealth creation in the long term.

Variable component

The annual amount of the variable remuneration component of the members of the Executive Committee is limited to an amount equal to six months of the fixed remuneration component and is based on an evaluation of its members, which considers key performance indicators on an individual and corporative basis and it is carried out after the approval of each financial year's accounts.
Moreover, this amount is calculated based on a technical study and the Evaluation Model of Executive Directors including parameters and the grid to be applied in accordance with the adoption of pre-defined strategic objectives, individually tailored for each director, both on a REN level as at an individual level, respecting, in particular, the verification of the following performance evaluation criteria:

the creation of shareholder value;
the efficiency (including OPEX efficiency gains, electricity and gas) and the level of the results obtained (including net results, EBITDA /operational gains and RAB e. o.p (REN's total));
Continued supply of electricity and gas services;
the development of non regulated businesses and the respective pro-rata increase in the consolidated results;
the maintenance and development of a favorable image and corporate reputation; and
the demonstration of long-term sustainability.
The abovementioned criteria are mechanisms intended to promote a proper alignment with medium and long term interests of the Company and shareholders and shall be determined for all financial years, regardless of the existence of variable remunerations.
The variable remuneration component of the Executive Committee members, when and if determined, will be paid in two stages:

(i) 50% after the approval of the respective financial year's accounts; and
(ii) the remaining 50% will be deferred for a period of 3 years and will be dependent on the continued positive performance of REN over this period. The payment must be preceded by a new resolution of this Committee.

Exceptional restrictions on the remuneration by a variable component

Considering the prohibition of the remuneration of management body members with variable components regarding performance, set out in the Ministerial Order 5696-A/2010, of March 29, and article 29 of Law 64-B/2011, of December 30, the Remuneration Committee, similarly to what was determined for the previous years, does not set out the allocation of any variable remuneration or management bonuses in relation to financial year of 2012.

3. Termination of office

In the event of termination of office of management functions by agreement or by dismissal without fair grounds ("justa causa"), no compensation will be paid if the termination of office or dismissal is due to inadequate performance by the Director.

4. Remuneration of supervisory bodies' members

Taking into account the nature of their duties, as well as the rules in force on this regard, the members of the Audit Committee receive a fixed remuneration, which is paid in twelve monthly instalments during the year. Such remuneration shall be determined based on the criteria described in 1. above.

REN's Statutory Auditor will be remunerated under the terms and conditions agreed on the services agreement entered into between the Statutory Auditor and REN, according to the market practices and to the legal and regulatory framework.

5. Amendments to the remuneration policy

The policy herein described shall remain in force during 2012, subject to the amendments that the Remuneration Committee or the General Meeting of Shareholders in the future will consider appropriate or necessary, especially, with the purpose of its conformity with the rules in force at each time and considering that REN is in a reprivatization phase, which conclusion will determine that the Company will no longer be classified as a state-owned company.

The Remuneration Committee

José Emílio Castel-Branco	Francisco Manuel Marques Bandeira	José Alexandre de Oliveira

ANNUAL REPORT 2011

REN
Redes Energéticas Nacionais

04 INDIVIDUAL AND CONSOLIDATED ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts expressed in thousands of Euros – tEuros)

	Notes	As of 31 December 2011	2010
ASSETS			
Non-current assets			
Tangible fixed assets	7	488	1,201
Goodwill	7	3,774	3,774
Other intangible fixed assets	7	3,888,161	3,720,857
Deferred tax assets	9	63,057	60,802
Available-for-sale financial assets	10 and 11	82,051	84,301
Derivative financial instruments	10 and 15	26,696	20,699
Other investments	10	5,667	7,119
Investments in associates	8	8,717	-
Trade and other receivables	10 and 12	80,079	66,505
		4,158,691	**3,965,255**
Current assets			
Inventories	13	3,628	4,047
Trade and other receivables	10 and 12	226,791	275,796
Current income tax recoverable	10 and 29	14,015	361
Guarantee deposits	8, 10 and 14	-	74,234
Derivative financial instruments	10 and 15	1,144	2,212
Cash and cash equivalents	10 and 16	69,407	138,598
		314,984	**495,248**
Total assets		**4,473,675**	**4,460,503**
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	17	534,000	534,000
Own shares	17	(10,728)	(10,728)
Other reserves	18	215,401	211,582
Retained earnings	18	178,189	170,453
Net profit for the year	18	120,576	110,265
		1,037,439	**1,015,572**
Non-controlling interests		-	6,329
Total equity		**1,037,439**	**1,021,901**
LIABILITIES			
Non- current liabilities			
Borrowings	10 and 19	2,354,032	1,910,650
Deferred tax liabilities	9	66,875	71,551
Liability for retirement benefits and others	20	55,110	66,031
Derivative financial instruments	10 and 15	14,239	2,875
Provisions	21	4,520	4,611
Trade and other payables	10 and 22	381,495	451,940
		2,876,271	**2,507,659**
Current liabilities			
Borrowings	10 and 19	53,587	347,134
Provisions	21	27,794	12,470
Trade and other payables	10 and 22	476,328	432,806
Income tax payable	10 and 29	520	59,925
Derivative financial instruments	10 and 15	1,735	4,375
Guarantee deposits	10 and 14	-	74,234
		559,965	**930,944**
Total liabilities		**3,436,236**	**3,438,603**
Total equity and liabilities		**4,473,675**	**4,460,503**

The accompanying notes form an integral part of the statement of financial position as of 31 December 2011.

The Accountant

The Board of Directors

CONSOLIDATED STATEMENTS OF PROFIT AND LOSS FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

	Note	Year ended at 31 December 2011	2010	
Sales	6 and 23	798	917	
Services rendered	6 and 23	530,023	509,848	a)
Revenue from construction of concession assets	7 and 36	349,269	420,483	
Other operating income	27	26,909	37,806	
Gains from joint ventures	-	-	8,092	
Gains from associates	8	10,326	-	
Operating income		**917,325**	**977,145**	
Cost of goods sold		(1,417)	(747)	
Cost of construction of concession assets	36	(316,305)	(394,548)	
Supplies and services	24	(52,923)	(80,423)	
Personnel costs	25	(48,284)	(51,223)	
Amortization and depreciation	7	(181,765)	(172,633)	
Provisions	21	(15,234)	(12,774)	
Impairment	10 and 12	(2,650)	-	
Other expenses	26	(15,558)	(14,278)	a)
Operating costs		**(634,136)**	**(726,626)**	
Operating profit		**283,189**	**250,519**	
Financial costs	28	(111,942)	(89,883)	
Financial income	28	3,995	2,194	
Investment income - dividends	28	4,596	3,790	
Net financial costs		**(103,351)**	**(83,900)**	
Profit before income tax		**179,838**	**166,619**	
Income tax expense	10 and 29	(59,250)	(56,353)	
Net profit for the year		**120,588**	**110,268**	
Attributable to:				
Equity holders of the Company		120,576	110,265	
Non-controlling interests		12	1	
		120,588	**110,266**	
Earnings per share attributable to the equity holders of the company during the year (expressed in euro per share)				
- basic	30	0.23	0.21	
- diluted		0.23	0.21	

(Amounts expressed in thousands of Euros - tEuros)

a) As explained in Note 3.2 these amounts were reclassified for purposes of comparability with the amounts published earlier

The accompanying notes form an integral part of the statement of profit and loss for the year ended 31 December 2011.

The Accountant

The Board of Directors

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Amounts expressed in thousands of Euros – tEuros)

	Note	Year ended 31 December 2011	2010
Net profit for the year		**120,588**	**110,266**
Other income and costs recorded in equity:			
Increase/(decrease) in hedging reserves - derivative financial instruments	15	(13,186)	5,949
Actuarial gains and losses - before income tax	20	5,730	1,833
Gain/(loss) on avaliable-for-sale assets	11	(4,383)	(6,118)
Other variations		27	-
Tax effect on items recorded directly in equity	9	2,163	(3,913)
Comprehensive income for the year		**110,939**	**108,017**
Attributable to:			
Equity holders of the company		110,927	108,018
Non-controlling interest		12	(1)
		110,939	**108,017**

The accompanying notes form an integral part of the statement of comprehensive income for the year ended 31 December 2011.

The Accountant

The Board of Directors

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Amounts expressed in thousands of Euros – tEuros)

		2010									
	Note	Share capital	Treasury shares	Legal Reserve	Fair Value reserve	Hedging reserves (Note 15)	Other reserves	Retained earnings	Net profit for the year	Non-controlling interest	Total
At 1 January 2010		**534,000**	**(10,728)**	**67,221**	**(3,247)**	**(5,553)**	**103,218**	**177,067**	**134,107**	**514**	**996,600**
Net profit of the year and other comprehensive income		-	-	-	(6,614)	4,412	(3,172)	3,125	110,265	1	**108,017**
Acquisition treasury shares		-	-	-	-	-	-	-	-	-	**-**
Change in the consolidation perimeter in the Portuguese gas pipeline companies		-	-	-	-	-	-	-	-	5,814	**5,814**
Distribution of dividends	31	-	-	-	-	-	-	(88,530)	-	-	**(88,530)**
Transfer to other reserves		-	-	7,224	-	-	48,092	78,791	(134,107)	-	**-**
At 31 December 2010		**534,000**	**(10,728)**	**74,445**	**(9,861)**	**(1,141)**	**148,138**	**170,453**	**110,265**	**6,329**	**1,021,901**

		2011									
	Note	Share capital	Treasury shares	Legal Reserve	Fair Value reserve (Note 11)	Hedging reserves (Note 15)	Other reserves	Retained earnings	Net profit for the year	Non-controlling interest	Total
At 1 January 2011		**534,000**	**(10,728)**	**74,445**	**(9,861)**	**(1,141)**	**148,138**	**170,453**	**110,265**	**6,329**	**1,021,901**
Net profit of the year and other comprehensive income		-	-	-	(4,383)	(9,362)	-	4,095	120,576	12	**110,939**
Acquisition treasury shares		-	-	-	-	-	-	-	-	-	**-**
Effect of the liquidation of non-controlling interests relating to the increase in the Group's investment in the Portuguese gas pipeline companies	36	-	-	-	-	-	-	-	-	(6,341)	**(6,341)**
Distribution of dividends	31	-	-	-	-	-	-	(89,060)	-	-	**(89,060)**
Transfer to other reserves		-	-	5,364	-	-	12,201	92,701	(110,265)	-	**-**
At 31 December 2011		**534,000**	**(10,728)**	**79,809**	**(14,244)**	**(10,503)**	**160,339**	**178,189**	**120,576**	**-**	**1,037,439**

The accompanying notes form an integral part of the statement of changes in equity for the year ended 31 December 2011.

The Accountant

The Board of Directors

Consolidated statements of cash flow for the years ended 31 December 2011 and 2010

(Amounts expressed in thousands of Euros – tEuros)

	Notes	Year ended 31 December 2011		2010	
Cash flow from operating activities					
Cash receipts from customers		2,243,369	a)	2,155,337	a)
Cash paid to suppliers		(1,733,584)	a)	(1,528,101)	a)
Cash paid to employees		(61,267)		(61,759)	
Income tax received/ paid		(137,288)		(8,449)	
Other payments/receipts relating to operating activities		(14,613)		(8,230)	
Net flows from operating activities		**296,617**		**548,798**	
Cash flow from investing activities					
Receipts related to:					
Investments		11,577		-	
Investment grants		33,609		22,501	
Interest and similar income		3,754		829	
Dividends		4,761		3,859	
Payments related to:					
Investments		(7,438)		-	
Investments available for sale		(1,045)			
Tangible fixed assets		(153)		(123)	
Intangible assets		(347,456)		(363,401)	
Net cash used in investing activities		**(302,390)**		**(336,335)**	
Cash flow from financing activities					
Receipts related to:					
Borrowings		9,764,000		11,065,763	
Capital increases		-		6	
Interest and similar income		293		190	
Payments related to:					
Borrowings		(9,588,200)		(11,033,411)	
Interest and similar expenses		(110,991)		(91,918)	
Dividends	31	(89,060)		(88,530)	
Net cash used in financing activities		**(23,958)**		**(147,899)**	
Net (decrease)/increase in cash and cash equivalents		(29,731)		64,564	
Cash and cash equivalents at de begining of the year	16	101,871		24,576	
Inclusion of Gasodutos Campo Maior and Braga Tuy in consolidation perimeter		-		12,731	
Exclusion of the OMIP group from consolidation perimeter	8	(3,782)		-	
Cash and cash equivalents at the end of theyear	16	**68,357**		**101,871**	

a) These amounts include payments and receipts relating to activities in which theGroup 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 statement of cash flow for the year ended 31 December 2011.

The Accountant

The Board of Directors

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2011

(Translation of notes originally issued in Portuguese – Note 40)

(Amounts expressed in thousands of Euros - tEuros)

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, SA.. On 26 September 2006, as a result of the unbundling transaction of the natural gas business, the Group underwent a significant change with the purchase of assets and financial participations relating to the transport, storage and re-gasification of natural gas activities, comprising a new business.

In the beginning of 2007 the Company was transformed into a holding company and, after transfer of the electricity business to a new company formed on 26 September 2006, 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 two secondary businesses, in the areas of Telecommunications and Management of the Electricity Derivatives Market. As from October 2011 its position in the Management of Derivative Markets was reduced to 35%, thus losing control of this business.

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 inro 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 these companies are carried out under three concession contracts granted separately for periods of 40 years as from 2006.

On 15 November 2010 the Board of Directors approved a restructuring operation of the natural gas company.

On 30 March 2011, after the capital increase through payment in kind of 539,272,988 Euros relating to the capital of the companies REN Gasodutos, S.A. and REN Armazenagem S.A., REN Gás S.A. became sole shareholder of the two companies.

On 12 April REN SGPS, S.A. sold to REN Serviços S.A. its participation in REN Gás S.A.

Therefore the above subsidiaries are indirectly fully owned by REN SGPS as its subsidiary REN Serviços, S.A. (fully owned by REN SGPS) is sole shareholder of REN Gás, S.A.

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

Management of the Electricity Derivatives Market is carried out by OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.A.. This entity was founded to organise the Portuguese division of MIBEL, providing management of MIBEL's Derivatives Market together with OMIclear (Clearing Agent for the Energy Market), a company founded and fully owned by OMIP, the role of which is to be the clearing agent and central counterparty for operations realized in the term market. OMIP started operating on 3 July 2006.

Following the Santiago Agreements, the company OMIP, S.A. was founded and started operating on 16 September 2010 with the corporate objective of managing participations in other companies as an indirect form of carrying out economic activities. The company became holder of the shares in OMIP – Operador do Mercado Ibérico de Energia (Pólo português), S.A..

In the process of creating the Sole Operator of the Iberian Electricity Market (Operador Único do Mercado Ibérico de Electricidade - OMI) and in conformity with an Agreement between the Portuguese Republic and the Kingdom of Spain regarding the forming of an Iberian electric energy market, in October and December 2011 REN SGPS sold, for 9,153,254 Euros, 55% of the capital of OMIP, Operador do Mercado Ibérico (Portugal), SGPS, S.A., through transmission of lots of shares representing 5% of the capital of the company, becoming holder of 35% of the capital of the company. Supplementary capital contributions of 4,545,200 Euros were also transferred in that transaction.

At the same time, REN acquired 10% of the capital of OMEL, Operador del Mercado Ibérico de Energia, S.A., Spanish pole of the Sole Operator, for 3,166,800 Euros.

In conformity with the Iberian Agreement, REN must also sell a further 25% of the capital of OMIP, Operador do Mercado Ibérico (Portugal), SGPS, S.A., under the same conditions as those above, so that REN's final participation in that company is 10%.

Other businesses:

REN SGPS also has a participation in REN – Serviços, S.A., which has the objective of rendering services in the areas of administration, finance, regulations, personnel management, salary processing, management and maintenance of moveable and immovable assets, negotiation and supply of consumables and services of the same type, commonly referred to as back office services, for related companies and third parties, receiving remuneration for this, as well as the management of participations the company has in other companies.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors at a meeting held on 1 March 2012. 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 as endorsed by the European Union.

INFORMATION ON THE CONCESSION CONTRACTS AWARDED TO REN

2.1 ELECTRICITY CONCESSION CONTRACT

The concession to use the National Transmission Network ("NTN") was granted to REN – Rede Eléctrica Nacional, S.A. in accordance with Decree-Law 182/95 of 27 July 1995 (art. 64) to manage the Public Electric Supply system (PES), utilize the National Transmission Network as well as develop the necessary infrastructures.

The objective of this concession contract consists of the following activities:

i) Purchase and sale of electricity

In this area REN, SA operated up to 30 June 2007 as an agent between electricity producers and distributors. The electricity was acquired based on purchase and sale contracts entered into with producers and sold in accordance with tariffs defined by the regulator, ERSE (Entidade Reguladora de Serviços Energéticos). Ren was agent in the sale of the available production excesses. On the gain in these intermediary operations, REN had the right to retain 50% of the commercial profit.

As from 1 July 2007, upon termination of the majority of electricity purchase contracts (EPC), REN has managed the two remaining EPC's not terminated, with Tejo Energia (Pego Centre) and Turbogás (Gas Centre of Tapada do Outeiro), through REN Trading, placing the energy of these producers on the market.

Transmission of Electricity

This is REN's main activity, the object being to transmit electricity through the National Transmission Network to distributors in Mt (medium tension) and HT (high tension), to consumers connected to the National Transmission Network and VHT networks (very high tension), networks to which REN is connected. This activity also includes the planning and development of the National Transmission Network, the construction of new infrastructures and the operation and maintenance of the National Transmission Network.

The model concession contract ensures contractual equilibrium through the recovery of amortization and remuneration of the investment made in the concession's assets and recovery of the eligible operating costs.

Overall Management of the System

The objective of this activity is overall management of the electricity system, REN being responsible for the technical management through coordination, at the points connected to the National Transmission System, the transit of electric energy of the production installations, the distribution networks, in MT and HT, and of the consumers connected to the National Transmission Network, through dispatch orders.

The overall management of the system has also ensured contractual equilibrium through the recovery of amortization of the concession's assets and remuneration of the investments made. Remuneration is calculated based on the average net amount of the assets allocated to the activity.

REN can carry out other activities directly, or through subsidiary companies, when authorized by the Government, if this is in the best interests of the concession or its clients.

The concession was granted for a period of 50 years as from 15 January 2007. The assets considered as concession assets are those acquired by REN from RNT, which include:

- the lines, substations, sectioning points and related installations;
- the installations related to the central dispatch and overall management of SEP, including all the equipment essential for its functioning; and
- the telecommunication, telemetry and telecommand installations relating to the transmission and coordination of the electricity producer system.

In addition, the following are also considered as concession assets:

- the real estate belonging to REN on which the assets referred to above are installed, as well as the related rights of way;
- the locations for the installation of the electricity producers, the ownership of which belongs to REN;
- other moveable or immovable assets necessary for the operation of the activities under concession; and
- the legal relationships directly related to the concession, such as labour, works, location, the rendering of services, the reception and delivery of electric energy, as well as the rights to use water resources and transport through networks located outside the concession area.

REN must, during the concession period, maintain the assets and related means in good functioning order, maintenance and security of the assets and related means, carrying out all the repairs, renewals and adaptations necessary to maintain the assets in the required technical conditions.

REN has the right to exploit the concession's assets up to termination of the concession. The assets can only be used for the purposes of the concession. On the date the concession terminates, the assets related to it revert to the State in accordance with the terms of the contract, which include the receipt of an indemnity corresponding to the net book value of the assets allocated to the concession.

The concession can be terminated by agreement between the parties, by rescission, by redemption and by expiry of the term. Termination of the concession involves transmission to the State of the assets related to the concession.

The concession contract can be rescinded by the conceding entity if any of the following situations with a significant impact on the operations of the concession occurs: non-compliance with the principles of the concession; opposition to supervision and disobedience of the decisions of the conceding entity; refusal to carry out the repairs and maintenance of the concession's assets, as well as their development; application of higher tariffs than those defined by the regulator; and the unauthorized transmission or sub-concession of the transmission concession.

The conceding entity can cancel the concession whenever motives of public interest justify this, 15 years having elapsed since the date of the beginning of its term. By cancelling the concession, the concessionaire has the right to an indemnity in accordance with the book value of the assets as of the date they revert as well as to possible loss of profits.

If, upon termination of the concession, it is not renewed or the new form or entity responsible for the concession has not been decided, this concession contract can be extended for the maximum period of one year, as a lease contract, rendering of services or any other legal form of contract.

In accordance with ERSE Order 11/2010 of 7 September 2010, REN S.A. became subject to a new remuneration mechanism for the electricity segment, referred to as reference prices, which is applicable to for all investment in lines and substations which start operating between 1 January 2009 and 31 December 2011.

TRANSPORT OF GAS AND OVERALL MANAGEMENT OF THE SYSTEM

The concession to use the National Natural Gas Transport Network was granted to REN - Gasodutos, S.A. under Decree-Law 140/2006 of 26 July 2006, for the purpose of managing the National Natural Gas System (Sistema Nacional de Gás Natural - SNGN), operation of the high pressure gas transport network and development of the necessary infrastructures, under the public service regime.

The concession contract covers the following activities:

i) Transport of Gas

This is one of REN – Gasodutos, S.A.'s activities, and has the objective of ensuring the transport of gas through the infrastructures that make up the high pressure national network, as well as distribution to SNGN or industrial consumers connected directly to the National Natural Gas Transport Network. This activity includes not only the reception and distribution of gas through the high pressure transport network, but also operation and maintenance of all the infrastructures and connections belonging to the National Natural Gas Transport Network.

The model of the concession contract ensures contractual equilibrium through recovery of the eligible operating costs and remuneration of the assets, which includes: recovery of depreciation of the assets; and remuneration at an interest rate fixed by the regulator (ERSE), calculated as a proportion between the current accumulated value of the units transported and the total estimated units to be transported through the infrastructure, during the concession period.

Overall management of the gas system

The objective of this activity is to manage the National Gas Supply System (Sistema Nacional de Abastecimento de Gás - SNGN) through coordination of the national and international connections to the National Natural Gas Transport Network, planning and preparation of the expansion necessary of the high pressure gas transport network, and control of the natural gas safety reserves.

This concession was granted for a period of 40 years as from the date of signature of the contract. The assets considered as concession assets are those acquired by REN from Transgás and include:

- the high pressure gas pipelines used to transport gas, and related pipes and antennae;
- the infrastructures related to the compression, transport and gas pressure reduction for delivery to medium pressure gas pipelines;
- equipment related to the overall technical management of the National Gas Supply System; and
- telecommunications, telemetry and remote control infrastructures used to manage the reception, transport and delivery networks, including the gas metres placed in the installations of users.

In addition, the concession assets also include:

- the real estate owned by REN Gasodutos, S.A., on which the above mentioned equipment is installed, as well as the related rights of way;
- other assets necessary for carrying out the activities of the concession;
- any intellectual or industrial rights owned by REN Gasodutos, S.A.; and
- all the legal relationships related to the concession, such as labour contracts, subcontracts, leasing and external services.

REN Gasodutos, S.A. must, during the period of the concession, maintain the assets and related means in good working order, maintenance and security, carrying out all the repairs, renewals and adaptations necessary to maintain the assets in the required technical condition.

REN Gasodutos, S.A. is the owner and has title to the concession's assets. The assets can only be used for the purposes of the concession. On the date the concession terminates, the assets related to it revert to the State in accordance with the terms of the contract, which include the receipt of an indemnity corresponding to the net book value of the assets allocated to the concession.

The concession can be terminated by agreement between the parties, by rescission, by redemption and by expiry of the term. Termination of the concession involves transmission to the State of the assets related to the concession.

The concession contract can be rescinded by the conceding entity if any of the following situations with a significant impact on the operations of the concession occurs: imminent failure or interruption of the activity; deficiencies in the management and operation of the conceded operations; or deficiencies in the maintenance and repair of the infrastructures that compromise the quality of the services.

The conceding entity can cancel the concession whenever motives of public interest justify this, 15 years having elapsed since the date of the beginning of its term. By cancelling the concession, the concessionaire has the right to an indemnity in accordance with the book value of the assets as of the date they revert as well as to possible loss of profits.

If, upon termination of the concession, it is not renewed or the new form or entity responsible for the concession has not been decided, the concession contract can be extended for the maximum period of one year, as a lease, rendering of services or any other legal form of contract.

RECEPTION STORAGE AND REGASIFICATION OF LIQUID NATURAL GAS (LNG)

The concession of the operations of the of the LNG terminal was granted to REN Atlântico, S.A. under Decree-Law 140/2006 of 26 July 2006, to carry out the following activities under the rendering of public services regime:

a) Reception, storage, treatment and regasification of liquid natural gas unloaded from methane tankers in the Port of Sines;
b) the injection of high pressure natural gas into the National Natural Gas Transport Network (Rede Nacional de Transporte de Gás Natural - RNTGN) or its dispatch by specialised trucks; and
c) The construction, utilization, maintenance and expansion of the LNG Terminal infrastructures (buildings, tanks, gas pipelines, etc.).

The model of the concession contract ensures contractual equilibrium through recovery of the eligible operating costs and remuneration of the assets, which includes: recovery of depreciation of the assets; and remuneration at an interest rate fixed by the regulator (ERSE), calculated as a proportion between the current accumulated value of the units unloaded and regasified, and the total estimated units to be regasified through the infrastructure, during the concession period.

The concession was granted for a period of 40 years as from the date of signature of the contract. The assets considered as concession assets are those acquired by the REN Group from Transgás and include:

- the LNG terminal and related infrastructures installed in the Port of Sines;
- the infrastructures related to liquefied natural gas reception, storage, treatment and regasification, including all the equipment necessary to control, regulate and measure all the infrastructures and LNG terminal operations;

- the infrastructures used to inject of natural gas into the National Natural Gas Transport Network or the loading and dispatch of LNG through trucks or methane tankers; and
- the infrastructures related to telecommunications, telemetry and remote control, used to manage all the infrastructures and the LNG terminal.

In addition, the following are also considered as concession assets:

- the real estate owned by REN Atlântico, SA, where the above mentioned equipment is installed as well as the related rights of way;
- other assets necessary for the operations of the concession;
- any intellectual or industrial rights owned by REN Atlântico, SA; and
- all the legal relationships established during the concession, such as: labour contracts, subcontracts, leasing and external services.

REN Atlântico, S.A. must, during the concession period, maintain the assets in good operating condition, maintenance and security of the assets and related means, carrying out the necessary repairs, renewals and adaptations needed to keep the assets in the required technical conditions.

REN – Atlântico, S.A. has the right to operate the assets of the concession until it is extinguished. These assets may only be used for the purposes of the concession. At the termination of the concession the concession assets revert to the State in accordance with the contract, which provides for an indemnity to be paid corresponding to the net book value of the concession assets.

The concession can be cancelled by agreement between the parties, through rescission, redemption or maturity. Cancellation of the concession results in transmission of all the concession assets and related means to the State.

The Concession contract can be rescinded by the conceding entity when any one of following events occurs, with a significant impact on the operations of the concession: imminent failure or interruption of the concession operations; deficiencies in the management and of the concession's operations; or deficiencies in the maintenance and repair of the infrastructure that compromises the quality of the service.

The conceding entity can cancel the concession, whenever the public interest justifies this, but only after a 15 year period has elapsed as from the date of the beginning of the concession. By cancelling the concession, the operator has the right to an indemnity in accordance with the book value of the assets as of the date they revert, as well as to possible loss of profits.

If, upon termination of the concession, it is not renewed or the new form or entity responsible for the concession has not been decided, the concession contract can be extended for the maximum period of one year, with a lease, rendering of services or any other legal form of contract.

NATURAL UNDERGROUND GAS STORAGE

The concession to operate the underground storage was granted to REN – Armazenagem, S.A. under Decree-law 140/06 of 26 July of 2006, to carry out the following activities, under a rendering of public service regime:

a) reception, injection, underground storage, extraction, treatment and delivery of natural gas, so as to create or maintain a natural gas security reserve or for delivery to the National Natural Gas Transport Network; and
b) construction, utilization, maintenance and expansion of the underground storage tanks.

The model of the concession contract ensures contractual equilibrium through recovery of depreciation of the assets of the concession and remuneration of the investments made in the concession of the assets and recovery of the operating costs relating to the operations of the concession.

This concession was granted for a period of 40 years as from the date of signature of the contract. The assets considered as concession assets are those acquired by the REN Group from Transgás and include:

- the underground natural gas tanks acquired or constructed during the period of the concession contract;
- the infrastructures used for gas injection, extraction, compression, drying, and pressure reduction used for distribution to the National Natural Gas Transport Network, including the equipment necessary to control, regulate and measure the remaining infrastructures;
- infrastructures and equipment for leaching operations; and
- the infrastructures necessary for telecommunications, telemetry and remote control, used to manage all the infrastructures and underground chambers.

In addition, the following are also considered as concession assets:

- the property owned by REN – Armazenagem, S.A., in which the above mentioned equipment is installed as well as the related rights of way;
- other assets necessary for the operations of the concession activities;
- construction rights or increase in the underground chambers;

- the cushion gas relating to each chamber;
- any intellectual or industrial rights owned by REN Armazenagem, S.A.; and
- all the legal relationships established during the concession, such as: labour contracts, subcontracts, leasing and external services.

REN Armazenagem, S.A. must, during the concession period, maintain the assets in good operating condition, maintenance and security, carrying out the needed repairs, renewals and adaptations necessary to keep the assets in the required technical conditions.

REN – Armazenagem, S.A. has the right to operate the assets of the concession until its extinction. These assets may only be used for the purposes of the concession. At the termination date of the concession the concession assets revert to the State in accordance with the contract, which provides for an indemnity to be paid corresponding to the net book value of the concession assets.

The concession can be cancelled by agreement between the parties, through rescission, redemption or maturity. Cancellation of the concession results in transmission of all the concession assets to the State.

The Concession contract can be rescinded by the conceding entity when any one of following events occurs, with a significant impact on the operations of the concession: imminent failure or interruption of the concession operations; deficient management of the concession's operations; or deficiencies in the maintenance and repair of the infrastructure that compromises the quality of the service.

The conceding entity can redeem the concession, whenever the public interest justifies this, but only after at least a 15 year period has elapsed as from the date of the beginning of the concession. By cancelling the concession, the operator has the right to an indemnity in accordance with the book value of the assets as of the date they revert, as well as to possible loss of profits.

If, upon termination of the concession, it is not renewed or the new form or entity responsible for the concession has not been decided, the concession contract can be extended for the maximum period of one year, with a lease, rendering of services or any other legal form of contract.

OPERATION OF A PILOT AREA OF ENERGY FROM OCEAN WAVES

The Portuguese State has granted a concession to Enondas, Energia das Ondas, S.A. ("Enondas" or "the Concessionaire"), a fully owned subsidiary of REN, under the terms of item 3, article 5 of Decree-Laws 5/2008 of 8 January and 238/2008 of 15 December, to operate a pilot area to produce energy from ocean waves.

In accordance with Decree-Law 238/2008 of 15 December the concession is for a period of 45 years and includes authorization to install the infrastructures to connect to the public electricity network and utilization of the public hydro resources, and monitoring of the use by third parties of the water resources necessary to produce electric energy from waves, as well as competency to grant licences for the establishment and operation of the production of electric energy and related monitoring.

In accordance with the concession contract and applicable legislation, the Concessionaire will receive adequate remuneration from the concession through recognition of the costs of the investment, operation and maintenance, provided that they are approved in advance by the Government member responsible for the energy area, after binding opinion of ERSE.

MAIN ACCOUNTING POLICIES

The main accounting policies used in preparing the consolidated financial statements are described below. The policies have been applied consistently in the years presented.

BASES OF PRESENTATION

The consolidated financial statements were prepared on a going concern basis, at historical cost, except for the derivative financial instruments and available-for-sale financial assets, which are recorded at fair value, as from the books and accounting records of the companies included in the consolidation, maintained in accordance with generally accepted accounting principles in Portugal (changed in 2010 as a result of adopting accounting and reporting standards), adjusted in the consolidation process so that the consolidated financial statements conform to International Financial Reporting Standards as endorsed by the European Union, in force for the years starting on 1 January 2011. 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 preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, assumptions and judgements in the process of adopting REN’s accounting

policies, with a significant impact on the carrying amounts of assets, liabilities as well as expenses and income for the reporting period.

Although the estimates are based in the best experience of the Board of Directors and their best expectations in relation to current and future events and actions, the current and future results may differ from the estimates. The areas involving a higher degree of judgement or complexity, or areas in which the assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

The financial statements are presented in thousands of Euros - tEuros.

ADOPTION OF NEW STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS

The following standards, interpretations, amendments and revisions endorsed by the European Union are of mandatory application for financial years beginning on or after 1 January 2011:

- IAS 24 'Disclosure of Related Party Transactions (2009 revision) – This revision has brought some clarifications relating to related parties, especially regarding entities connected to the public administration. This change has not had a significant impact of REN's financial statements as of 31 December 2011.

- IAS 32 'Financial Instruments: Presentation' (change) (to be applied to years beginning on or after 1 February 2010). This change clarified under what conditions rights issued can be classified as equity instruments. This change had no impact on the consolidated financial statements of REN as of 31 December 2011.

- IFRS 1 'First time adoption of International Financial Reporting Standards' (change) (to be applied for years starting on or after 1 July 2010) – This standard defines the limited exemption from the requirement to present comparative disclosures in accordance with IFRS 7 for those opting for the first time and simplifies the requirements to disclose comparatives regarding financial instruments in the first time adoption of IFRS. This change had no impact on the consolidated financial statements of REN as of 31 December 2011.

- IFRS 7 'Disclosures – Transfers of Financial Assets (Change) This change introduced a series of additional disclosures aimed at facilitating the assessment of risk relating to the transfer of financial assets as well as their effect on the Company's financial statements. This change had no impact on the consolidated financial statements of REN as of 31 December 2011.

- IFRIC 14 'Prepayment of a minimum financing requirement' (change) – This change eliminated an unintentional consequence resulting from the treatment of prepayments of future contributions in circumstances in which a minimum financing requirement is applicable. This change had no impact on the consolidated financial statements of REN as of 31 December 2011.

- IFRIC 19 'Extinction of financial liabilities through equity instruments' (to be applied for years starting on or after 1 July 2010). This interpretation provides guidelines on the accounting for transactions in which the terms of a financial liability are renegotiated and result in the issuance by an entity of equity instruments in favour of its creditor with the resulting extinction of the full amount or part of the liability. This change had no impact on the consolidated financial statements of REN as of 31 December 2011.

	Applicable for financial years beginning on/after
IFRS 9 - Financial Instruments	01-Jan-13
Amendments to IAS 12 - Deferred Tax: Recovery of Underlying Assets	01-Jan-12
Amendments to IFRS 1 - Severe Hyperinflaction and Removal of Fixed Dates for Fisrt-time Adopters	01-Jul-11
Amendments to IFRS 7 - Financial Instruments: Disclosures	01-Jul-11
IFRS 10 - Consolidated Financial Statements	01-Jan-13
IFRS 11 - Joint Arrangements	01-Jan-13
IFRS 12 - Disclosure of Interests in Other Entities	01-Jan-13
IFRS 10 - Fair Value Measurement	01-Jan-13
IAS 27 (Revised 2011)- Separate Financial Statements	01-Jan-13
IAS 28 (Revised 2011)- Investments in Associates and Joint Ventures	01-Jan-13
Amendments to IAS 1 - Presentation of Comprehensive Income	01-Jan-12
Amendments to IAS 19 - Post Employment Benefits	01-Jan-13
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	01-Jan-13

In relation to these standards and interpretations issued by the IASB, not yet endorsed by the European Union, we are do not expect significant impacts to arise on the 31 December 2011 consolidated financial statements.

3.2 COMPARABILITY OF THE FINANCIAL STATEMENTS

In 2011 the Group started reversing the excess costs of the CAE invoiced and recorded as "services rendered" up to 31 December 2010 by corresponding entry to the cost, recorded in the caption "other operating costs" as they are pass through items in the Company's agency role of the two remaining CAEs. For comparative purposes, the Company restated these captions in the statement of profit and loss for the year ended 31 December 2010.

	31.12.2010	CAE over-costs	31.12.2010 (restated)
Sales	917	-	917
Services provided	757,910	(248,062)	509,848
Revenue from construction of concession assets	420,483	-	420,483
Other operating income	37,806	-	37,806
Share of (loss)/profit of joint ventures	8,092	-	8,092
Operating income	**1,225,207**	**(248,062)**	**977,145**
Cost of goods sold	(747)	-	(747)
Cost of construction of concession assets	(394,548)	-	(394,548)
Supplies and services	(80,423)	-	(80,423)
Personnel costs	(51,223)	-	(51,223)
Depreciation and amortization	(172,633)	-	(172,633)
Provisions	(12,774)	-	(12,774)
Other expenses	(262,340)	248,062	(14,278)
Operating costs	**(974,688)**	**248,062**	**(726,626)**
Operating profit	**250,519**	**-**	**250,519**
Financial costs	(89,883)	-	(89,883)
Financial income	2,194	-	2,194
Investment income - dividends	3,790	-	3,790
Net financial costs	**(83,900)**	**-**	**(83,900)**
Profit before income tax	**166,619**	**-**	**166,619**
Income tax expense	(56,353)	-	(56,353)
Net profit for the year before non-controlling	**110,266**	**-**	**110,266**
Attributable to:			
Equity holders of the Company	110,265	-	110,265
Non-controlling interests	1	-	1
Net profit for the year	**110,266**	**-**	**110,266**

3.3 CONSOLIDATION PRINCIPLES

The consolidation methods used by the Group are as follows:

a) Investments in subsidiaries

Subsidiaries are all entities (including special purpose entities) over which REN has the power to govern their financial and operating policies generally associated with direct or indirect control of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are excluded from the consolidation as from the date that control ceases. Subsidiaries are included in the accompanying financial statements in accordance with the full consolidation method.

The entities that qualify as subsidiaries are listed in Note 34.

b) Goodwill

Differences between the cost of acquisition of investments in subsidiaries, jointly controlled companies and associated companies and the fair value of the identifiable assets and liabilities of these companies as of the date of the acquisition or during a period of 12 months after that date, if positive, are recorded as goodwill (in the case of recognizing goodwill in subsidiary companies or in jointly controlled companies).

Goodwill generated on acquisitions after 1 January 2004 (date of transition to IFRS) is not amortised, but is subject to impairment tests at least annually to verify the existence of losses. Impairment losses are recorded immediately in the statement of financial position as a deduction from the value of the asset by corresponding entry to the statement of profit and loss, not being reversed subsequently.

REN applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Losses attributable to non-controlling interests which exceed its participation in the subsidiary are fully recognised by REN, except when minority interests have contractually assumed additional responsibilities over the subsidiary.

The accounting policies of subsidiaries are changed whenever necessary so as to ensure that accounting policies are applied consistently by the Group companies.

3.4 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and benefits that are different from those of other business segments. A geographical segment is engaged in providing products or services, within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The REN Group only discloses segment information by business segment, since the Group operates only in Portugal. The transactions of the group company OMIclear, during 2010, although referring essentially to the sale of future contracts within MIBEL, are not material for the presentation of geographical segment information.

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

The REN Group is organized in two main business segments: Electricity and Gas and two secondary segments: telecommunications and management of the electricity derivatives market (up to 2010 only). The Electricity segment includes the transmission of very high tension electricity and overall management of the public electricity supply system and management of energy purchasing contracts ("CAE") not terminated on 30 June 2007. The Gas segment includes the transport of very high pressure gas and overall management of the national natural gas system, as well as operation of the LNG regasification terminal and underground storage of natural gas.

The other segments (telecommunications and management of the electricity derivatives market, in the case of the latter only up to 2010) are also presented separately although they do not qualify for disclosure.

The column "Others" includes the operations of REN SGPS and REN Serviços.
Financial information relating to income of the identified business segments is included in Note 6.

3.5 EXCHANGE TRANSLATION

I) FUNCTIONAL CURRENCY AND PRESENTATION

Items included in the financial statements of each of the REN Group entities are recorded using the currency of the primary economic environment in which the entity operates ('the functional currency'), the Euro. The consolidated financial statements including these notes are presented in thousands of Euros, unless otherwise indicated, the Group's functional currency.

II) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated to the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of foreign currency monetary assets and liabilities at the year-end exchange rates are recognised as financial costs in the statement of profit and loss if relating to borrowings and in other operating income and costs in the case of all the other balances/ transactions.

III) RATES USED

The foreign currency exchange rates used for the translation of the foreign currency balances are as follows:

Foreign currency exchange rates

Currency	2011	2010
USD	1.2939	1.3362
CHF	1.2156	1.2504
GBP	0.8353	0.86075
SEK	8.912	8.9655
NOK	7.754	7.8
DKK	7.4342	7.4535
RON	4.3233	4.262
JPY	100.2	108.65

3.6 TANGIBLE AND INTANGIBLE FIXED ASSETS

Tangible and intangible assets are stated at cost less accumulated amortization / depreciation and accumulated impairment losses. Cost includes the cost of assets considered as of the transition date to IFRS and the acquisition or construction cost of assets acquired/constructed after that date.

Acquisition or construction cost includes the purchase price of the asset and costs incurred directly to prepare the asset to start operating. Borrowing costs incurred during the construction phase are recognised as acquisition/construction costs.

Subsequent expenditure, including renewals and major overhauls, that extend the useful life of the assets is recognised as cost of the asset, after write off of the component substituted.

Current maintenance and repair costs are expensed in the year they are incurred.

Tangible fixed assets are depreciated on a straight line basis over the estimated period of useful life of the assets.

Whenever there are indications of impairment of fixed assets, impairment tests are made to estimate the recoverable amount of the asset and impairment losses, if any, are recorded. The recoverable amount is defined as the higher of the net sales price of an asset and its value in use, value in use being calculated at the discounted future cash flows resulting from continued use of the asset and its sale at the end of its useful life.

The useful life of the assets is reviewed at the end of each year so that the depreciation or amortization recorded is in accordance with the consumption standards of the assets. Changes in useful life are treated as changes in accounting estimates and are applied prospectively.

Gains and losses on the sale of tangible and intangible fixed assets are determined by the difference between the proceeds of the sale and the book value of the asset, being recorded in the consolidated statement of profit and loss.

Assets of the Concession – Adoption of IFRIC 12 – Service concession agreements

The Group has: (i) four concessions for operating and developing of the National Transmission Network, for the overall management of the national electric system, as well as utilization and development of the National Natural Gas Transport Network, of the Liquid Natural Gas terminal, the underground storage of natural gas and overall management of the natural gas system and (ii) a concession to exploit a pilot area to produce electric energy from ocean waves. The assets acquired / constructed by REN under these concession contracts are referred to below as assets relating to the concession.

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

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

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

IFRIC 12 applies to infrastructures:

- constructed or acquired by the operator from third parties;
- already existing to which the operator is given access.

Therefore, considering the above the REN Group's concessions are covered by this IFRIC for the following reasons:

(i) the REN Group companies (REN – Rede Eléctrica Nacional, S.A., REN Gasodutos, S.A., REN Armazenagem, S.A., S.A., REN Atlântico, Terminal de GNL, S.A. and Enondas, Energia das Ondas, S.A.) have a public service concession contract signed with the Portuguese State ("Conceding Entity") for a predefined period;

(ii) the companies render public transport services, reception and storage of gas and transmission of electricity through utilization of gas pipelines, branches and underground tanks, in the case of gas, and lines, stations and substations in the case of electricity;

(iii) the conceding entity controls the services rendered and the conditions under which they are rendered, through the regulator ERSE;

(iv) the assets used to render the services revert to the conceding entity at the end of the concession contracts.

This interpretation establishes the general principles for the recognition and measurement of the rights and obligations under the concession contracts with the features mentioned earlier and define the following models:

(i) Financial asset model – when the operator has the unconditional contractual right to receive cash or other financial asset from the conceding entity, corresponding to specific or determinable amounts, the operator must record a financial asset (receivable). In this model the conceding entity has few or no discretionary power to avoid the payment, as the agreement is usually legally binding.

(ii) Intangible asset model – when the operator receives from the conceding entity the right to collect a tariff based on use of the structure, it must record an intangible asset.

(iii) Mixed model – this model applies when the concession includes simultaneously commitments of guaranteed remuneration by the conceding entity and commitments of remuneration dependent on the level of utilization of the concession infrastructures.

Considering the type of concession of the REN Group, as regards the legal nature of its concessions, REN decided that the best model for its situation is the intangible model due essentially to the risk of changes in the tariff regulation imposed by the regulator ERSE.

In this respect and in relation to the residual value of the assets relating to the concession (in accordance with the concession contracts, REN has the right to be reimbursed at the end of the concession contract for the net book value of the conceded assets), they were also considered as part of the intangible assets. The residual value of the conceded assets was not significant up to 31 December 2011.

For purposes of amortization of the assets relating to the concession, the REN Group follows IAS 38 – Intangible assets, that states in paragraph 98 that: " A variety of amortization methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method and production unit method. The method used is selected based on the expected consumption model of future economic benefits included in the asset and is applied consistently from period to period, unless there is a change in the expected consumption model of these future economic benefits". Therefore considering this, REN believes that the amortization method that best reflects the expected standard of consumption of future benefits of this asset is amortization based on the rate of amortization of the gas and electricity infrastructures approved by the regulator ERSE, as this is the basis of its annual income, that is the conceded assets are amortized based on the remuneration model underlying the Tariff Regulations.

Therefore, in accordance with IFRIC 12 the right granted under the concession contract consists of the possibility of REN charging tariffs based on the costs incurred with the infrastructures. However, considering the methodology for determining REN's tariffs, the remuneration base is determined considering each conceded asset specifically which assumes the need to componentize the right. Consequently, in the case of REN's concessions it is considered that the right is componentized by

separate parts as the various remuneration bases are established. Therefore the intangible asset is: (i) increased as the various projects relating to the concession are concluded (increase in the concession rights), being recorded based on cost; and (ii) decreased as the future economic benefits are consumed.

In accordance with IFRIC 12 construction of the infrastructure by the operator is a service that it provides to the conceding entity, distinct from the operation and maintenance service and, as such, will be remunerated by it. However, in applying IFRIC 12 the REN Group assumes that there is no margin in the construction but only in the operation. This notwithstanding, construction costs and income relating to construction are recorded in the consolidated statement of profit and loss for the year, considering the requirements of IFRIC 12 in the captions “revenue from construction of concession assets” and “costs of construction of concession assets”.

The REN Group makes impairment tests of the assets relating to the concessions whenever events or circumstances indicate that book value exceeds recoverable value, any difference being recorded in the statement of profit and loss. The cash generating units defined for the purpose are directly associated with each concession contract, considering that the conceded assets relating to them belong to the same cash generating unit.

Land relating to the electricity producing centres is covered by the Concession Contracts entered into between REN and the Portuguese State and is remunerated based on its amortization, not being disassociated, as such from the other assets of the concession, being an integral part of a common cash generating unit.

Investment grants relating to assets are recognized in the statement of profit and loss at the same rate as amortization of the assets. IAS 20 in paragraphs 24 and 25 states that: “Government grants relating to assets, including non monetary grants at fair value must be presented in the statement of financial position considering the grant as deferred income or deducting the grant to arrive at the book value of the asset”. Therefore given the existence of these two alternatives for the presentation of grants in the financial statements and IFRIC 12 not mentioning the treatment of investment grants received, REN maintained the grants recorded as liabilities.

Considering this, and as a result of applying IFRIC 12, the REN Group classifies assets relating to the concessions in accordance with the intangible asset model, being amortized on a straight line basis as from the date in which they become available for use in accordance with the expected consumption of future benefits model, which corresponds to the regulatory period defined by ERSE and considering that at the end of the concession the Group has the right to receive the net book value of the assets.

Intangible assets in progress reflect the concession's assets still under construction, being recorded at cost less any impairment losses, being amortized as from the time the investment projects are completed or available for use.

3.7 IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subject to amortization and depreciation but are tested annually for impairment. Assets that have finite useful lives are reviewed as to impairment whenever events or changes in circumstances indicate that the carrying amount at which they are recognised in the consolidated financial statements may not be recoverable.

Therefore, whenever, the fair value of an asset is lower than its carrying amount, the Group must decide if the loss is permanent and definite, and if so an impairment loss is recognised. When the loss is not considered as permanent, the assumptions used to support this conclusion must be disclosed.

An impairment loss is recognized by the amount of the excess of the book value of the asset in relation to its recoverable amount, recoverable amount being the greater of the fair value of the asset less the costs to sell it or its value in use. In order to determine impairment, assets are allocated to the lowest level for which there is a separate identifiable cash flow (cash generating units).

Non-financial assets, other than goodwill, for which an impairment loss has been recognised, are valued at each reporting date for possible reversal of the impairment loss previously recognised.

For the assets valued in accordance with the depreciated cost model, impairment losses and any reversals are recognised in the consolidated statement of profit and loss.

Amortization and depreciation of assets are recalculated prospectively in accordance with the recoverable amount adjusted for impairment losses recognised.

3.8 FINANCIAL ASSETS

The Board of Directors decides the classification of financial assets at the time of initial recognition, in accordance with the purpose for which the financial assets are acquired.

Financial assets may be classified under the following categories:

a) financial assets at fair value through profit or loss – includes non-derivative financial assets held for short-term trading and assets designated at fair value through profit and loss at the inception date;

b) loans granted and receivables – includes non-derivative financial assets with fixed or determinable payments that are not listed in an active market;

c) investments to be held to maturity – includes non-derivative financial assets with fixed or determinable payments and fixed maturities, that the entity intends and has the capacity to hold until the maturity date; and

d) available-for-sale financial assets – includes non-derivative financial assets designated as available-for-sale at the inception date or other financial assets not classified in any of the other financial asset categories. Available-for-sale financial assets are recognised as non-current assets unless management intends to sell them within 12 months of the balance sheet date.

Purchases and sales of investments in financial assets are recognized on the transaction date – the date on which REN commits itself to purchase or sell the asset.

Financial assets at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the consolidated statement of profit and loss. Such assets are subsequently adjusted to fair value, gains and losses arising from changes in fair value being recognised in the statement of profit and loss caption “Financial costs” for the period in which they arise, which also includes interest income and dividends received.

Available-for-sale assets are initially recognised at fair value including transaction costs. In subsequent periods these assets are adjusted to fair value, the changes in fair value being recognised in a fair value reserve within Equity. Dividends and interest income from available-for-sale financial assets are recognised in the statement of profit and loss caption financial income for the period in which the right to receive them is established.

The fair value of listed investments is based on current market prices (“bid”). If the market for a financial asset is not active, REN establishes fair value by using valuation techniques. These include the use of recent transactions, provided that they are at market prices, reference to other instruments that are substantially the same and discounted cash flow analysis when information is available, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Loans and receivables are classified as “Trade and other receivables” in the statement of financial position (Note 3.11), and are recorded at amortised cost using the effective interest rate method, less any provision for impairment. A provision for impairment of trade receivables is established when there is

objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the transactions that gave rise to the receivables.

At each statement of financial position date REN assesses whether there is objective evidence that its financial assets are impaired. In the case of equity instruments classified as available for sale, a significant or prolonged decline in the fair value of the equity instrument below its cost is considered an indicator that it is impaired. If there is evidence of loss in value of available-for-sale financial assets, the accumulated loss – determined as the difference between cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit and loss – is removed from equity and recognised in the consolidated statement of profit and loss. Impairment losses on equity instruments, recognised in the statement of profit and loss, are not reversible through the consolidated statement of profit and loss.

Financial assets are derecognised when the rights to receive cash flows from the investments expire or are transferred, as well as all the risks and rewards of ownership.

3.9 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are initially recorded at fair value. The method of recognising fair value gains or losses depends on the designation made of the derivative financial instruments. If they are designated as derivative financial instruments for trading, gains or losses resulting from fair value changes are recognized in the statement of profit and loss caption “Finance income” or “Finance costs”. If they are designated as hedging derivative financial instruments, gains or losses resulting from fair value changes depends on the nature of the hedged item, which can be a fair value hedge or a cash flow hedge.

Derivative financial instruments are recognized in the caption “Derivative financial instruments”, and if they have a positive or negative fair value they are recorded as financial assets or liabilities, respectively.

Derivative financial instruments are classified as non-current when their remaining period to maturity exceeds twelve months and they are not expected to be realized or settled within twelve months.

Hedge accounting

In hedging its interest rate and exchange rate risk the Group contracts a series of financial derivative instruments, namely swaps.

The criteria for applying hedge accounting rules are:

- Adequate documentation of the hedge;
- The risk to be covered is one of the risks described in IAS 39;
- It is expected that the changes in fair value or cash flows of the hedged item, attributable to the risk covered, are virtually offset by changes in fair value or cash flows of the hedging instrument.

At the inception of the hedge operation, the Company documents the relationship between the hedging instrument and the hedged item, its risk management objectives, strategy for managing the risk and its assessment of the effectiveness of the hedging instrument to offset variations in the fair value and cash flows of the item hedged.

In the fair value hedge of an asset or liability, the book value of the asset or liability, determined based on the accounting policy used, is adjusted so as to reflect the variation of its fair value attributable to the risk hedged. Variations in the fair value of the hedging instruments are recognized in the statement of profit and loss together with variations in the fair value of the assets or liabilities hedged attributable to the risk hedged.

In a hedging operation of the exposure to variations of great probability in future cash flows (cash flow hedge) the effective part of the fair value variation of the hedging instrument is recognized in hedging reserves, being transferred to the statement of profit and loss in the period the item hedged affects results. The ineffective part of the hedge in recognized in the statement of profit and loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires, is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

3.10 INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Inventories include materials used in internal maintenance and repair operations. Inventories are initially recorded at cost, which includes purchase cost and all the expenses relating to their acquisition. Cost is determined using the weighted average cost method.

Gas in the gas pipelines and gas stored in the LNG terminal and underground tanks, is the property of the infrastructure users. The REN Group does not buy, sell or hold stocks of gas.

3.11 TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognised at cost or amortised cost, less any provision for impairment. Impairment of trade and other receivables is recorded, when there is objective evidence that REN will not be able to collect all the amounts due in accordance with the original terms of the transactions. Identified impairment losses are recognised in the statement of profit and loss caption “Impairment of trade and other receivables” being subsequently reversed when there are indications that the impairment has decreased or ceased to exist.

3.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, bank deposits, other short-term highly liquid investments with initial maturities of up to three months, and bank overdrafts. Bank overdrafts are shown in the “Borrowings” caption in current liabilities in the statement of financial position, and are included in the consolidated statement of cash flows, as cash and cash equivalents.

3.13 CAPITAL AND OWN SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown net of tax, as a deduction in equity from the amount issued.

Own shares acquired through contract or directly on the stock market are recognised as a deduction in equity. In accordance with company law REN SGPS must ensure at all times that there are reserves in Equity to cover the value of treasury shares, limiting the amount of reserves available for distribution.

Own shares are recorded at cost if they are acquired in a spot transaction or at estimated fair value if acquired in a deferred purchase.

3.14 FINANCIAL LIABILITIES

IAS 39 establishes the classification of financial liabilities in two categories:

i) financial liabilities at fair value through profit and loss;

ii) other financial liabilities

The caption other financial liabilities includes “Borrowings” (Note 3.15) and “Trade and other payables”. Trade and other payables are initially recognised at cost or amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the related obligations are extinguished through payment, are cancelled or expire.

3.15 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, the difference between the nominal value and the initial fair value being recognised in the consolidated statement of profit and loss over the term of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless REN has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date, in which case they are classified as non-current liabilities.

3.16 INCOME TAX

Income tax for the year includes current income tax and deferred income tax. Income tax is recognised in the statement of profit and loss, except when it relates to items recognised directly in equity. The amount of income tax payable is determined based on net profit before tax, adjusted in accordance with tax legislation.

Deferred tax is recognised using the liability method based on the statement of financial position considering the temporary differences between the tax base of assets and liabilities and their amounts in the consolidated financial statements.

Deferred income tax is calculated using tax rates in force or substantially enacted at the statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used. Deferred tax liabilities are provided for on every temporary tax difference, except those relating to: i) the initial recognition of goodwill; or ii) the initial

recognition of assets or liabilities in transactions that do not result from a business combination and at the time of the transaction affect neither accounting profit nor taxable profit. However, taxable temporary differences relating to investments in subsidiaries should not be recognised to the extent that: i) the parent company is able to control the timing of the reversal of the temporary difference; and ii) it is probable that the temporary difference will not revert in the near future.

3.17 EMPLOYEE BENEFITS

REN grants supplementary retirement and survivor pensions (hereinafter referred to as pension plan), provides its retirees and pensioners with a medical assistance plan and grants other benefits such as long service bonuses, retirement bonus, pre-retirement bonus and death subsidy.

I) REN – REDE ELÉCTRICA NACIONAL, S.A. PENSION PLAN

The supplementary retirement and survivor pensions granted to employees consist of a defined benefits plan, with an autonomous fund established, to which all the liabilities are transferred and contributions are made to cover the liabilities which fall due in each period.

The pre-retirement liability assumed by the Group is estimated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit liability is determined by discounting future payments of the benefits using an appropriate discount rate. The liability less, where applicable, the past service liability is recognized.
The liability for payment of the pensions is estimated annually by independent actuaries using the projected unit credit method. The present value of the liability for the defined benefit is determined by discounting payments of future benefits using the interest rate for highly rated bonds in the same currency in which the benefits are paid and with similar maturities to those of the liability assumed.

The liability for retirement benefits recognised in the consolidated statement of financial position corresponds to the present value of the liability for the benefits as of the date of the financial statement less the fair value of the assets of the plan, together with any adjustments for past service costs.

Actuarial gains and losses determined in a year and for each plan of benefits granted, resulting from adjustments to actuarial assumptions, experience adjustments or in the benefits scheme are recorded directly in equity.

II) REN – REDE ELÉCTRICA NACIONAL, S.A. MEDICAL ASSISTANCE PLAN AND OTHER BENEFITS

The liabilities assumed relating to healthcare are not funded, being covered by a specific provision.

Measurement and recognition of the liability for healthcare are the same as those for retirement supplements referred to above, except as regards assets of the plan.

REN recognizes all the actuarial gains and losses on all the plans directly in equity.

III) LIFE INSURANCE CONTRACTS

The Group companies provide their employees with life insurance benefits. The costs are recognized during the period in which they serve. This liability is covered by a specific provision.

Actuarial gains and losses determined in the year are recognized directly in equity.

Actuarial gains and losses for the year are recognized directly in equity.

3.18 PROVISIONS

Provisions are recognised when REN has: i) a present legal or constructive obligation as a result of past events; ii) it is more likely than not that an outflow of internal resources will be required to settle the obligation; and iii) the amount can be reliably estimated. When one of these criteria is not fulfilled or the existence of the liability is dependent upon the occurrence (or not) a future event, REN SGPS discloses it as a contingent liability, except if the outflow of resources to settle it is considered to be remote.

Provisions are measured at the present value of the estimated expenditure required to settle the liability using a pre-tax rate that reflects the market assessment of the discount period and the risk of the provision.

3.19 GOVERNMENT GRANTS AND OTHERS

These refer to grants received for investment in intangible fixed assets and are recognised as deferred income in the caption “Trade and other payables”.

Grants received from the Portuguese State and the European Union are recognised at their fair value only when there is reasonable certainty that the subsidy will be received.

Operating assets delivered to REN by new producers connected to the National Transmission Network or others are also recorded as subsidies received.

Grants are subsequently credited to the consolidated statement of profit and loss on a systematic basis in accordance with amortization of the related assets.

Operating grants are recognized in the consolidated statement of profit and loss in the period in which the related costs are incurred.

3.20 ACCRUALS BASIS

Income and costs are recognised in the period to which they relate, independently of the date they are received or paid, in accordance with the accrual basis of accounting. Differences between the amounts received and paid and the related income and costs are recognised as assets or liabilities, if they qualify for this.

3.21 INCOME

ELECTRICITY SEGMENT

Income recognition for concession activities is determined based on information of the electricity transmitted to distributors and the implicit services provided, considering the tariffs defined annually by the regulator, for transmission of electricity and overall management of the system.

As regards intermediation activity relating to the sale and purchase of electricity (agent role), REN recognises as revenue, the remuneration obtained over the net book value of the assets allocated to this activity.

The “Commercial Agent” activity, carried out by the group company REN Trading which is responsible for the management of the electricity produced under the two PPA’s (power purchase agreements) that have not been terminated (Tejo Energia and Turbogás), is remunerated through an incentive mechanism.

To stimulate the “Commercial Agent” activity, in the beginning of 2008 ERSE established a mechanism to optimise management of the PPA’s, a mechanism to optimise the management of CO2 emission

licences, as well as the parameters to be in place for calculating the incentives established. Revenue obtained by use of these mechanisms, is the main part of the results obtained from the "Commercial Agent" activity.

Income obtained from these activities is regulated by ERSE, the Portuguese electricity regulator. In accordance with the regulatory terms the tariffs to be charged to final clients (home consumers, industry and others), are determined annually for each component of the system, such as: generation, transmission and distribution. REN, SA's income relates mainly to electricity transmission and overall management of the electricity system.

The tariff for electricity transmission is to recover:

i) amortization of the concession assets classified as electricity transmission equipment;
ii) a return on the average net book value of the assets relating to this activity, in accordance with the rates determined annually by the regulator; and
iii) operating costs (relating to the activity, payroll and others), less the results obtained from electricity transmission charged to third parties.

The tariff for overall management of the system is to recover:

i) amortization of the concession assets relating to overall management of the system;
ii) amortization of the concession assets relating to the generating station sites;
iii) a return on the average net book value of the generating station sites (land);
iv) a return on the average net book value of the assets relating to this activity, in accordance with the rates determined annually by the regulator;
v) operating costs (relating to the activity, payroll and others); and
vi) operating costs of the regulator;

GAS SEGMENT

Income from the gas concession operations is determined based on: i) information relating to the gas units unloaded and re-gasification of gas units in the LNG terminal, ii) the gas units injected, stored and extracted in the underground tanks; and iii) the capacity used and gas units transmitted through the high pressure transmission network. The income is calculated in accordance with the tariffs determined by the regulator as from 1 of July 2007. Up to 30 June 2007, income was recognized in accordance with the transition agreements signed with Transgás the main user of the gas capacity of the gas assets owned by the REN Group.

Telecommunications segment

Revenue from the telecommunications segment results from services rendered by the group company RENTELECOM, through the rent of fibre optics, benefiting from the excess capacity of the telecommunications equipment installed. In this area services relating to management of private voice networks are also rendered. Income is recognised in the period the services are rendered, based on the percentage of the stage of completion of each specific transaction, valued considering the actual services already rendered and the total services to be rendered.

TARIFF DEVIATIONS

The Tariff Regulations for the electricity and gas sectors, issued by ERSE, define the formula for calculating the income allowed for the regulated activities and consider in the calculation formula, determination of the tariff deviations that are recovered up to the second year after the date in which they are generated, the period in which the deviations are recovered thus being defined.

In this way the REN Group determines at each financial statement date, in accordance with the criteria defined by the tariff regulations published by ERSE, the deviations determined between income permitted and actual income.

Considering the legislation and the above mentioned regulations in force, the tariff deviations determined by REN each year comply with a series of characteristics (measurement reliability, right of recovery, transmissibility, identification of the debtor and incidence of interest) that support their recognition as income and as an asset, in the year in which they are determined, as being reliably measurable and for it being virtually certain that the financial benefits relating to the transaction(s) will flow to the Company. This reasoning is also valid when negative tariff deviations are determined, which are considered as liabilities and less income.

Despite the IFRS not covering the recording of tariff deviations, paragraph 12 of IAS 8 and international norm SFAS 71 – Accounting for the effects of certain types of regulation, strengthen the position of recording asset and liability tariff deviations under conditions in which the electricity and gas regulations are established for REN.

3.22 LEASES

The lease of assets, in which REN has substantially all the risks and rewards incidental to ownership of the asset, is classified as a finance lease. Agreements which an analysis of one or more matters of the

contract point to a finance lease are also classified as finance leases. All other leases are classified as operating leases.
Finance lease contracts are initially recognised at the lower of the fair value of the leased assets or the present value of the minimum lease payments, each determined at the inception date. The lease liability is recognised net of interest costs in the caption Borrowings. Interest costs included in the lease payments and depreciation of the leased assets are recognised in the consolidated statement of profit and loss in the period they refer to.

Assets acquired through finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term, when the Group does not have a purchase option at the end of the contract, or at its estimated useful life when the Group has the intention of acquiring the asset at the end of the contract.

In operating lease contracts, the lease payments due are recognised as expenses in the consolidated statement of profit and loss, over the lease term.

3.23 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates are recorded based on the equity method, under which they are initially recorded at cost and then adjusted based on the post acquisition changes in the Company's share of the net assets of these companies. The Company's results include the proportion of the results of these entities. In addition dividends received from these companies are recorded as decreases in the amount of the investments.

The excess of cost in relation to the fair value of identifiable assets and liabilities of each entity acquired as of the acquisition date is recognized as goodwill and is maintained in the amount of the investment. If the difference between cost and the fair value of assets and liabilities is negative, it is recognized as income for the year.

A valuation of investments is made when there are indications that an asset can be impaired, any impairment losses being recognized as cost in the statement of profit and loss.

When the Company's proportion of the accumulated losses of a subsidiary or associated company exceeds its book value, the investment is stated by zero, except when the Company has assumed commitments to cover the losses of the subsidiary or associated company, when the additional require the recognition of a liability. If these companies subsequently report profits, the Company only starts recognizing its share of those profits after its share of the profits equals the losses not recognized.

Unrealized gains on transactions with subsidiaries and associates are eliminated in proportion to the Company's interest in them, by corresponding entry to the caption investment. Unrealized losses are also eliminated but only up to the point that such loss does not result in the transferred asset being impaired.

3.24 SUBSEQUENT EVENTS

Events that occur after the statement of financial position date that provide additional information on conditions that existed at the date of the statement of financial position ("adjusting events" or events after the statement of financial position date that lead to adjustments) are recognized in the financial statements. Events that occur after the statement of financial position date that provide information on conditions that exist after that date ("non-adjusting events" or events after the statement of financial position date that do not lead to adjustments) are disclosed in the notes to the consolidated financial statements, if material.

FINANCIAL RISK MANAGEMENT POLICIES

4.1. FINANCIAL RISK FACTORS

The Group's activities are exposed to a variety of financial risks: including credit risk, liquidity risk and cash flow risk relating to interest rate and exchange rate.

REN has developed and implemented a risk management program that, together with permanent monitoring of the financial markets, seeks to minimise potential adverse effects on the REN Group's financial performance.

Risk management is carried out by the financial management department under policies approved by the Board of Directors. The financial management department identifies, assesses and realises operations to minimise the financial risks, in strict cooperation with REN's operating units. The Board of Directors defines the principles for overall risk management and policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivatives and other non-derivative financial instruments, and the investment of excess liquidity.

I) EXCHANGE RATE RISK

REN has limited exposure to exchange rate risk. The risk of fluctuation of exchange rates on the bonds totalling 10,000 million Yens ("JPY"), is fully hedged by a cross currency swap of the same notional amount.

An adverse variation of 5% in the forward exchange rate of Euro/JPY, all other factors remaining constant at 31 December 2011, would have a negative impact on equity of around 5,283 thousand Euros (5,395 thousand Euros in 2010), if the Company had not contracted the above derivative financial instrument.

II) CREDIT RISK

REN's exposure to credit risk is not significant, since a substantial part of services rendered is recognised through amounts invoiced to electricity and natural gas distributors in regulated markets. In addition, in general, contracts with clients establish the giving of guarantees.

The Group's counterparty risk on bank deposits, financial applications, and contracting of derivative instruments is mitigated by the selection of top rate institutions with solid credit ratings and well known in the market.

III) LIQUIDITY RISK

REN's liquidity risk management is carried out through the dynamic and flexible management of commercial paper programs, as well as by negotiating credit limits that enable it, not only to ensure that the current treasury needs of the REN Group are met, but also provide some flexibility to enable the shocks outside its operations to be dealt with.

The following table shows the Group's liabilities by intervals to residual contracted maturity and includes derivative financial instruments the financial liquidation of the related flows of which is made at the net amount. The amounts shown in the table are non-discounted cash flows contracted.

	31 December 2011			
	Less than 1 year	**From 1 to 5 years**	**More than 5 years**	**Total**
Borrowings:				
Finance lease	1,128	721	-	1,849
Bank loans	62,940	312,973	508,057	883,970
Commercial paper	26,886	566,268	-	593,154
Bonds	77	1,087,905	96,327	1,184,309
Bank overdrafts	1,049	-	-	1,049
	92,080	**1,967,867**	**604,384**	**2,664,331**
Derivative financial instruments	1,553	1,060	-	2,613
Trade and other payables	332,949	16,890	-	349,839

	31 December 2010			
	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Borrowings:				
Finance lease	1,260	1,743	-	3,003
Bank loans	60,051	308,782	576,576	945,409
Commercial paper	269,143	228,280	-	497,423
Bonds	54,973	965,179	113,240	1,133,392
Bank overdrafts	36,727	-	-	36,727
	422,153	**1,503,984**	**689,816**	**2,615,953**
Derivative financial instruments	5,134	1,164	-	6,299
Trade and other payables	409,133	130,323	-	539,456

The following table shows the derivative financial instruments, financial settlement of which is made at gross amounts:

	31 December 2011			
	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Hedging derivative financial instruments				
Cross Currency Interest Rate Swap				
Outflows	4,180	16,686	96,327	117,193
Inflows	2,705	10,818	120,085	133,608

	31 December 2010			
	Less than 1 year	From 1 to 5 years	More than 5 years	Total
Hedging derivative financial instruments				
Cross Currency Interest Rate Swap				
Outflows	4,169	16,686	99,064	119,919
Inflows	2,494	9,977	113,240	125,711

IV) INTEREST RATE RISK

The risk relating to interest rate fluctuation has two major impacts on REN's financial statements: remuneration of the company's assets, in accordance with the tariff regulations; and interest on the borrowings.

Since a significant part of the REN Group's assets have a guaranteed return through the tariffs, definition of which depends in part on market rates of interest, its operating cash flows are significantly affected by changes in the market rates of interest. Increases in the market rates of interest generate substantial increases in cash flows and vice-versa.

In terms of financial liabilities, REN is exposed to interest rate risk, mainly due to borrowings.

Borrowing at variable interest rates exposes the REN Group to cash flow risk resulting from changes in interest rates. Borrowing at fixed rates exposes the REN Group to fair value risk, as a result of changes in interest rates.

The REN Group analyses its exposure to interest rate risk on a dynamic basis. The REN Group has five interest rate swaps (of which three in the amount of 150,000 thousand Euros were contracted in 2011) to hedge the risk of fluctuation of variable interest rates, one cross currency swap and two forward starting swaps starting in 2012.

A sensitivity analysis was made based on the REN Group's total debt less applications in funds and cash and cash equivalents as of 31 December 2011 and 2010, with the following assumptions:

- Changes in market interest rates affecting interest income and costs of variable financial instruments;
- Changes in market interest rates affecting only results or equity in relation to fixed interest rate financial instruments if they are recognized at fair value;
- Changes in market interest rates affecting the fair value of derivative financial instruments and other financial assets and liabilities;
- Changes in the fair value of derivative financial instruments and other financial assets and liabilities are estimated discounting future cash flows, using market rates at the end of the year.

Using these assumptions a 0.25% increase in market interest rates for all the currencies in which the Group has borrowings or derivative financial instruments at 31 December 2011 would result in a decrease of profit before tax of around 2,015 thousand Euros (1,4752 thousand Euros in 2010) and a decrease in equity (excluding results) of around 125 thousand Euros (increase of around 5,211 thousand Euros in 2010).

V) PRICE RISK

REN's exposure to price risk results essentially from its investment in REE and Enagás. A negative variation of 10% in the price of shares of REE and Enagás at 31 December 2011 would have a negative impact on equity of 7.9 million Euros (8.3 million Euros in 2010).

VI) REGULATED ACTIVITY RISK

Gains recognized by REN in each period result directly from the assumptions considered by the regulator, ERSE, in defining the regulated tariffs for the electricity and gas sectors.

4.2. CAPITAL RISK MANAGEMENT

The REN Group's objective relating to the management of capital, which is a broader concept than the capital disclosed on the face of the statement of financial position, is to maintain an optimal capital structure, through rational use of debt and maintenance of a solid credit rating to enable the cost of capital to be reduced.

The contracting of debt is analysed periodically considering the following aspects: i) the needs of investment in regulated assets; ii) the remuneration rates of regulated assets as determined in the tariff regulations in force, the dividend policy and the liquidity position.

REN also monitors its total capital based on the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as presented in the consolidated statement of financial position), adjusted by the amounts of cash and cash equivalents and exchange hedge derivatives. Total capital is calculated as equity (as presented in the consolidated statement of financial position) plus net debt.

MAIN ESTIMATES AND JUDGEMENTS

The estimates and assumptions with impact on REN's consolidated financial statements are continuously evaluated, representing at each reporting date the Board of Directors best estimates, considering historical performance, past accumulated experience and expectations about future events that, under the circumstances, are believed to be reasonable.

The intrinsic nature of these estimates may cause different impacts on financial statements from those previously estimated. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

SIGNIFICANT ACCOUNTING ESTIMATES

5.1. PROVISIONS

The REN Group periodically analyses the existence of possible liabilities resulting from past events that should be recognized or disclosed.

The subjectivity inherent to the determination of the probability and amount of the resources necessary to settle these liabilities may result in significant adjustments, due to variations in the assumptions used or because previously disclosed contingent liabilities may have to be recognised as provisions.

5.2. ACTUARIAL ESTIMATES

Determination of the liability for retirement pensions and healthcare plans requires the use of assumptions and estimates of a demographic and financial nature, which may significantly affect the liability calculated at each reporting date. The more sensitive assumptions refer to: the discount rates used to update the liability, the estimated return on assets and the mortality tables.

5.3. TANGIBLE AND INTANGIBLE ASSETS

Determination of the periods of useful life of the assets, as well as the amortization and depreciation method to be used are essential for determining the amount of amortization and depreciation to be recognized in the consolidated statement of profit and loss for each year.

These two parameters are defined in accordance with Management's best judgement for the assets and business.

5.4. IMPAIRMENT

The recognition of possible impairment loss may be identified by the occurrence of events, many outside the control of the REN Group, such as: Future availability of financing; the cost of capital; or maintenance of the current market regulatory structure, as well as other changes of the REN Group, both internal and external.

The identification of impairment indicators, the estimate of future cash flows and the determination of the fair value of assets imply a high degree of judgement by the Board of Directors, as regards the evaluation of impairment indicators, estimated cash flows, discount rates used, useful lives and residual values.

In REN's specific activities there are other factors to consider in impairment testing, since commitments to increase the network of infrastructures, changes in expected tariffs, or changes in the strategy of the shareholders of REN, which together with other factors can result in changes in the future cash flow trends and amounts.

SEGMENT REPORTING

6.1. PRIMARY REPORTING FORMAT – BUSINESS SEGMENTS

The REN Group is organised in two main business segments, Electricity and Gas and two secondary segments. The electricity segment includes the transmission of electricity in very high voltage, overall management of the public electricity system and management of the electricity purchasing contracts (CAE) not terminated at 30 June 2007. The gas segment includes high pressure gas transmission and overall management of the national natural gas supply system, as well as the operation of regasification at the LNG Terminal and the underground storage of natural gas.

Although the activities of the LNG Terminal and underground storage can be seen as separate from the transport of gas and overall management of the national natural gas supply system, since these operations provide services to a single user, which is also the main user of the high pressure gas transport system, it was considered that it is subject to the same risks and returns.

The other segments (telecommunications and management of the electricity derivative market for 2010 and income for the nine month period ended 30 September 2011, as from when it left the consolidation perimeter) are also presented separately although they do not qualify for disclosure.

The results by segment for the year ended 31 December 2011 were as follows:

	Electricity	Gas	Telecom.	Electricity market operator	Others	Group
Revenue from construction of concession assets	267,888	81,380	-	-	-	349,269
Total sales and services rendered	350,519	199,747	5,629	1,991	32,794	590,680
Inter-segment sales and services rendered	(1,060)	(26,491)	(726)	(84)	(31,498)	(59,859)
Sales and services rendered	349,459	173,256	4,903	1,907	1,296	530,821
Operating result by segment	200,082	110,748	3,702	(51)	(31,292)	283,189
Financial costs	(65,392)	(20,175)	(1)	(5)	(26,369)	(111,942)
Financial income	85	423	-	260	7,823	8,591
Profit before income tax						179,838
Income tax expense						(59,250)
Net profit for the year						**120,588**
Other expenses:						
Depreciation and amortization	(128,558)	(52,842)	(17)	(168)	(180)	(181,765)
Provisions	91	(45)	-	-	(15,280)	(15,234)

Results by segment for the year ended 31 December 2010 were as follows:

	Electricity	Gas	Telecom.	Electricity market operator	Others	Total
Revenue from construction of concession assets	293,859	126,625	-	-	-	420,483
Total sales and services rendered	606,629	177,416	6,562	3,635	33,939	828,181
Inter-segment sales and services rendered	(286,642)	(33)	(700)	(1,123)	(28,918)	(317,416)
Sales and services rendered	319,987	177,383	5,862	2,512	5,021	510,765
Operating profit by segment	166,953	102,024	4,334	(943)	(21,850)	250,519
Financial costs	(57,384)	(12,737)	(1)	(6)	(19,755)	(89,883)
Financial income	197	1,078	-	119	4,590	5,984
Profit before income tax						166,619
Income tax expense						(56,353)
Net profit for the period						**110,266**
Other expenses:						
Depreciation and amortization	(122,299)	(49,991)	(13)	(212)	(118)	(172,633)
Provisions	(304)	-	-	-	(12,470)	(12,774)

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

Assets and liabilities by segment at 31 December 2011 as well as capital expenditure for the year then ended were as follows:

	Electricity	Gas	Telecom.	Others	Total
Total assets	2,902,833	1,360,064	2,743	208,034	4,473,675
Liabilities	795,022	310,691	509	2,330,014	3,436,236
Capital expenditure - tangible assets	1	-	37	105	143
Capital expenditure - intangible assets	267,888	81,380	-	-	349,269
Capital expenditure - total	**267,889**	**81,380**	**0**	**105**	**349,412**

Assets and liabilities by segment at 31 December 2010 as well as capital expenditure for the year then ended were as follows:

	Electricity	Gas	Telecom.	Electricity Market Operator	Others	Total
Total assets	2,825,686	1,336,634	3,548	79,257	215,378	4,460,503
Total liabilities	843,265	358,815	472	75,471	2,160,579	3,438,602
Capital expenditure - tangible assets	4	-	-	367	339	710
Capital expenditure - intangible assets	293,856	148,473	-	-	-	442,330
Capital expenditure - total	**293,861**	**148,473**	**-**	**367**	**339**	**443,040**

Assets by segment consist primarily of assets of the concession, classified under the captions other intangible fixed assets and trade and other receivables. Liabilities by segment include operating liabilities, except for liabilities of the parent company and borrowings not contracted for the operating activities, included under the liability caption “Others”.

Capital expenditure comprises additions to tangible and intangible fixed assets (Note 7).

The majority of REN Group companies operate exclusively in one geographical area, Portugal.

TANGIBLE AND INTANGIBLE FIXED ASSETS

The changes in tangible and intangible fixed assets in the in the year ended 31 December 2011 were as follows:

CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS – 2011

	January 2011			Changes							December 2011		
Tangible Assets	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	OMIP exclusion - Total assets	Depreciation charge	Depreciation - disposals and write-offs	OMIP exclusion - Accumulated depreciation	Cost	Accumulated depreciation	Net book value
Transmission and electronic equipment	103	(58)	45	-	-	-	-	(13)	-	-	103	(71)	32
Transport equipment	677	(261)	416	132	(95)	72	(108)	(168)	71	17	678	(341)	336
Office equipment	3,534	(2,924)	610	12	-	(72)	(3,287)	(29)	-	2,886	187	(68)	119
Fixed assets in progress	130	-	130	-	-	-	(129)	-	-	-		-	
OMIP depreciation charge until the exclusion from consolidation perimeter	-	-	-	-	-	-	-	(168)	-	-	-	-	-
	4,443	**(3,243)**	**1,200**	**143**	**(95)**	**-**	**(3,524)**	**(379)**	**71**	**2,902**	**967**	**(480)**	**488**

	January 2011			Changes							December 2011		
Intangible Assets	Cost	Accumulated amortization	Net book value	Additions (Note 6)	Disposals and write-offs	Transfers	OMIP exclusion - Total assets	Amortization charge	Amortization - disposals and write-offs	OMIP exclusion - Accumulated depreciation	Cost	Accumulated amortization	Net book value
Concession Assets	5,821,735	(2,440,750)	3,380,985	975	(3,321)	425,491	-	(181,387)	2,744	-	6,244,879	(2,619,393)	3,625,486
Concession assets in progress	339,872	-	339,872	348,293	-	(425,491)	-	-	-	-	262,675	-	262,675
	6,161,607	**(2,440,750)**	**3,720,857**	**349,269**	**(3,321)**	**-**	**-**	**(181,387)**	**2,744**	**-**	**6,507,554**	**(2,619,393)**	**3,888,161**
Goodwill	**3,774**	-	**3,774**	-	-	-	-	-	-	-	**3,774**	-	**3,774**
Total tangible and intangible assets	**6,169,824**	**(2,443,993)**	**3,725,831**	**349,412**	**(3,416)**	**-**	**(3,524)**	**(181,765)**	**2,815**	**2,902**	**6,512,296**	**(2,619,873)**	**3,892,423**

The changes in tangible and intangible fixed assets in the in the year ended 31 December 2010 were as follows:

CHANGES IN TANGIBLE AND INTANGIBLE FIXED ASSETS – 2010

	January 2010			Changes					December 2010		
Tangible Assets	Cost	Accumulated depreciation	Net book value	Additions	Disposals and write-offs	Transfers	Depreciation charge	Depreciation - disposals and write-offs	Cost	Accumulated depreciation	Net book value
Transmission and electronic equipment	103	(45)	58	-	-	-	(13)	-	103	(58)	45
Transport equipment	500	(218)	282	280	(103)	-	(143)	100	677	(261)	416
Office equipment	3,111	(2,725)	386	218	(36)	241	(200)	1	3,534	(2,924)	611
Fixed assets in progress	159	-	159	212	-	(241)	-	-	130	-	130
	3,873	**(2,988)**	**885**	**710**	**(139)**	**-**	**(355)**	**101**	**4,444**	**(3,243)**	**1,201**

	January 2010			Changes					December 2010		
Intangible Assets	Cost	Accumulated amortization	Net book value	Additions (Note 6)	Disposals and write-offs	Transfers	Amortization charge	Amortization - disposals and write-offs	Cost	Accumulated amortization	Net book value
Concession Assets	5,414,778	(2,272,589)	3,142,189	30,188	(4,304)	381,073	(172,278)	4,117	5,821,735	(2,440,750)	3,380,985
Concession assets in progress	308,803	-	308,803	412,142	-	(381,073)	-	-	339,872	-	339,872
	5,723,581	**(2,272,589)**	**3,450,992**	**442,330**	**(4,304)**	**-**	**(172,278)**	**4,117**	**6,161,608**	**(2,440,750)**	**3,720,858**
Goodwill	**3,774**	**-**	**3,774**	**-**	**-**	**-**	**-**	**-**	**3,774**	**-**	**3,774**
Total tangible and intangible assets	**5,731,228**	**(2,275,577)**	**3,455,651**	**443,041**	**(4,443)**	**-**	**(172,633)**	**4,218**	**6,169,825**	**(2,443,993)**	**3,725,833**

The additions in the year ended 31 December 2011 refer essentially to rights underlying the operation of the substations of the National Transmission Network in the electricity segment, the right underlying the operation of the construction project of the 3rd tank of the Sines Terminal, which is expected to be completed in 2012.

The increase in other intangible assets, which corresponds to income from the construction of conceded assets comparing to the year ended 31 December 2010 to the year ended 31 December 2011, corresponds essentially realization of the Group's investment plan in conceded assets.

Financial costs capitalized in fixed assets in progress in 2011 amounted to 18,820 thousand Euros (12,821 thousand Euros in 2010), while overhead and management costs amounted to 13,554 thousand Euros (13,113 thousand Euros in 2010).

The net book value of the assets acquired through finance lease contracts at 31 December 2011 was as follows:

	2011	2010
Cost	6,590	5,846
Accumulated depreciation and amortization	(4,720)	(2,616)
Net book value	**1,870**	**3,230**

GOODWILL

Goodwill represents the difference between the amount paid for the acquisition and equity of REN Atlântico, S.A. as of the date of acquisition under the natural gas business unbundling process.

IMPAIRMENT TEST OF GOODWILL

REN made an impairment test of goodwill at 31 December 2011 in terms of the cash generating unit to which REN Atlântico belongs. The business of REN Atlântico is subject to a concession contract and regulated tariffs so that the recoverable amount was determined based on value-in-use calculations. The cash flow projections considered the expected regulatory terms in place for the remaining term of the concession, the most significant assumption in determining it being the rate of remuneration of the regulated assets. The cash flow was discounted considering an average market pre-tax interest rate, adjusted for the natural gas regasification activities risk, of 8% (post-tax discount rate of 4.99%, 5.68% in 2010).

The recoverable amount calculated was 95,317 thousand Euros (59,505 thousand Euros at 31 December 2010), which enables the net amount of the fixed asset plus goodwill of 3 774 thousand Euros to be recovered.

INVESTMENT IN ASSOCIATES AND CHANGES IN CONSOLIDATION PERIMETER

Under the process to create the Sole Operator of the Iberian Electricity Market (OMI) and in conformity with the what was established in the Agreement between the Republic of Portugal and the Kingdom of Spain regarding the foundation of an electric energy Iberian market, in October and December 2011 REN sold, for 9,153 thousand Euros, 55% of the capital of OMIP, Operador do Mercado Ibérico (Portugal), SGPS, S.A. through the transmission of lots of shares representing 5% of the capital of the company, becoming holder of 35% of the capital of the company, totalling 8,717 thousand Euros at 31 December 2011. Supplementary capital contributions of 4,545 thousand Euros were also sold in the transaction.

As a result of this transaction the Group lost control of the subsidiary. The consolidated statement of profit and loss includes income and expenses of the entity computed on a full consolidation basis up to the date of loss of control.

CHANGES OF THE CONSOLIDATION PERIMETER

The effect on the consolidation of the exclusion of the participation of OMIP was as follows:

	01.01.2011	30.09.2011
Assets (Note 14)	80,358	106,363
Liabilities (Note 14)	75,472	101,193
Equity-Non-controlling interest	505	517
Net profit for the year	(933)	157
Income-Non-controlling interest	1	12

The most significant change corresponds to the effect of the exclusion from Assets and Liabilities of guarantee deposits of 100,053 thousand Euros in September 2011 and 74,234 thousand Euros in December 2010 (Note 14).

The effect of the sale of the participation in OMIP SGPS, which after the loss of control started being recorded at fair value, resulted recognition of the 35% fair value participation in the amount of 8,717 thousand Euros. The result obtained from the sale of 55% of the participation for 13,698 thousand Euros and the recording of the fair value of the 35% participation for 8,717 thousand Euros resulted in a gain, reflected in the Group's consolidated statement of profit and loss, of 10,326 thousand Euros.

DEFERRED TAX ASSETS AND LIABILITIES

The effect of the changes in the deferred tax captions in the years presented was as follows:

	2011	2010
Impact on the statement of profit and loss (Note 29):		
Deferred tax assets	835	22,516
Deferred tax liabilities	4,055	13,669
	4,890	36,184
Impacton equity:		
Deferred tax assets	1,701	(279)
Deferred tax liabilities	462	(3,634)
	2,163	(3,913)
Net impact of deferred tax	**7,053**	**32,271**

The changes in deferred tax by nature was as follows:

CHANGE IN DEFERRED TAX ASSETS – DECEMBER 2011

	Provisions	Loss carried forward	Pensions	Derivative financial instruments	Tariff deviations	Others	Total
At 1 January 2011	**1,337**	**1,244**	**19,149**	**1,525**	**36,602**	**945**	**60,802**
Year ended 31 December							
Increase/decrease through equity	-	-	(1,665)	3,362	-	3	1,701
Increase through profit and loss	1,059	-	359	-	8,369	2	9,789
Reversal through profit and loss	(8)	(1,051)	(1,862)	(504)	(5,470)	(58)	(8,954)
Exclusion of OMIP from the consolidation (Note 8)	-	(192)	-	-	(88)	-	(281)
Change in the year	**1,051**	**(1,244)**	**(3,167)**	**2,858**	**2,810**	**(53)**	**2,255**
At 31 December 2011	**2,388**	**-**	**15,982**	**4,383**	**39,412**	**892**	**63,057**

CHANGE IN DEFERRED TAX ASSETS – DECEMBER 2010

	Provisions	Tax losses	Pensions	Derivative financial instruments	Available-for-sale financial assets	Tariff deviations	Others	Total
At 1 January 2010	**1,403**	**1,051**	**18,509**	**-**	**496**	**14,243**	**1,926**	**37,627**
Year ended 31 December								
Increase/decrease through equity	-	-	1,291	928	(496)	-	(2,002)	(279)
Increase through profit and loss	196	193	-	597	-	22,359	83	23,428
Reversal through profit and loss	(261)	-	(651)	-	-	-	-	(912)
Change in the year	**(65)**	**193**	**640**	**1,525**	**(496)**	**22,359**	**(1,919)**	**22,237**
Deferred taxes related to CMLB and Braga Tuy	-	-	-	-	-	-	938	938
At 31 December 2010	**1,337**	**1,244**	**19,149**	**1,525**	**-**	**36,602**	**945**	**60,802**

Deferred tax assets at 31 December 2011 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 – DECEMBER 2011

	Tariff deviations	Revaluation	Derivative financial instruments	Total
At 1 January 2011	**36,089**	**34,359**	**1,103**	**71,551**
Year ended 31 December 2011				
Increase/decrease through equity	-	-	(462)	(462)
Increase through profit and loss	20,844	276	-	21,120
Reversal through profit and loss	(22,430)	(2,104)	(642)	(25,176)
Exclusion of OMIP from the consolidation (Note 8)	(158)	-	-	(158)
Changes in the year	**(1,745)**	**(1,828)**	**(1,103)**	**(4,676)**
At 31 December 2010	**34,345**	**32,531**	**-**	**66,875**

EVOLUTION OF DEFERRED TAX LIABILITIES– DECEMBER 2010

	Tariff deviations	Revaluation	Derivative financial instruments	Total
At 1 January 2010	**47,973**	**33,613**	**-**	**81,586**
Year ended 31 December 2010				
Increase/decrease through equity	-	3,172	462	3,634
Increase through profit and loss	-	-	642	642
Reversal through profit and loss	(11,884)	(2,426)	-	(14,310)
Changes in the year	**(11,884)**	**746**	**1,103**	**(10,035)**
At 31 December 2010	**36,089**	**34,359**	**1,103**	**71,551**

Deferred tax liabilities relating to revaluations result from revaluations made in preceding years under legislation. The effect of these deferred taxes reflects the non tax deductibility of 40% of future depreciation of the revaluations.

The calculation of tax for the period was updated in accordance with Law 64-B/2011 of 31 December, that introduced a State surcharge corresponding to the application of an additional 3% on taxable profit from 1,500 thousand Euros to 10,000 thousand Euros and 5% on taxable profit in excess of 10,000 thousand Euros. These rates apply to taxable profit for the two taxable periods starting on or after January 2012.

Consequently, the tax rate used to value the temporary taxable and deductible differences at 31 December 2011 was updated for the companies included in the consolidation using the average rate considering the estimated future profit of the companies recoverable in the next two years (29% in 2010).

FINANCIAL ASSETS AND LIABILITIES CLASSIFIED IN ACCORDANCE WITH IAS 39

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

2011	Notes	Credits and receivables	Derivative financial instruments	Available-for-sale financial	Other financial assets/liabilities	Total
Assets						
Cash and cash equivalents	16	69,407	-	-	-	69,407
Guarantee deposits received	14	-	-	-	-	-
Trade and other receivables	12	306,870	-	-	-	306,870
Other investments	15	-	-	-	5,667	5,667
Available-for-sale financial assets	11	-	-	82,051	-	82,051
Income tax receivable	29	14,015	-	-	-	14,015
Derivative financial instruments		-	1,553	-	-	1,553
Total financial assets		**390,292**	**1,553**	**82,051**	**5,667**	**479,563**
Liabilities						
Borrowings	19	-	-	-	2,407,619	2,407,619
Guarantee deposits payable	14	-	-	-	-	0
Trade and other payables	22	-	-	-	496,093	496,093
Income tax payable	29	-	-	-	520	520
Derivative financial instruments	15	-	-	-	-	0
Total financial liabilities		**-**	**-**	**-**	**2,903,712**	**2,904,232**

2010	Notes	Credits and receivables	Derivative financial instruments	Available-for-sale financial	Other financial assets/liabilities	Total
Assets						
Cash and cash equivalents	16	138,598	-	-	-	138,598
Guarantee deposits received	14	74,234	-	-	-	74,234
Trade and other receivables	12	342,301	-	-	-	342,301
Other investments	15	-	-	-	7,119	7,119
Available-for-sale financial assets	11	-	-	84,301	-	84,301
Income tax receivable	29	361	-	-	-	361
Derivative financial instruments		-	22,911	-	-	22,911
Total financial assets		**555,494**	**22,911**	**84,301**	**7,119**	**669,824**
Liabilities						
Borrowings	19	-	-	-	2,257,784	2,257,784
Guarantee deposits payable	14	-	-	-	74,234	74,234
Trade and other payables	22	-	-	-	539,455	539,455
Income tax payable	29	-	-	-	59,925	59,925
Derivative financial instruments	15	-	7,250	-	-	7,250
Total financial liabilities		**-**	**7,250**	**-**	**2,871,473**	**2,938,648**

The caption “Other investments” corresponds to the Company’s investment in the closed fund “Luso Carbon Fund” with a maturity of 10 years.

ESTIMATED FAIR VALUE – ASSETS MEASURED AT FAIR VALUE

The following table presents the Group's assets and liabilities measured at fair value at 31 December 2011 in accordance with the following levels of fair value seniority:

Level 1: the fair value of financial instruments is based on net liquid market prices as of the date of the balance sheet;

Level 2: the fair value of financial instruments is not based on active market prices but rather on valuation models. The main inputs of the models used are taken from the market, the discount rate intervals used for the Euro curve being around 1% to 3.6% (maturities of 3 months to 15 years) and the Yen curve being around 0.19% to 1.6% (maturities of 3 months to 15 years); and

Level 3: the fair value of financial instruments is not based on active market prices, but rather on valuation models, for which the main inputs are not taken from the market.

Description		Level 1	Level 2	Level3	Total
Assets:					
Available-for-sale financial assets	Shares	82,051			82,051
Financial assets at fair value	Hedging derivatives		26,696		26,696
Financial assets at fair value recorded in income	Negotiable derivatives	1,144			1,144
Liabilities					
Financial liabilities at fair value recorded in reserves	Hedging derivatives		14,880		14,880
Financial liabilities at fair value recorded in income	Negotiable derivatives	1,095			1,095
		82,100	11,817		93,916

QUALITY OF FINANCIAL ASSETS

The credit quality of the financial assets that have not yet matured or are impaired can be valued by reference to external credit ratings based on Standard & Poor's or historical information about the entities to which they refer:

	2011	2010
Trade and other receivales		
A-	-	85,269
BBB	91,455	-
Others without rating	215,414	257,031
Total trade and other receivables	**306,870**	**342,300**
Cash and cash equivalents		
AAA a AA-	1,328	994
A+ a A-	60	136,865
BBB+ a BBB-	30,340	668
BB+ a B-	37,669	-
Without rating	9	71
Total cash and cash equivalents	**69,407**	**138,598**

Trade and other receivables refer mainly to regulated electricity and gas services rendered. The main transactions are carried out with authorised distributors in each of the businesses, such as EDP, GALP and some European distributors.

Overdue credits or with impairment at 31 December 2011 are as follows:

i) Trade and other receivables include 822 thousand Euros (Note 3.11) which have been adjusted for impairment, for which there is pending litigation in process;
ii) There are some fairly old receivables relating to transactions with EDP group companies, for which the credit risk is considered as nil.
iii) 2,650 thousand Euros (Note 12) to cover the amount of interest on the tariff deficit not received in April 2008.

ASSETS AVAILABLE FOR SALE

The assets recognized in this caption at 31 December 2011 and 2010 correspond to equity instruments held in strategic market entities in the Spanish electricity market, as follows:

	% owned	Entity	2011	2010
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	10.00%	OMIP SGPS	-	1,033
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	10.00%	REN, SGPS	3,167	-
Red Electrica Corporacion,S.A. ("REE")	1.00%	REN, SGPS	44,760	47,651
Enagás, S.A.	1.00%	REN, SGPS	34,125	35,617
Total			**82,051**	**84,301**

The changes in this caption in 2011 and 2010 were as follows:

	OMEL	REE	ENAGAS	Total
At 1 January 2010	1,033	52,551	36,835	90,419
Acquisitions	-	-	-	-
Fair value adjustments	-	(4,900)	(1,218)	(6,118)
At 31 December 2010	**1,033**	**47,651**	**35,617**	**84,301**
At 1 January 2011	1,033	47,651	35,617	84,301
Exit of OMIP from consolidation	(1,033)	-	-	(1,033)
Acquisitions	3,167	-	-	3,167
Fair value adjustments	-	(2,891)	(1,493)	(4,383)
At 31 December 2011	**3,167**	**44,760**	**34,125**	**82,051**

The participations of REN in Enagás are recorded at fair value determined based on stock exchange closing quotations of financial participations at 31 December 2011.

Red Eléctrica de España (“REE”) is the Spanish entity responsible for managing the electricity network in Spain. REN, SGPS acquired a 1% participation in REE as part of an agreement between the Portuguese and Spanish Governments. REE is listed on the Madrid stock exchange and is included in the “IBEX 35” index and the investment was recorded at the statement of financial position date in accordance with the 31 December 2011 listed price, which resulted in the recognition of a fair value loss of 2,891 thousand Euros.

ENAGÁS is the entity responsible for the transport and management of the natural gas system in Spain. REN, SGPS acquired a 1% participation in Enagás as part of a strategic partnership agreement. Enagás is listed on the Madrid stock exchange and is included in the "IBEX 35" index and the investment was recorded at the statement of financial position date at the 31 December 2011 listed price, which resulted in the recognition of a loss of 1,493 thousand Euros.

The adjustments to fair value of available-for-sale financial assets are recognised in the equity caption "Fair value reserve":

Fair value adjustment:	2011
Change in fair value	(4,383)

In the year ended 31 December 2011 REE and Enagás distributed dividends of 2,538 and 2,001 thousand Euros (2,001 and 1,789 thousand Euros in 2010), respectively. These amounts were recognized in the statement of profit and loss caption "Financial income".

TRADE AND OTHER RECEIVABLES

Trade and other receivables at 31 December 2011 and 2010 are made up as follows:

TRADE AND OTHER RECEIVABLES

	2011			2010		
	current	Non current	Total	Current	Non current	Total
Trade receivables (i)	198,448	155	198,603	212,696	65	212,760
Trade receivables impairment	(822)		(822)	(844)	-	(844)
Trade receivables net	**197,626**	**155**	**197,781**	**211,852**	**65**	**211,916**
Tariff deviations	31,694	79,924	111,618	58,066	66,441	124,507
Adjustments to receivables	(2,650)	-	(2,650)	-	-	-
State and other public entities	120	-	120	5,878	-	5,878
Trade and other receivables	**226,791**	**80,079**	**306,870**	**275,796**	**66,505**	**342,301**

(i) The most significant amounts in trade receivables are the receivable from EDP – Distribuição de Energia, SA in the amount of 85,717 thousand Euros (79,344 thousand Euros in 2010) and Galp in the amount of 19,701 thousand Euros (11,437 thousand Euros at 31 December 2010).

An impairment of 2,650 thousand Euros on accounts receivable was recognized at 31 December 2011, corresponding to half of the interest recorded on the tariff deficit not received in April 2008.

On 18 July 2011 Decree-Law 87/2011 was published, which formalized the treatment of tariff variations of the gas segment making it equivalent to that of electricity variations in accordance with Decree-Law 237B/2006.

The ageing of trade receivables, net of impairment, is as follows:

Ageing of receivables	2011	2010
30 days or less	195,475	188,883
31-60 days	316	15,844
61-90 days	118	85
91-120 days	78	52
More than 120 days	2,616	7,896
	198,603	212,760

INVENTORIES

Inventories at 31 December 2011 and 2010 are made up as follows:

	2011	2010
Goods	3	93
Other materials	3,625	3,954
Inventories	**3,628**	**4,047**

GUARANTEE DEPOSITS

Up to 2010 guarantee deposits referred to deposits given by participants in the electricity derivatives market, monitored by the group company OMIclear, which was excluded from the consolidation perimeter in 2011.

These deposits are considered as restricted cash, that is OMIclear receives cash deposits from participants in guarantee of compliance with futures contracts, which are deposited in a separate bank account in name of the company. However, use of these deposits is restricted and can only be used when a participant in a futures contract does not comply with the contract, OMIclear being obliged to

assume that position with the other counterparty. Restricted deposits are recorded as assets as well as the liability to the participant. These deposits are repaid when the participant stops negotiating futures contracts with MIBEL.

The amounts recognized in the statement of financial position as of 31 December 2011 and 2010 are as follows:

	2011 (a)	2010
Current assets:		
Deposits in guarantee of participants (Note 8)	-	74,234
Current liabilities:		
Amounts owing to participants (Note 8)	-	(74,234)

Zero balances due to the exclusion of OMIP SGPS from the consolidation perimeter (shareholder of OMIP and OMIclear).

DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2011 and 2010 the REN Group had the following derivative financial instruments contracted:

	31 December 2011				
		Assets (Eur)		Liabilities (Eur)	
Derivatives designated as cash flow hedges	Notional	Current	Non current	Current	Non current
Interest rate swaps	334.000.000 EUR	-	-	640	3,585
Interest rate swaps	200.000.000 EUR	-	-	-	10,654
Interest rate and currency swaps	10.000.000.000 JPY	-	26,696	-	-
		-	26,696	640	14,239
Trading derivatives		1,144	-	1,095	-
Total derivatives designated as cash flow hedges		**1,144**	**26,696**	**1,735**	**14,239**

	31 December 2010				
		Assets (Eur)		Liabilities (Eur)	
Derivatives designated as cash flow hedges	Notional	Current	Non current	Current	Non current
Interest rate swaps	384.000.000 EUR	-	-	2,803	2,875
Interest rate swaps	200.000.000 EUR	-	1,553	-	-
Interest rate and currency swaps	10.000.000.000 JPY	-	19,146	-	-
		-	20,699	2,803	2,875
Trading derivatives		2,212	-	1,572	-
Total derivatives designated as cash flow hedges		**2,212**	**20,699**	**4,376**	**2,875**

The amount recorded in this caption relates to five interest rate swaps, one cross currency swap and two forward start interest rate swap contracts, that were contracted by REN SGPS to hedge the risk of fluctuation of future interest and exchange rates.

The amounts include interest receivable and payable relating to financial instruments of 2,614 thousand Euros payable net at 31 December 2011.

The features of the swaps contracted at 31 December 2011 and 2010 are as follows:

Reference value	Payment periods	Receipt/payment	Maturity date	Fair value at 31.12.2011	Fair value at 31.12.2010
Interest rate *swaps*:					
50 000 mEuros	Interest counting period: payable: 5 February, May August and November – interest settled quarterly; receivable: 5 February, May, August and November – interest settled quarterly.	REN receives Euribor 3M and pays 2.19%	May 2012	(197)	(781)
134 000 mEuros	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 2.28%	June 2012	(443)	(2,094)
50 000 mEuros	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	(1,224)	-
50 000 mEuros	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	(1,209)	-
50 000 mEuros	Interest payment periods: payable: 12 Jan and Jul – interest settled semesterly; receivable: 12 Jan and Jul – interest settled semesterly.	REN receives Euribor 6M and pays 2.15%	July 2014	(1,152)	-
334 000 mEuros					
200 000 mEuro	Interest counting periods: payable: 16 April – Interest settled yearly; receivable: 16th of each month - interest settled monthly	REN receives Euribor 1M and pays 1.681%	April 2011	-	(2,803)
				(4,225)	**(5,678)**
***Forward-start swaps*:**					
100 000 mEuros	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 2.72%	December 2016	(5,211)	847
100 000 mEuros	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 2.77%	December 2016	(5,443)	706
200 000 mEuros				**(10,654)**	**1,553**
***Cross-currency swap*:**					
10 000 000 000 JPY 72 899 mEuros	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	26,696	19,146
10 000 000 000 JPY				**26,696**	**19,146**
			Total	**11,817**	**15,021**

SWAPS:

CASH FLOW HEDGES

The Group hedges part of the future payments of interest on borrowings, bonds issued and commercial paper through the designation of interest rate swaps in which it pays a fixed rate and receives a variable rate, with a notional value of 334 000 thousand Euros (384 000 Euros in December 2010). This is an interest rate risk hedge on interest payable at variable rates on recognized financial liabilities. The risk hedged is the indexer 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, the credit risk not being covered. The fair value of the interest rate swaps at 31 December 2011 was 4,225 thousand Euros negative (5,678 thousand Euros negative at 31 December 2010).

The Group has two interest rate forward start swaps starting in 2012 with the objective of hedging the risk of interest rate fluctuation on the Group's recurring debt. The instruments have a notional value of 200,000 thousand Euros, REN paying a fixed rate and receiving a variable rate. The risk hedged is the indexer of the variable rate which is related to loan interest coupons. The objective of the hedge is to transform the borrowings at a variable interest rate into a fixed interest rate, the credit risk not being covered. The fair value of the interest rate swaps at 31 December 2011 was 10,654 thousand Euros negative (1,553 thousand Euros positive at 31 December 2010).

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

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

The fair value of the cross currency swap at 31 December 2011 was 26,696 thousand Euros positive (19,146 thousand Euros positive at 31 December 2010). The underlying (loan) exchange variation in 2011, in the amount of approximately 7,762 thousand Euros, was offset by a similar variation in the hedging instrument in the statement of profit and loss for the year.

The amount recorded in reserves relating to the above mentioned cash flow hedges was 14,793 thousand Euros (1,607 thousand Euros at 31 December 2010).

The changes in this caption in 2011 and 2010 were as follows:

	Fair value	Deferred taxes impact	Hedging reserves
1 January 2010	(7,556)	2,002	(5,554)
Changes in fair value	5,949	(1,537)	4,412
31 December 2010	**(1,607)**	**466**	**(1,142)**
1 January 2011	(1,607)	466	(1,142)
Changes in fair value	(13,185)	3,824	(9,362)
31 December 2011	**(14,793)**	**4,290**	**(10,503)**

FAIR VALUE HEDGE

In February 2009 the Group contracted an interest rate swap to hedge the fair value of an issue of 300,000 thousand Euros. The hedge was discontinued in November 2009, and on this date the hedged instrument had a fair value adjustment resulting from the hedge of 677 thousand Euros. This amount will be 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 energy market, coal and CO2 emission licences, through contracts standardized by 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 for account 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.

This contracting of financial derivatives in the futures market does not require any physical settlement of the underlying assets, being an activity of a purely financial nature and the mere financial management of assets, not being confused with the regulated activity of the Commercial Agent.

The fair value of the futures energy contracts and CO2 licences at 31 December 2011 and 2010 was as follows:

	Current assets	Current liabilities
Financial contracts in the energy market for 2012	570	-
Financial contracts in the energy market for 2013	392	-
CO2 licences	-	1,095
Carbon financial contracts for 2012	182	-
Fair vale at 31 December 2011	**1,144**	**1,095**

	Current assets	Current liabilities
Financial contracts in the energy market for 2011	1,941	-
CO2 licences	271	-
Carbon financial contracts	-	1,572
Fair vale at 31 December 2010	**2,212**	**1,572**

The change in fair value of trading derivatives that were recognized in profit and loss, together with the change in fair value of the assets or liabilities attributable to the risk hedged were 592 thousand Euros negative at 31 December 2011 (640 thousand Euros positive at 31 December 2010).

CASH AND CASH EQUIVALENTS

The caption “Cash and cash equivalents” at 31 December 2011 and 2010 was made as follows:

	2011	2010
Cash	-	10
Bank deposits	69,407	138,588
	69,407	**138,598**

The effective interest rates on short term bank deposits are indicated in Note 19.

The amounts considered as cash and cash equivalents in the consolidated statements of cash flows for the years ended 31 December 2011 and 2010 are made up as follows:

	2011	2010
Cash	-	10
Bank overdrafts (Note 19)	(1,049)	(36,727)
Bank deposits	69,407	138,588
Cash and cash equivalents	68,358	101,871

CAPITAL

REN's subscribed and paid up share capital at 31 December 2011 was made up of 534,000,000 shares of 1 euro each.

	Number of shares	Proportion	Amount
Own shares	3 881 374	0.7268%	(10,728)

At 31 December 2011 and 2010 REN SGPS had the following own shares:

	Number of shares	Proportion	Amount
Own shares	3,881,374	0.7268%	(10,728)

No own shares were acquired or sold in the years ended 31 December 2011 and 2010.

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 legal reserve has not yet reached the full amount required in accordance with the Commercial Company Code (20% of capital), and so a minimum of 5% of net profit must be transferred to that reserve. The reserve can only be used to cover losses or to increase capital.

BORROWINGS

The segregation of borrowings between current and non-current and by nature, at 31 December 2011 and 2010 was as follows:

	2011			2010		
	Current	Non current	Total	Current	Non current	Total
Commercial Paper	-	555,000	555,000	260,000	227,000	487,000
Bonds	-	1,100,123	1,100,123	-	942,039	942,039
Bank Borrowings	41,173	698,208	739,381	40,828	739,381	780,209
Bank overdrafts (Note 16)	1,049	-	1,049	36,727	-	36,727
Finance Lease	1,088	702	1,790	1,260	1,743	3,003
	43,310	2,354,032	2,397,342	338,814	1,910,162	2,248,976
Accrued interest	14,831	-	14,831	12,098	488	12,586
Prepaid interest	(4,554)	-	(4,554)	(3,778)	-	(3,778)
	53,587	**2,354,032**	**2,407,619**	**347,134**	**1,910,650**	**2,257,784**

At 31 December 2011 REN had ten active commercial paper programs amounting to 1,200,000 thousand Euros, having used 555,000 thousand Euros. Extension of the terms of all the commercial paper programs resulted in classification of the full amount of the liability as non-current. At 31 December 2011 the amount of bank loans was around 739,381 thousand Euros.

In 2011 REN issued bonds totaling 150,000 thousand Euros, which mature in July and October 2014.

The REN Group's financial liabilities have the following main types of covenant: Cross default, Pari Passu, Negative Pledge, Gearing (ratio of total consolidated equity to the amount of the Group's total conceded assets). The borrowings from EIB – European Investment Bank include covenants relating to change in shareholder control and covenants relating to rating: (i) in the event of change in shareholder control, if EIB makes a negative assessment of its credit position motivated by the new shareholder Group, it can be required to provide a guarantee acceptable to EIB; (ii) in the event of ratings below the levels specified, the Group can also be called to provide a guarantee acceptable to EIB.

At the end of 2011, REN also had the following credit lines negotiated and not used:

	2011	2010
Variable interest rates		
Short term	120,000	120,000
	120,000	120,000

The credit lines maturing in up to 1 year are automatically renewable periodically (if they are not rescinded in the contractually specified period for that purpose) or by agreement between the parties prior to their maturity.

BORROWINGS

The exposure of the Group's borrowings to changes in interest rates on the contractual re-pricing dates is as follows:

	2011	2010
6 months or less	805,997	774,045
6 - 12 months	250,000	-
1 - 5 years	1,134,000	1,253,139
Over 5 years	177,283	182,063
	2,367,280	**2,209,247**

The effective interest rates on the statement of financial position dates were as follows:

	2011	2010
Bank deposits	3.90%	1.31%
Borrowings and Commercial	4.72%	3.99%

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

	Book value		Fair value	
	2011	2010	2011	2010
Commercial Paper	555,000	487,000	544,282	487,101
Bank loans	739,381	780,209	772,085	778,345
Bonds	1,100,123	942,039	1,227,784	1,047,257
Bank overdrafts	1,049	36,727	1,049	36,727
	2,395,553	2,245,974	2,545,200	2,349,430

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

LIABILITY FOR RETIREMENT BENEFITS AND OTHERS

As explained in Note 3.17 REN – Rede Eléctrica Nacional, S.A. grants supplementary retirement and survivor pensions (hereinafter referred to as pension plan), provides its retirees and pensioners with a health care plan on a similar basis to that of its serving personnel, and grants other benefits such as long service bonuses, retirement bonuses and a death grant (referred to as "other benefits" in Note 20.2). The gas sector companies also grant their employees life assurance plans. There were no changes in relation to 31 December 2010 in the benefits granted to the employees.

At 31 December 2011 and 2010 the Group had the following amounts recorded relating to liabilities for retirement and other benefits:

Liability on the Balance Sheet	2011	2010	2009	2008	2007
Pension plan	25,416	33,966	40,327	18,103	(7)
Healthcare plan and other benefits	29,586	31,959	29,438	27,025	27,963
Life assurance plan	108	106	81	70	60
	55,110	**66,031**	**69,846**	**45,198**	**28,016**

Charges to the statement of profit and loss	2011	2010	2009	2008	2007
Pension plan	2,163	2,830	4,138	1,554	392
Healthcare plan and other benefits	2,045	2,040	2,211	2,160	2,138
Life assurance plan	14	14	11	10	10
	4,222	**4,884**	**6,360**	**3,724**	**2,540**

The 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:

	2011	2010	2009	2008	2007	2006
Annual discount rate	5.00%	4.54%	5.17%	6.00%	5.40%	4.50%
Expected percentage of serving employees eligible for early retirement (more than 60 years of age)	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Expected percentage of serving employees eligible for early retirement (less than 60 years of age)	-	-	-	10.00%	-	-
In 2009	-	-	45.00%	-	-	-
In 2010	-	-	45.00%	0.00%	0.00%	0.00%
In 2011	-	45.00%	0.00%	0.00%	0.00%	0.00%
In subsquent years	5.00%	5.00%	5.00%	0.00%	0.00%	0.00%
Annual salary growth rate	2.80%	1.30%	3.30%	3.30%	3.30%	3.30%
Annual pension growth rate	2.00%	1.00%	2.25%	2.25%	2.25%	2.25%
Annual growth rate of Social security pensions	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Inflation rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Annual growth rate of health costs	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Management costs (per employee/year)	200 €	175 €	150 €	150 €	150 €	233 €
Growth rate of the management costs	2.20%	2.20%	2.70%	2.70%	2.70%	2.70%
Rate of return on assets	5,80%	5.32%	5.45%	5.99%	5.80%	5.37%
Mortality table	TV 88/90	TV 88/90	TV 88/90	TV 88/90	TV 88/90	TV 88/90

In 2011 the annual discount rate used increased from 4.54% to 5% as it was considered to be more adequate considering the duration of the liabilities of the various plans and in accordance with the recommendations of IAS 39 considering the variations in the rates of bonds in 2011.

If a discount rate of 5.25% were used for the calculation of the REN Group's liability as of the date of the statement of financial position, the liability of the pension plan would be 1,143 thousand Euros less and the liability of the healthcare plan would be 1,006 thousand Euros less.

20.1 – PENSION PLAN

To cover its liability for supplementary retirement pensions, REN contributes to an autonomous pension fund, to which it has transferred all the liability and the necessary contributions to cover its costs, as they fall due in each year.

In 2011 the subsidiary REN – Rede Eléctrica Nacional, S.A. made contributions totalling 2,300 thousand Euros to the REN Pension Fund.

The assets of the REN Pension Fund at 31 December 2011 and 2010 were as follows, in accordance with information provided by the managing entity:

	2011	2010	2009	2008
Bonds	26,104	29,163	26,560	23,846
Shares	8,070	10,040	11,815	8,706
Investment funds	5,270	6,100	2,110	2,271
Term deposits	-	-	4,489	3,028
Readily available deposits	2,936	245	-	-
Operations to be settled	(42)	(1,384)	-	-
Total	**42,338**	**44,163**	**44,974**	**37,851**

Up to 2007 the Pension Fund was included in a fund shared with EDP.

The expected rate of return of the plan's assets for 2011 was determined based on an estimate of the expected long term return of the fund's assets and the planned investment strategy.

Evolution of the assets of the Pension Fund in 2011 and 2010 was as follows:

	2011	2010	2009	2008	2007
At 1 January	**44,163**	**44,974**	**37,851**	**42,570**	**41,707**
Contributions to the Fund	2300	-	4,538	2,038	2,118
Actuarial gain / (loss)	(4,649)	(1,468)	2,003	(7,586)	(1,904)
Benefits paid	(1,778)	(1,750)	(1,636)	(1,595)	(1,550)
Expected return on plan assets	2,302	2,407	2,218	2,424	2,199
At 31 December	**42,338**	**44,163**	**44,974**	**37,851**	**42,570**

Employees that fulfil certain predefined conditions of age and length of service and opt to take early retirement, as well as those that agree with the Company to take pre-retirement are also included in the plans.

The liability and corresponding annual costs are determined by annual actuarial calculations, using the projected unit credit method, made by an independent actuary based on assumptions that reflect the demographic conditions of the population covered by the plan and the economic and financial conditions at the time of the calculations.

The amount of the liability recognized in the consolidated statement of financial position was determined as follows:

	2011	2010	2009	2008	2007
Present value of the liability	67,754	78,129	85,300	55,954	42,563
Fair value of plan assets	(42,338)	(44,163)	(44,973)	(37,851)	(42,570)
	25,416	**33,966**	**40,327**	**18,103**	**(7)**

The changes in the present value of the underlying liability of the pension plan were as follows:

RECONCILIATION OF THE PENSION PLAN LIABILITY

	2011	2010	2009	2008	2007
At 1 January	78,130	**85,301**	**55,954**	**42,563**	**46,917**
Current Service costs	1,104	1,062	1,412	587	585
Interest costs	3,361	4,175	4,944	3,391	2,006
Benefits paid	(7,723)	(7,522)	(4,938)	(4,794)	(4,636)
Actuarial(gains)/loses	(7,118)	(4,886)	27,928	14,207	(2,309)
At 31 December	**67,754**	**78,130**	**85,301**	**55,954**	**42,563**

The amount of 27,928 thousand Euros recorded as actuarial (gain)/loss in 2009 results from the change in REN's actuarial assumptions, regarding the entry of employees into pre-retirement between the ages of 55 and 60. In compliance with the Group's accounting policy for recognition of actuarial gains and losses, that amount was recorded on equity.

The impact on the consolidated statement of profit and loss for the year was as follows:

	2011	2010	2009	2008	2007
Current service costs	1,104	1,062	1,412	587	585
Interest costs	3,361	4,175	4,944	3,391	2,006
Expected return on assets	(2,302)	(2,407)	(2,218)	(2,424)	(2,199)
Total included in personnel costs	**2,163**	**2,830**	**4,138**	**1,554**	**392**

20.2 – HEALTHCARE AND OTHER BENEFITS

The healthcare and other benefits plan does not have a fund, the liability being covered by a specific reserve:

The amounts of the liability recognized in the statements of financial position were as follows:

	2011	2010	2009	2008	2007
Present value of the obligation	29,586	31,959	29,438	27,025	27,963
Liability in the statement of financial position	29,586	31,959	29,438	27,025	27,963

The changes in the amount of the obligation for healthcare and other benefits were as follows:

RECONCILIATION OF THE LIABILITY FOR HEALTHCARE AND OTHER BENEFITS

	2011	2010	2009	2008	2007
At 1 January	**31,960**	**29,438**	**27,025**	**27,963**	**32,128**
Current service costs	491	422	433	528	637
Interest costs	1,423	1,489	1,662	1,523	1,420
Benefits paid	(1,159)	(1,091)	(950)	(1,270)	(859)
Actarial (gain)/loss	(3,261)	1,572	1,152	(1,829)	(5,443)
Other benefits	131	129	116	109	82
At 31 December	**29,586**	**31,960**	**29,438**	**27,025**	**27,965**

The effects of the plan on the consolidated statements of profit and loss were as follows:

	2011	2010	2009	2008	2007
Current service costs	491	422	433	528	637
Interest costs	1,423	1,489	1,662	1,523	1,420
Other benefits	131	129	116	109	82
Total included in personnel costs	**2,045**	**2,040**	**2,211**	**2,160**	**2,139**

20.3 –LIFE ASSURANCE

The amount of the liability recognized on the consolidated statement of financial position was determined as follows:

	2011	2010	2009	2008	2007
Provision	108	94	81	70	60
Total liabilities	**108**	**94**	**81**	**70**	**60**

The impact of the life assurance plan on the consolidated statement of profit and loss was as follows:

	2011	2010	2009	2008	2007
Increase in the provision for the liability	14	13	11	10	10
Total included in personnel costs	**14**	**13**	**11**	**10**	**10**

PROVISIONS

The changes in provisions in the years ended 31 December 2011 and 2010 were as follows:

	2011	2010
Begining balance	17,081	5,288
Increases	15,324	12,774
Utilization	(91)	(981)
Decreases	-	-
Ending balance	**32,314**	**17,081**
Current provision	27,794	12,470
Non-current provision	4,520	4,611
	32,314	**17,081**

The caption “Provisions” at 31 December 2011 corresponds essentially to: (i) estimate of the payments to be made by REN resulting from legal processes in progress for damage caused to third parties (4,520 thousand Euros); (ii) estimate of the amount to cover the contingency relating to litigation with Amorim Energia over dividends received from GALP Energia in 2006, which was recorded in 2010 following notification of the decision of the Arbitration Court of the International Chamber of Commerce (ICC) of Paris on 16 March 2010 and corresponding addendum of 8 July 2010, requiring REN to pay 20,300 thousand Euros, equivalent to half of the amount claimed by Amorim Energia, plus interest. On 17 November 2011 REN was notified of the decision of Cour d'Appel de Paris, denying the request to annul the CCI Agreement. At 31 December 2011, based on a legal analysis of the arbitration decision and related addenda, the Company decided to increase the provision of 15,280 thousand Euros to 27,749 thousand Euros, corresponding to the full amount of the process plus interest up to that date, to cover the risk under the process. In January 2012 the Company paid the full amount of 27,749 thousand Euros (Notes 38 and 39).

TRADE AND OTHER PAYABLES

The caption "Trade and other payables" at 31 December 2011 and 2010 was made up as follows:

	2011			2010		
	Current	Non current	Total	current	Non current	Total
Trade payables						
Current suppliers	174,525	-	174,525	184,478	-	184478
Other creditors						
Sundry creditors	44,513	13,689	58,203	70,494	9,704	80,198
Tariff deviations	102,312	26,842	129,154	8,435	120,618	129,053
Suppliers of fixed assets	117,111	-	117,111	133,892	-	133,892
State and other public entities (1)	12,355	-	12,355	7,060	-	7,060
Deferred income						
Grants related to assets	20,766	340,964	361,730	23,673	321,617	345,291
Other deferred income	-	-	-	-	-	-
Accrued costs						
Holidays and holidays subsidies	4,747	-	4,747	4,774	-	4,774
Trade and other payables	**476,328**	**381,495**	**857,823**	**432,806**	**451,940**	**884,746**

(1) The balance of State and other public entities corresponds to VAT, personal income tax and other taxes.

The ageing of trade suppliers, sundry creditors and suppliers of fixed assets is as follows:

Ageing of debts	2011	2010
30 days or less	240,015	224,356
31-60 days	85,872	118,210
61-90 days	5,314	1,807
91-120 days	1,748	455
More than 120 days	16,890	53,740
	349,839	398,568

SALES AND SERVICES RENDERED

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

	2011	2010	
Goods			
Domestic market	798	917	
	798	**917**	
Services			
Electricity transmission and overall systems management	344,663	312,413	a)
Natural gas transmission	124,002	122,678	
Regasification	35,395	40,997	
Underground gas storage	13,721	13,623	
Telecommunications network	4,244	5,030	
Trading	4,795	6,399	
Electricity services	1,907	6,196	
Others	1,296	2,513	
	530,023	**509,848**	
Total sales of goods and services	**530,821**	**510,765**	

a) This amount was restated in relation to the 2010 financial statements (Note 3.2).

SUPPLIES AND SERVICES

The caption supplies and services for the years ended 31 December 2011 and 2010 is made up as follows:

	2011	2010
Gas transport subcontracts i)	2,145	23,672
Maintenance costs	14,531	21,352
Fees relating to external entities ii)	12,768	11,957
Cross border interconnection costs	2,633	3,204
Electric energy costs	4,942	4,593
Insurance costs	2,971	2,829
Reserve capacity costs iii)	1,297	1,763
Publicity costs	1,847	1,233
Security	2,023	1,927
Others (less than 1,000 thousand Euros)	7,766	7,893
Supplies and services	**52,923**	**80,423**

i) The decrease note in the caption “Gas transport subcontracts” is mainly related to the inclusions of the Gasodutos Campo Maior-Leiria-Braga, S.A. and Braga-Tuy, S.A. in the consolidation perimeter, resulting in the de-recognition of the debits made by these companies.

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

This caption includes audit and revision of accounts services as well as consulting services rendered by audit companies recorded as expenses in 2011, as follows:

	2011	2010
Audit and revision of accounts:		
J. Monteiro & Associados, SROC	-	25
Luis Borges Assunção	-	156
Deloitte	577	613
Pricewaterhousecoopers	-	10
Consultancy:		
Deloitte	205	131
Pricewaterhousecoopers	-	156
Other services:		
Deloitte - Other services	29	11
	811	**1,102**

iii) Excess 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 overall management of the REN S.A. system in accordance with the regulatory model currently in force.

PERSONNEL COSTS

Personnel costs are made up as follows:

	2011	2010
Remuneration		
Board of directors	1,675	2,859
Personnel	33,027	29,848
	34,702	**32,707**
Social charges		
Post-employement and other benefits cost (Note 20)	4,222	4,883
Performance bonuses	2	2,703
Charges on remuneration	7,227	7,165
Social support costs	1,817	1,149
Other	314	2,616
	13,582	**18,516**
Total personnel costs	**48,284**	**51,223**

The average number of employees of the Group in 2011 was 737 (2010: 743).

OTHER OPERATING COSTS

Other operating costs are made up as follows:

	2011	2010
ERSE operating costs i)	10,314	10,335
Donations	593	722
Taxes	1,546	1,285
Market operations costs OMIP/Omiclear	263	557
Dismantling of power lines	1,043	182
Sale of investments	-	28
Others	1,799	1,169
	15,558	14,278

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

OTHER OPERATING INCOME

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

	2011	2011
Amortisation of investment subsidies	17,464	23,673
Interconnection income - coverage of costs i)	2,086	4,968
Supplementary income	3,027	1,358
Hedging ii)	391	5,938
Others	3,941	1,869
	26,909	**37,806**

i) The amount recorded as interconnection income results from the decision taken by ERSE to allocate part of the income received to cover the cost of cross border connections and systems services incurred in the year, recognized in "Supplies and services".

ii) This amount corresponds to gain on financial operations in the futures energy market, coal, and CO2 emission licences, through the signing of contracts standardized by International Swaps and Derivatives Association Inc. ("ISDA"), as well as participation in futures trading exchanges. The operations are merely financial not involving physical deliveries.

FINANCIAL COSTS AND INCOME

Financial costs and income are made up as follows:

	2011	2010
Financial costs		
Interest on bonds issued	57,007	50,584
Interest on commercial paper issued	21,176	7,194
Other borrowing interest	25,632	23,087
Loss on other investments	1,452	-
Swaps	6,674	9,018
	111,942	**89,883**
Financial income		
Interest income	3,995	1,554
Liquidation of swaps	-	640
	3,995	**2,194**

INCOME TAX

Income tax for the years ended 31 December 2011 and 2010 includes current and deferred tax as follows:

INCOME TAX

	2011	2010
Current income tax	59,782	90,429
Correction of prior year income tax	4,358	2,108
Deferred income tax (Note 9)	(4,890)	(36,184)
Income tax	**59,250**	**56,353**

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

	2011	2010
Consolidated profit before income tax	179,838	166,619
Permanent differences		
Non tax deductible costs	19,080	29,950
Non taxable income	(10,403)	(12,675)
Timing differences		
Tariff deviations	12,726	123,625
Provisions	5,131	1,609
Revaluations	7,257	8,366
Income loss for tax purposes	-	756
Fair value of financial instruments	(2,359)	(3,284)
Pension, healthcare and life assurance plans	474	(640)
Others	(154)	(121)
Taxable income	211,590	314,206
Tax rate - 25%	50,547	77,867
State surcharge - 1,5%	3,437	4,686
State surcharge - 2,5%	5,360	7,461
Autonomous taxation	439	416
Current income tax	**59,782**	**90,429**
Deferred income tax	(4,371)	(38,708)
Effect of updating state surcharge on deferred tax assets and liabilities	(519)	2,524
Deferred income tax	**(4,890)**	**(36,184)**
Adjustments of prior year tax	4,358	2,108
Income tax	**59,250**	**56,353**
Effective tax rate	32.95%	33.82%

The tax rate used to determine the amount of tax in the consolidated financial statements was as follows:

Rates of current tax

	2011	2010
Tax rate	25%	25%
Municipal surcharge	2%	2%
State surcharge	2.5%	2.5%
	29%	29%

The caption “Income tax” payable and recoverable at 31 December 2011 and 2010 is made up as follows:

	2011	2010
Income tax:		
Corporate income tax - estimated tax	(56,086)	(94,495)
Corporate income tax - payments on account	68,304	33,626
Income tax withheld by third parties	1,798	943
Income tax receivable / (payable)	**14,015**	**(59,925)**
Corporate income tax - estimated tax	(3,696)	(72)
Corporate income tax - payments on account	3,144	400
Income tax withheld by third parties	32	32
Income tax receivable / (payable)	**(520)**	**361**

EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2011 and 2010 were calculated as follows:

		2011	2010
Consolidated net profit used to calculate earnings per share	(1)	120,576	110,265
Number of ordinary shares outstanding during the year (Note 16)	(2)	534,000,000	534,000,000
Effect of treasury shares (Note 16) (average number of shares)		3,881,374	3,881,374
	(3)	530,118,626	530,118,626
Basic earnings per share (euros per share)	(1)/(3)	0.23	0.21

DIVIDENDS PER SHARE

Dividends paid in 2011 and 2010 amounted to 89,060 thousand Euros (0.167 Euros per share) and 88,530 thousand Euros (0. 166 Euros per share), respectively.

COMMITMENTS

The commitments assumed by the REN Group relating to investments contracted but not yet realized, not reflected in the statement of financial position as of 31 December 2011 and 2010, were as follows:

	2011	2010
Power lines	80,146	107,692
Substations	55,941	123,832
Gas pipelines	1,687	7,223
Sines gas reception terminal	68,482	73,725
Underground gas storage	12,614	21,881
	218,870	**334,353**

GUARANTEES GIVEN

At 31 December 2011 and 2010 the REN Group had given the following bank guarantees:

Beneficiary	Purpose	Begining	2011	2010
European Community	To comply with the contractual requirements of the loan contract	05/12/2007	3	692
Viseu Municipal Court	Guarantee relating to expropriation of 63 plots for the Bodiosa substation	22-10-2004	206	206
Braga and C.Branco Municipal Courts	Guarantee relating to expropriation of plots for the Pedralva and C. Branco substations	15-02-2006	800	800
Municipal Council of Silves	Guarantee for works in Tunes	04-05-2006	352	352
Anadia Municipal Courts	Guarantee for the expropriation of 111 plots for the Paraimo substation	26-04-2005	432	432
Gondomar Municipal Courts	Guarantee for process 1037/2001	09-11-2005	150	150
Penela e Ansião Municipal Court	Guarantee for the expropriation of 83 plots for the Penela substation	30-06-2006	703	703
Vieira do Minho Municipal Court	Guarantee for the expropriation of 29 plots for the Frades substation	04/08/2006	558	558
Torres Vedras Municipal Court	Guarantee for the expropriation of 11 plots for the Carvoeira substation	13-12-2006	297	297
Macedo de Cavaleiros Municipal Court	Guarantee for the expropriation of plots for the Olmos substation	15/02/2007	190	190
MEFF	To guarantee payments resulting from participation as purchaser in the Spanish market	0	-	-
Direcção Geral de Geologia e Energia	Concession of the gas transport operations	25/09/2006	20,000	20,000
Municipal Council of Seixal	To guarantee processes in progress	02/11/2006	3,853	3,853
EIB	To guarantee loans	26/06/2006	399,497	364,671
Loures Financial Services	To guarantee processes in progress	0	-	-
Lisboa Financial Services	To guarantee a process in progress	0	-	1,080
Tabua Municipal Court	Expropriation of plots of land	07/12/2007	171	171
Vila Pouca de Aguiar Municipal Court	Expropriation of plots of land	18/04/2007	81	81
OMEL - Operador del Mercado Español de Electricidad	To guarantee payments resulting from trading participation as purchaser in the Spanish market	26-06-2007	2,000	2,000
Lisbon Municipal Court	To guarantee processes in progress	10-12-2008	115	115
Armamar Municipal Court	Expropriation of plots of land	03-11-2008	732	732
Ministry of the Economy and Innovation	To guarantee settlement of debt execution nº 7873/2006	30-12-2008	1	1
Fortia	Financial contract under the ISDA contract (International Swaps and Derivatives Association, Inc.)	19/04/2011	1,000	2,000
EP - Estradas de Portugal - Delegação Regional do Porto	Installation of gas infrastrutures by drilling - Natural Gas Trasport Network Leça Industrial branch	15-07-2009	5	5
Mogadouro Municipal Court	To guarantee coverage of the cost of acquiring land to expand the Mogadouro substation	30-07-2009	18	18
EP - Estradas de Portugal - Delegação Regional de Santarém	Natural Gas Transport Network - CCC pego - connection to the Thermoelectric plant of Tejo Energia (Pego). Crossing over EN 118 - Km 142,295	25-08-2009	5	5
Tavira Municipal Court	To guarantee expropriation of 38 plots of land in the parish of Cacho, municipaly of Tavira to build the Tavira substation	24-09-2009	163	163
NORSCUT - Concessionária de Auto-estradas, SA	To guarantee prompt payment of liabilities assumed by REN in the contract ceding utilization	08-01-2010	200	200
EUROSCUT NORTE - Sociedade Concessionária da SCUT do Norte Litoral, S.A.	Ensure compliance with the obligations assumed resulting from the contract relating to the instalation of a gas pipeline in the conceded area of EUROSCUT NORTE.	25-01-2010	250	250
Tax Services	Guarantee suspension of the VAT litigation process	23-09-2010	-	688
Director of DAGEF from Municipal Council of Seixal	To guarantee settlement of debt execution nº 3500/2010 a aps.-nº 35800/2010, 35801/2010, 35802/2010 and 35803/2010	21-12-2010	616	616
Direcção Geral de Geologia e Energia	To guarantee compliance with the obligations assumed resulting from the contract relating to the public s	19-10-2010	500	500
Santa Maria da Feira Municipal Court	Expropriation of 35 plots of land - Louredo e Romariz, Concelho de Sta Maria da Feira to build substatior	14/01/2011	590	-
Valongo Municipal Court	To guarantee coverage of the cost of acquiring land to construct Valongo transition Post	15/02/2011	125	-
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed resulting from the contract relating to the constru	25/08/2011	5	-
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed resulting from the contract relating to the constru	25/08/2011	5	-
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed resulting from the contract relating to the constru	25/08/2011	5	-
EP - Estradas de Portugal	To guarantee compliance with the obligations assumed resulting from the contract relating to the constru	25/08/2011	5	-
EP - Estradas de Portugal	Related to the following work: connecting the Valongo Post - SE Ermesinde to 220kV - double-circuit un	02/09/2011	37	-
			433,668	**401,527**

The guarantee given to EIB refers to the transfer to REN of the loans of the gas companies under the unbundling process.

COMPANIES INCLUDED IN THE CONSOLIDATION

The following companies were included in the consolidation perimeter as of 31 December 2011:

Name / head office	Activity	Reference date	Share capital	Equity	Assets	Liabilities	Income	Profit/ (loss)	% 0wned	
									Group	Individual
Electricity sector:										
REN - Rede Electrica Nacional, S.A. *Av. Estados Unidos da América, 55 - Lisboa*	Operator of the very high tension national network of transmission lines	Dec. 2011	586,759	674,544	2,895,578	2,221,034	348,987	79,535	100%	100%
REN Trading, S.A. Av. Estados Unidos da América, 55 - Lisboa	Purchase and sale, import and export of electricity and natural gas	Dec. 2011	50	3,831	129,986	126,155	5,415	3,563	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	Dec. 2011	250	217	806	589,028	-	0	100%	100%
Telecommunications Sector:										
RENTELECOM - Comunicações S.A. Av. Estados Unidos da América, 55 - Lisboa	Telecommunications network operation	Dec. 2011	100	3,262	5,051	1,788	5,629	2,407	100%	100%
Other sectors:										
REN - Serviços, S.A. Av. Estados Unidos da América, 55 - Lisboa	Back Office and Management of participations	Dec. 2011	50	37,171	773,268	736,097	21,780	36,960	100%	100%
Natural Gas Sector:										
REN Atlântico , Terminal de GNL, S.A. Terminal de GNL - Sines	Liquified Natural Gas Terminal maintenance and regasification operation	Dec. 2011	13,000	78,082	365,441	287,359	35,099	8,127	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	Dec. 2011	539,323	591,131	761,174	170,043	-	51,808	100%	0%
Owned by Ren Gas, S.A.:										
REN - Armazenagem, S.A. Mata do Urso - Guarda Norte - Carriço- Pombal	Underground storage developement, maintenance and operation	Dec. 2011	76,386	83,793	144,200	60,406	13,667	5,415	100%	0%
REN - Gasodutos, S.A. Estrada Nacional 116, km 32,25 - Vila de Rei - Bucelas	RNTGN operator and Natural Gas overall manager	Dec. 2011	404,931	462,305	938,883	476,578	127,861	46,246	100%	0%
Owned by REN Gasodutos, S.A:		Dec. 2011								
Gasoduto Braga Tuy, S.A. Estrada Nacional 116, km 32,25 - Vila de Rei - Bucelas	Gas transmission	Dec. 2011 Dec. 2011	2,680	4,807	4,891	85	440	265	100%	0%
Gasoduto Campo Maior - Leiria - Braga,S.A. Estrada Nacional 116, km 32,25 - Vila de Rei - Bucelas	Gas transmission	Dec. 2011	23,712	47,348	86,914	39,566	21,230	9,041	100%	0%

CHANGES IN THE CONSOLIDATION PERIMETER IN 2011

Inclusions in the perimeter: Foundation of REN Gás, S.A. on 29 March 2011.
Exclusions from the perimeter: Under the process to create the Sole Iberian Electricity Market Operator (Operador Único do Mercado Ibérico de Electricidade - OMI), and in conformity with an Agreement between the Portuguese Republic and the Kingdom of Spain regarding the forming of an Iberian electric energy market, in October and December 2011 REN sold for 9,153,254 Euros, 55% of the capital of OMIP Operador do Mercado Ibérico (Portugal), SGPS, S.A. through the transmission of lots of shares representing 5% of the capital of the company, becoming holder of 35% of the capital of the company. Supplementary capital contributions of 4,545,200 Euros were also sold in the transaction.

These companies stopped being included in the Group's consolidation as from October 2011 the date the REN Group lost control of them. As from that date the Group started recording these investments in accordance with the equity method, the initial recording of the participation being made based on the sales price of the transactions that gave rise to the loss of control.

TRANSACTIONS WITH RELATED PARTIES

At 31 December 2011 the REN Group was listed in Euronext – Lisbon stock exchange, having as reference shareholders with recorded transactions, the following entities: the EDP Group and Caixa Geral de Depósitos.

The following are related entities:

- EDP – Energias de Portugal, S.A
- EDP – Distribuição – Energia, S.A.
- EDP Serviços Universal, S.A.
- EDP Valor – Gestão Integrada de Serviços, S.A.
- EDP Gestão da Produção da Energia, S.A.
- Portgás, S.A.
- EDP Gás.Com, S.A.
- EDP Gás, SGPS, S.A.
- O&M Serviços, S.A.
- Sãvida, S.A.
- Labelec, S.A.
- Caixa Geral de Depósitos, S.A.

- Caixa BI
- Red Eléctrica Corporación, S.A.
- Capitalpor – Participações Portuguesas, SGPS, S.A.
- Gestmin, SGPS, S.A.
- EGF - Gestão e Consultoria Financeira, S.A.
- Oliren, SGPS, S.A.
- Parpública – Participações Públicas, SGPS, S.A.

During the year the REN Group realised the following transactions with these related parties:

35.1 INCOME

	2011	2010
Invoicing issued		
Electricity - EDP	1,146,657	1,487,362
Other services - EDP	274,342	20,930
Financial income		
Interest on applications - CGD	1,548	-
	1,422,547	1,508,292

The amounts shown as sales refer to energy resulting from the role of REN Trading as agent in relation to the CAE of the Pego (Tejo Energia) and Tapada do Outeiro (Turbogás) plants, the income and costs of which are reversed in the consolidated statement of profit and loss.

35.2 COSTS

	2011	2010
Invoicing received		
Electricity - EDP	657,364	642,814
	657,364	**642,814**
Purchase of services		
Sundry services - EDP	9,733	10,139
Financial costs		
Interest on Commercial paper - CGD	1,480	2,878
Borrowings fees - CGD	539	640
Derivative financial instruments	461	-
Other interest - CGD (leases and credit lines)	22	31
	12,235	**13,688**

The amounts shown as electricity invoicing received relate to the intermediation role of REN in the purchase and sale of electricity, the income and costs of which are reversed in the statement of profit and loss.

35.3 BALANCES WITH RELATED PARTIES

The balances at 31 December 2011 and 2010 resulting from transactions with related parties were as follows:

	2011	2010
Trade and other receivables		
EDP - Trade receivables	89,984	84,467
EDP - Other receivables	1,471	802
Cash and cash equivalents		
CGD - Treasury investments	26,000	63,100
CGD - Bank deposits	701	1,527
	118,156	**149,896**
Trade and other payables		
EDP - Trade payables	9,979	7,674
EDP - Other payables	268	234
CGD - Trade payables	-	36
Borrowings		
CGD - Borrowings (Commercial paper)	5,000	27,000
CGD - Finance lease	406	131
	15,653	**35,075**

35.4 MANAGEMENT REMUNERATION

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 year ended 31 December 2011 amounted to 1,670 thousand Euros (2,031 thousand Euros in 2010), as shown in the following table:

	2011	2010
Remuneration and other short term benefits	1,670	2,031
	1,670	**2,031**

The amounts indicated refer only to fixed remuneration and meal allowance, as the Board of Directors does not receive any other income listed in paragraph 17 of IAS 24.

REVENUE AND COSTS OF CONSTRUCTION – CONCESSION ASSETS

As of 31 December 2011 and 2010, the captions "Revenue from construction of concession assets" and "Cost of construction of concession assets" were made up as follows:

	2011	2010
Revenue from construction of concession assets		
- acquisitions	349,269	420,483
Cost of construction of concession assets		
- acquisitions	349,269	420,483
- own work capitalised :		
Other	(13,554)	(13,113)
Financial expenses	(19,409)	(12,822)
	316,305	**394,548**

NON-CONTROLLING INTERESTS

The change in non-controlling interests (0 thousand Euros at 31 December 2011 compared to 6,329 thousand Euros at 31 December 2010) results from the acquisition by REN Gasodutos, S.A. of all the share capital of Gasoduto Campo Maior-Leiria-Braga and Gasoduto Braga-Tuy.

OTHER MATTERS

DISAGREEMENT WITH AMORIM ENERGIA B.V.

Following the sale by REN – Redes Energéticas Nacionais, SGPS, S.A. (REN) to Amorim Energia BV in September 2006 of the participation held by REN in the capital of Galp Energia, SGPS, SA, the parties had a disagreement as to which party the dividends distributed by Galp Energia, SGPS, SA in July 2006 should belong and agreed to constitute an arbitration court in Lisbon to decide.

On 15 July 2007 the Arbitration Court, specially constituted for the purpose by agreement between the parties, issued a decision, with one vote against, judging the action brought about by Amorim Energia BV as invalid and recognizing definitively the right of REN to maintain the dividend.

In December 2007 REN was notified of a second arbitration process requested by Amorim Energia B.V., this time with headquarters in Paris, under the auspices of the International Chamber of Commerce ("CCI"), regarding the matter relating to the "Shareholders Agreement relating to GALP ENERGIA, SGPS, S.A." signed on 29 December 2005, between REN, AMORIM and ENI PORTUGAL INVESTMENT, S.p.A. ("Shareholder Agreement"), especially with respect to the dividends.

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

On 16 March 2010 REN was notified of the arbitration decision, with one vote against, which condemned it to pay 20,334,883.91 Euros to Amorim Energia B.V., for alleged pre-contractual and contractual responsibilities, equivalent to half of the amount requested by the latter.

On 20 July 2010 REN brought a claim against Amorim Energia B.V., in Cour d'Appel in Paris, requesting annulment of the decision of the CCI Arbitration Court as it believed that it could make its position prevail.

On September 2010 Amorim Energia B.V. brought a special process against REN to revise the foreign arbitration sentence, requesting recognition in Portugal of the arbitration decision issued on 16 March in Paris by the CCI Court, so that it could be executed in Portugal. In October 2010 REN presented its opposition to the proposal of Amorim Energia.

Subsequently, on 17 November 2011 REN was notified of the decision of Cour d'Appel in Paris, which denied the request to annul the CCI Decision.

In any case, following the opposition presented by REN, the action proposed by Amorim Energia B.V. continued pending, in September 2010, with the objective of recognition in Portugal of the CCI Decision, development of the process being awaited.

On 31 December REN, based on a legal analysis of the arbitration decision and related addendum, decided to increase the provision from 14,847,265.15 Euros to 27,749,247.61 Euros, corresponding to the full amount of the process plus interest to that date (Note 21), so as to cover the risk resulting from the process (Note 39).

NEW MEMBERS OF THE BOARD OF DIRECTORS

In mid March 2011 the Directors Gonçalo Oliveira, Luis Atienza, Manuel Champalimaud and Filipe de Botton presented their resignation from the functions of member of the Board of Directors to the President of the Board of Directors, being substituted at the Shareholders' Annual General Meeting held on 15 April, by the following entities:

Logoplaste, Gestão e Consultoria Financeira, S.A. (currently called EGF, Gestão e Consultoria Financeira, S.A.), Gestmin, SGPS, S.A., Oliren, SGPS, S.A. and Red Eléctrica Corporación, S.A..

In compliance with the requirements of item 4 of article 390 of the Commercial Company Code, these entities appointed the following individuals to exercise the functions of member of the Board of Directors in their own name:

Luis Guedes da Cruz Almeida (appointed on 27/07/2011);
José Manuel Félix Morgado (appointed on 14/09/2011);
Gonçalo Xavier de Araújo (appointed on 14/09/2011);
Luis Atienza (appointed on 14/09/2011).

SUBSEQUENT EVENTS

NEW MEMBERS OF THE BOARD OF DIRECTORS

On 2 January 2012 the Director João Nuno de Oliveira Jorge Palma presented his resignation from the position of Executive Director and Chief Financial Officer to the President of the Board of Directors, it having been decided, until the appointment of a new Chief Financial Officer, that Rui Manuel Janes Cartaxo would accumulate these functions.

DISAGREEMENT WITH AMORIM ENERGIA B.V.

On 26 January 2012, 27,837 thousand Euros was paid relating to the amount claimed plus interest accrued up to the date of payment (Note 38), on the Amorim Energia B.V. process.

2ND PRIVATIZATION PHASE OF THE COMPANY

On 2 February 2012 the Council of Ministers, in accordance with information transmitted to Parpública, selected Oman Oil Company S.A.O.C. ("Oman Oil") and State Grid International Development Limited ("State Grid") to acquire distinct lots of shares of the Company, amounting together to all the shares subject to direct sale under the 2nd phase of the privatization of REN.

Oman Oil will acquire 80 100 000 shares, representing 15% do of REN's capital, for the price of 205,056,000 Euros, including a premium of 23% in relation to the market price of the shares on 1 February 2012.

State Grid will acquire 133 500 000 shares, representing 25% of REN's capital, for the price of 387,150,000 Euros, including a premium of 40% in relation to the market price of the shares on 1 February 2012.

The Presidency of the Council of Ministers published in the Official Journal of the Republic of 8 February 2012, resolution 13/2012 that selects the purchasers of the direct sale relating to the 2nd phase of REN's above mentioned privatization process.

CHANGES TO CONCESSION CONTRACTS

On February 21, 2012, the following additions to the concession agreements in effect between the Portuguese State and the Group companies were signed, namely: i) the concession of transport activity of electricity through the National Network of Transport of Electricity signed with REN – Rede Eléctrica Nacional,S.A.; ii) the concession of transport activity of natural gas through the National Network of Natural Gas Transportation, signed with REN Gasodutos, S.A.; iii) the concession activity of reception, storage and regasification of liquefied natural gas to the terminal in Sines, signed with REN Atlântico, terminal GNL, S.A.; iv) the concession of the activity of underground storage of natural, signed with REN Armazenagem, S.A..

These concession contracts were changed with the main purposes of: i) detailing the functions of the operators of the national networks of electricity and natural gas transportation; ii) develop arrangements for monitoring and supervising the activities of dealers by the Portuguese State and iii) specify the terms applicable to provide information by each of the dealers, adapting the respective contractual clauses to the legal provisions and regulations in force, in particular Decree-Law no. No. 77/2011 and n. No. 78/2011, both of 20 June.

EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as endorsed by the European Union at 1 January 2011. In the event of discrepancies, the Portuguese language version prevails

The Accountant

Maria Teresa Martins

The Board of Directors

Rui Manuel Janes Cartaxo
(President)

Aníbal Durães dos Santos
(Executive Director)

João Caetano Carreira Faria Conceição
(Executive Director)

João Manuel de Castro Plácido Pires
(Executive Director)

José Isidoro de Oliveira Carvalho Netto
(Director)

José Luís Alvim Marinho
(President of the Audit Committee)

José Frederico Vieira Jordão
(Member of the Audit Committee)

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

Luis Guedes da Cruz Almeida
(Director appointed by EGF, Gestão e Consultoria Financeira, S.A. on 27/07/2011)

Luis Maria Atienza Serna
(Director appointed by Rede Eléctrica Corporacion, S.A. on 14/09/2011)

Gonçalo Xavier de Araújo
(Director appointed by Oliren, SGPS, S.A. on 14/09/2011)

José Manuel Félix Morgado
(Director appointed by Gestmin, SGPS, S.A. on 14/09/2011)

Note – The remaining pages of this Report and Accounts were initialled by the Company Secretary, Pedro Cabral Nunes, and the Accountant, Maria Teresa Martins

STATEMENT OF COMPLIANCE

STATEMENT PROVIDED FOR IN ARTICLE 245, NO. 1, PARAGRAPH C) OF THE SECURITIES CODE

Pursuant to and for the purposes of Article 245., No. 1, paragraph c) of the Securities Code, each member of the Board of Directors of REN - Redes Energéticas Nacionais, SGPS, SA, identified below by their name, endorsed the statement which is transcribed herein [1]:

"I solemnly declare, pursuant to and for the purposes specified in Article 245., No. 1, paragraph c) of the Securities Code, to the best of my knowledge, and serving as and in the scope of the functions assigned to me, based on the information made available to me within the Board of Directors and / or Executive Committee, as applicable, the condensed financial statements have been prepared in accordance with the applicable accounting standards, thus providing a true and fair view of assets and liabilities, financial position and results of REN - Redes Nacionais, SGPS, SA and of the companies included in its scope of consolidation, and that the management report for the fiscal year of 2011 faithfully describes the occurrences in that period and the impact in the respective financial statements, also containing a description of the principal risks and uncertainties for the following year."

Rui Manuel Janes Cartaxo
Aníbal Durães dos Santos
João Caetano Carreira Faria Conceição
João Manuel de Castro Plácido Pires
Luís Maria Atienza Serna
Luís Guedes da Cruz Almeida
Gonçalo Xavier Araújo
José Manuel Félix Morgado
José Isidoro de Oliveira Carvalho Neto
José Luís Alvim Marinho
José Frederico Vieira Jordão
Fernando António Portela Rocha de Andrade

Lisbon, 1st March 2011

SEPARATE FINANCIAL STATEMENTS

REN - REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

STATEMENTS OF FINANCIAL POSITION AS OF 31 DECEMBER 2011 AND 2010

(Amounts expressed in thousands of euros)

(Translation of statements of financial position originally issued in Portuguese - Note 31)

ASSETS	Notes	2011	2010
NON-CURRENT ASSETS:			
Tangible assets	5 and 6	290	386
Investments - equity method	7	805,605	1,281,394
Available-for-sale financial assets	11	82,051	83,267
Other receivables	9 and 26	1,727,525	1,209,333
Other financial assets	9	5,667	7,119
Derivative financial instruments	10	26,696	20,699
Deferred tax assets	8	4,389	2,578
Total non-current assets		2,652,224	2,604,777
CURRENT ASSETS:			
Trade receivables	9	197	51
State and other public entities	16	14,016	2
Other receivables	9 and 26	817,428	556,389
Deferrals	12	85	128
Derivative financial assets	10	1,144	2,212
Cash and bank deposits	4	60,166	102,872
Total current assets		893,036	661,654
Total assets		3,545,260	3,266,432
EQUITY AND LIABILITIES			
EQUITY:			
Share Capital	13	534,000	534,000
Own shares	13	(10,728)	(10,728)
Legal reserve	13	79,809	74,445
Other reserves	13	138,763	140,307
Retained earnings		221,596	220,944
Adjustments to financial assets		(3,171)	(3,171)
		960,270	955,798
Net profit for the period		112,553	107,277
Total equity		1,072,823	1,063,075
LIABILITIES :			
NON-CURRENT LIABILITIES:			
Borrowings	15	2,229,987	1,778,856
Post employment benefit liabilities		1	6
Deferred tax liabilities	8	-	1,103
Provisions	7 and 14	-	1,733
Derivative financial instruments	10	14,239	2,875
Total non-current liabilities		2,244,228	1,784,573
CURRENT LIABILITIES:			
Provisions	14	27,749	12,470
Trade payables	15	2,676	1,056
State and othe public entities	16	369	60,148
Derivative financial instruments	10	1,735	4,376
Borrowings	15	45,219	303,927
Other payables	15	148,404	36,062
Deferrals	17	2,057	745
Total current liabilities		228,209	418,783
Total liabilities		2,472,437	2,203,356
Total equity and liabilities		3,545,260	3,266,432

The accompanying notes form an integral part of the statement of financial position as of 31 December 2011

The Accountant

The Board of Directors

REN - REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

STATEMENTS OF PROFIT AND LOSS BY NATURE
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Amounts expressed in thousands of euros)

(Translation of statements of profit and loss originally issued in Portuguese - Note 31)

REVENUES AND EXPENSES	Notes	2011	2010
Services rendered	18	11,013	10,218
Gains / loss from subsidiaries and associates	7 and 19	135,886	129,074
Supplies and services	20	(10,087)	(6,655)
Personnel costs	21	(4,809)	(4,018)
Provisions (increases /decreases)	14	(15,280)	(12,470)
Increase/ decrease in fair value		-	640
Other income	22	527	6,482
Other expenses	23	(1,352)	(902)
Profit before amortization, depreciation, finance costs and taxes		115,899	122,369
Depreciation charge / reversal	5	(149)	(103)
Operating profit (before finance costs and taxes)		115,750	122,267
Interest and similar income	24	101,034	63,835
Interest and similar costs	24	(106,741)	(83,653)
Dividends	11 and 25	4,540	3,790
Profit before taxes		114,583	106,239
Income tax for the period	8	(2,030)	1,038
Net profit for the period		112,553	107,277
Basic earnings per share		0.21	0.20

The accompanying notes form an integral part of the statement of profit and loss for the year ended 31 December 2011

The Accountant

The Board of Directors

REN - REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Amounts stated in thousands of euros)

(Translation of statements of cash flow originally issued in Portuguese - Note31)

	Notes	2011		2010	
CASH FLOW FROM OPERATING ACTIVITIES:					
Cash receipts from customers		47,720		34,895	
Cash paid to suppliers		(10,240)		(8,476)	
Cash paid to personnel		(4,552)		(3,635)	
Cash generated by operations		32,928		22,783	
Income tax paid		(42,264)		(8,278)	
Other payments/receipts relating to operating activities		(2,000)		(2,592)	
Flows generated by /(used in) operations [1]			(11,336)		11,914
FLOWS FROM INVESTING ACTIVITIES:					
Payments relating to:					
Supplementary capital contributions	7	(2,000)			
Investments		(7,488)		(304)	
Available-for-sale financial assets		(1,045)		-	
Tangible assets		(66)	(10,598)	(48)	(352)
Receipts relating to:					
Investments - partial sale of subsidiaries		11,577			
Interest and similar income		76,827		62,752	
Dividends	7 and 25	72,261	160,664	101,659	164,411
Flows generated by investing activities [2]			150,066		164,059
FLOWS FROM FINANCING ACTIVITIES:					
Receipts relating to:					
Borrowings		9,764,000		10,878,577	
Interest and similar income		205	9,764,205	188	10,878,766
Payments relating to:					
Borrowings		(9,750,325)		(10,781,303)	
Interest and similar costs		(105,867)		(85,418)	
Acquisition of own shares		-		-	
Dividends	13	(89,060)	(9,945,252)	(88,530)	(10,955,251)
Flows used in financing activities [3]			(181,047)		(76,485)
Changes in cash and cash equivalents [4]=[1]+[2]+[3]			(42,317)		99,488
Cash and cash equivalents at the beginning of the year	4		102,483		2,995
Cash and cash equivalents at the end of the year	4		60,166		102,483

The accompanying notes form an integral part of the statement of cash flow for the year ended 31 December 2011

The Accountant

The Board of Directors

REN - REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Amounts expressed in thousands of euros)

(Translation of statements of changes in equity originally issued in Portruguese - Note 31)

		2010									
	Notes	Capital	Own shares	Legal reserve	Hedging reserve	Fair value reserve	Other reserves	Retained earnings	Adjustments in financial assets (Note 7)	Net profit for the period	Total equity
Balances at the beginning of 2010		534,000	(10,728)	67,221	(5,554)	(3,247)	103,218	262,065	-	102,723	1,049,699
Changes in the year:											
Changes in fair value	10 and 11	-	-	-	4,412	(6,614)	-	-	-	-	(2,202)
Appropriation of the profit for the preceding year		-	-	7,225	-	-	48,091	(41,122)	-	(14,194)	-
Adjustments in financial assets	7	-	-	-	-	-	-	-	(3,171)	-	(3,171)
		-	-	7,225	4,412	(6,614)	48,091	(41,122)	(3,171)	(14,194)	(5,372)
Operations during the year with the holders of capital											
Distribution of dividends	13	-	-	-	-	-	-	-	-	(88,530)	(88,530)
		-	-	-	-	-	-	-	-	(88,530)	(88,530)
Net profit for the year										107,277	107,277
Comprehensive income		-	-	-	4,412	(6,614)	-	-	-	107,277	105,076
Balances at the end of 2010		534,000	(10,728)	74,445	(1,142)	(9,861)	151,309	220,944	(3,171)	107,277	1,063,075

		2011									
	Notes	Capital	Own shares	Legal reserve	Hedging reserve	Fair value reserve	Other reserves	Retained earnings	Adjustment of financial assets (Note 7)	Net profit for the period	Total equity
Balances at the beginning of 2011		534,000	(10,728)	74,445	(1,141)	(9,861)	151,309	220,944	(3,171)	107,277	1,063,075
Changes in the year:											
Changes in fair value	10 and 11	-	-	-	(9,362)	(4,383)	-	-	-	-	(13,745)
Appropriation of the profit for the preceding year		-	-	5,364	-	-	12,201	652	-	(18,218)	-
		-	-	5,364	(9,362)	(4,383)	12,201	652	-	(18,218)	(13,745)
Operations during the year with the shareholders											
Distribution of dividends	13	-	-	-	-	-	-	-	-	(89,060)	(89,060)
		-	-	-	-	-	-	-	-	(89,060)	(89,060)
Net profit for the year	2									112,553	112,553
Comprehensive income		-	-	-	(9,362)	(4,383)	-	-	-	112,553	98,808
Balances at the end of 2011		534,000	(10,728)	79,809	(10,503)	(14,244)	163,510	221,596	(3,171)	112,553	1,072,823

The accompanying notes form an integral part of the statement of changes in equity for the year ended 31 December 2011.

The Accountant

The Board of Directors

NOTES TO THE FINANCIAL STATEMENTSAS OF 31 DECEMBER 2011

(Translation of notes originally issued in Portuguese – Note 31)
(Amounts expressed in thousands of euros)

1. INTRODUCTORY NOTE

REN – Redes Energéticas Nacionais, SGPS, S.A. (hereinafter referred to as "REN SGPS" or "the Company"), with head office in Avenida Estados Unidos da América, 55 – Lisbon, resulted from the transformation on 5 January 2007 of REN – Rede Eléctrica Nacional, S.A. into an investment holding company.

At the same time a spin-off was made of the electricity business from REN – Rede Eléctrica Nacional, S.A. to the group company REN – Serviços de Rede, S.A., the name of which was subsequently changed to REN – Rede Eléctrica Nacional, S.A..

REN SGPS is the parent company of the REN Group, which is organized into two main segments Electricity and Gas, and two secondary businesses, in the areas of Telecommunications and Management of the Electricity Derivatives Market.

The **Electricity business** includes the following companies:

a) REN – Rede Eléctrica Nacional, S.A., 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 (Sistema Eléctrico de Abastecimento Público - SEP);

b) REN Trading, S.A., founded on 13 June 2007, the main function of which is the management of Power Purchase Agreements (PPA) from Turbogás, S.A. and Tejo Energia, S.A., which did not terminate on 30 June 2007, date of the entry into force of the new Contracts for the Maintenance of the Contractual Balance (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 Portuguese government awarded it, the concession to operate a pilot area for the production of electricity from sea waves in accordance with paragraph 3, Article 5 of Decree –Law 5 / 2008 of 8 January and Decree-Law 238/2008 of 15 December. In accordance with Decree-Law 238/2008 of 15 December, the concession has a duration of 45 years, and includes authorization to install the infrastructures necessary to connect to the public electricity network and use the water resources of the public water domain, monitoring the use by others of the water resources needed to produce electricity from wave energy, as well as competence to award licenses for the establishment and operation of the business of electricity generation and the monitoring of it.

The **Gas business** covers 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 direct participations.

b) REN Gasodutos, S.A., founded on 26 September 2006, indirectly owned by REN SGPS, the capital of which was paid up through integration into it of the gas transport infrastructures (network; connections; compression). The company's object is to transport natural gas at high pressure and overall technical

management of the National Natural Gas System, considering the security and continuity of supply of natural gas in the Portugal. It includes especially the management and operation of the National Natural Gas Transportation Network, including the transport of natural gas, the planning, construction, maintenance and operation of the infrastructures and installations necessary for this, in accordance with the law and its public service concession, as well as any other related services.

The following companies are fully owned by REN Gasodutos, S.A.:

- Gasoduto Campo Maior – Leiria – Braga, S.A., founded on 20 January 1995, its operations consisting of the transport of natural gas under high pressure between Campo Maior, Leiria and Braga.

- Gasoduto Braga-Tuy, S.A., founded on 20 January 1995, its operations consisting of the transport of natural gas under high pressure between Braga and Tuy.

On 17 December 2010 a contract was entered into between REN Gasodutos, S.A. and Enagás,S.A. "Relating to the release of Enagás, S.A. from the Portuguese part of the joint natural gas supply project to Portugal and Spain". The contract included a suspending clause in relation to the reduction of the Company's capital through Enagás S.A. and is only effective with the non-opposition of the Competition Authority. The positive opinion was issued by the Competition Authority on 21 January 2011. Only after issuance of this positive opinion the Company's capital was reduced through repayment of Enagás' shares of 2,574,460 Euros and 3,233,500 Euros, respectively.

c) REN Armazenagem, S.A., founded on 26 September 2006, the capital of which was paid up through integration into the company of the gas underground storage assets. The company's object consists of the underground storage of natural gas and the construction, operation and maintenance of the infrastructures and facilities necessary for that purpose, in accordance with the law and the company's public service concession, and any other related activities.

On 15 November 2010 the Board of Directors approved a restructuring operation of the natural gas company.

On 30 March 2011, after the capital increase through payment in kind of 539,272,988 Euros relating to the capital of the companies REN Gasodutos, S.A. and REN Armazenagem S.A., REN Gás S.A. became sole shareholder of the two companies.

On 12 April REN SGPS, S.A. sold to REN Serviços S.A. its participation in REN Gás S.A.

Therefore the above subsidiaries are indirectly fully owned by REN SGPS as its subsidiary REN Serviços, S.A. (fully owned by REN SGPS) is sole shareholder of REN Gás, S.A.

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, utilization and maintenance of the necessary infrastructures.

The operations of REN Gasodutos, S.A., REN Armazenagem S.A. and REN Atlântico S.A. are carried out under three concession contracts granted separately for periods of 40 years as from 26 September 2006.

The **telecommunications business** includes the following company:

RENTELECOM – Comunicações, S.A. was founded under Order 128/2001 of 22 October of the Minister of the Economy and public deed drawn up on 7 December 2001. The company started operating on 1 January 2002, having as its object the establishment, management and operation of telecommunications

infrastructures and systems, the rendering of telecommunications services, as well as the realization of any complementary, subsidiary or accessory activities, directly or through participations in other companies.

The company's capital totals 100 thousand Euros, represented by 20,000 shares of five euros each. At 31 December 2011 the capital was fully owned by REN – Redes Energéticas Nacionais, SGPS, S.A.

The **Electricity Derivatives** Market Management business includes the following companies:

OMIP – Operador do Mercado Ibérico de Energia, S.A. was founded under Order 360/ME/2003 of 6 June of the Minister of the Economy and by public deed drawn up on 16 June 2003. The company started operating on 10 December 2003, having as its object the organization and management of a supporting system for the realization of transactions and liquidations in the Iberian Energy Market, being responsible for:

a) management of the organized energy term contracting market;
b) intermediary of the agents for purposes of commercial relationships in the Iberian Electricity Market;
c) management of other markets of electricity based products;
d) Rendering of liquidation services in the organized electricity markets;
e) Rendering of liquidation services for standard transactions in non-organized energy markets;
f) Rendering of organization services for markets in the electric system operations area.

As a result of delays in the start-up of MIBEL – Mercado Ibérico de Electricidade, OMIP only started operating on 3 July 2006.

OMIP is the sole shareholder of OMIClear - Sociedade de Compensação de Mercados de Energia, S.A., which has the corporate objective of clearing futures and options operations.

Following the Santiago Agreements, OMIP SGPS, S.A. was incorporated, being 90% owned by REN SGPS, and began operating on 16 September 2010, 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), and Omiclear – Sociedade de Compensação de Mercados de Energia, S.A..

In the process of creating the Sole Operator of the Iberian Electricity Market (Operador Único do Mercado Ibérico de Electricidade - OMI) and in conformity with an Agreement between the Portuguese Republic and the Kingdom of Spain regarding the forming of an Iberian electric energy market, in October and December 2011 REN SGPS sold, for 9,153,254 Euros, 55% of the share capital of OMIP, Operador do Mercado Ibérico (Portugal), SGPS, S.A., through transmission of lots of shares representing 5% of the capital of the company, becoming holder of 35% of the capital of the company. Supplementary capital contributions of 4,545,200 Euros were also transferred in that transaction.

At the same time, REN acquired 10% of the capital of OMEL, Operador del Mercado Ibérico de Energia, S.A., Spanish pole of the Sole Operator, for 3,166,800 Euros.

In conformity with the Iberian Agreement, REN must also sell a further 25% of the capital of OMIP, Operador do Mercado Ibérico (Portugal), SGPS, S.A., under the same conditions as those above, so that REN's final participation in that company is 10%.

Other businesses:

REN SGPS also has a participation in REN – Serviços, S.A., which has the objective of rendering services in the areas of administration, finance, regulations, personnel management, salary processing, management and maintenance of moveable and immovable assets, negotiation and supply of consumables and services of the same type, commonly referred to as back office services, for related companies and third parties, receiving remuneration for this, as well as the management of participations the company has in other companies.

The accompanying financial statements were approved by the Board of Directors meeting of 1 March 2012. However, they are still subject to approval by the Shareholders' Meeting under the terms of current Portuguese legislation.

The Board of Directors believes that the financial statements fairly reflect the Company's financial position, the results of its operations, changes in its equity and its cash flows.

2. ACCOUNTING FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared in accordance with the requirements of Decree-Law 158/2009 of 13 July, and the conceptual framework, accounting and financial reporting standards and interpretations applicable for the year ended 31 December 2011 (generally accepted accounting principles in Portugal or NCRF).

The accompanying financial statements are presented in thousands of Euros.

3. MAIN ACCOUNTING POLICIES

The main accounting policies used to prepare these financial statements are as follows:

3.1 BASES OF PRESENTATION

The accompanying financial statements were prepared on a going concern basis from the accounting records of the Company, maintained in accordance with generally accepted accounting principles in Portugal.

The accompanying financial statements reflect only the Company's separate accounts, prepared as required by law for approval by the Shareholders' Meeting. As explained in Note 3.2 investments are stated in accordance with the equity method.

In accordance with Decree Law 158/2009 of 13 July, the Company also prepared consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS"), for approval in separate, which reflect, as of 31 December 2011, in relation to the accompanying separate financial statements, the following differences:

Total net assets	(928,415)
Total liabilities	(963,799)
Non controling interests	-
Net profit for the period	(8,036)
Total revenue	(672,916)

At 31 December 2011, the differences between net profit and equity (separate and consolidated financial statements) result essentially from the fact that the subsidiaries record actuarial gains and losses relating to employee benefits in accordance with the "corridor" method, this effect being appropriated by the Company in applying the equity method to value investments in subsidiaries. In the consolidated financial statements prepared in accordance with IFRS, actuarial gains and losses on

these employee benefits are recorded directly in equity, and the fact of the investment in OMIP SGPS being recorded in accordance with the equity method, the gain on the sale of 55% having been recognized in accordance with this method and in the consolidated accounts, prepared in accordance with IFRS, this participation is recorded at revaluated cost.

3.2 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates are recorded based on the equity method, under which they are initially recorded at cost and then adjusted based on the post-acquisition changes in the Company's share of the net assets of these companies. The Company's results include the proportion of the results of these entities. In addition dividends received from these companies are recorded as decreases in the amount of the investments.

The excess of cost in relation to the fair value of identifiable assets and liabilities of each entity acquired as of the acquisition date is recognized as goodwill and is maintained in the amount of the investment. If the difference between cost and the fair value of assets and liabilities is negative, it is recognized as income for the year.

A valuation of investments is made when there are indications that an asset can be impaired, any impairment losses being recognized as cost in the statement of profit and loss.

When the Company's proportion of the accumulated losses of a subsidiary or associate exceeds its book value, the investment is stated by zero, except when the Company has assumed commitments to cover the losses of the subsidiary or associate, when the additional require the recognition of a liability. If these companies subsequently report profits, the Company only starts recognizing its share of those profits after its share of the profits equals the losses not recognized.

Unrealized gains on transactions with subsidiaries and associates are eliminated in proportion to the Company's interest in them, by corresponding entry to the caption investment. Unrealized losses are also eliminated but only up to the point that such loss does not result in the transferred asset being impaired.

3.3 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses.

Cost includes the purchase price of the assets, costs directly attributable to their acquisition and costs incurred to prepare the assets to start operating.

Current repair and maintenance costs are charged to the statement of profit and loss for the period in which they are incurred.

Tangible fixed assets are depreciated on a straight-line basis over their estimated period of useful life, as from the date they are ready for use.

The estimated periods of useful life of tangible fixed assets are as follows:

	Years
Transport equipment	from 4 to 6 years
Administrative equipment	from 3 to10 years

The useful lives of the assets are reviewed annually. Changes in useful lives are treated as changes in accounting estimates and are applied prospectively.

Gains and losses on the sale of assets are determined by the difference between the proceeds of the sale and the book value of the asset, these being recorded in the statement of profit and loss in the year of sale.

3.4 LEASES

Leases, in which REN has substantially all the risks and rewards of ownership of an asset, are classified as finance leases. Agreements in which an analysis of one or more of the conditions of the contract point a finance lease are also classified as such. All other leases are classified as operating leases.

Finance lease contracts are initially recognized at the lower of the fair value of the leased assets or the present value of the minimum lease payments, determined at the inception date. The lease liability is recognized net of interest costs in the caption Borrowings. Interest costs included in the lease payments and depreciation of the leased assets are recognized in the consolidated statement of profit and loss in the period they refer to.

In operating lease contracts, the lease payments due are recognized as expenses in the statement of profit and loss, on a straight-line basis over the lease term.

Contingent lease payments are recognized as costs of the period in which they are incurred.

3.5 FINANCIAL ASSETS AND LIABILITIES

The Company chose to apply in full IAS 32 - Financial Instruments: Presentation and IAS 39 - Financial Instruments Recognition and Measurement, in accordance with paragraph 2 of the NCRF 27.

The Board of Directors decides upon the classification of financial assets at the time of their initial recognition in accordance with the purpose of their acquisition.

FINANCIAL ASSETS

Financial assets may be classified into the following categories, after their initial recognition:

(i) Financial assets at fair value through profit and loss – includes non-derivative financial assets acquired for short-term trading and assets designated at fair value through profit and loss at the inception date;

(ii) loans granted and receivables – includes non-derivative financial assets with fixed or determinable payments that are not listed in an active market;

(iii) Investments to be held to maturity – includes non-derivative financial assets with fixed or determinable payments and fixed maturities, that the entity intends and has the capacity to hold until the maturity date; and

(iv) Available-for-sale financial assets – includes non-derivative financial assets designated as available-for-sale at inception date or other financial assets not classified in any of the other financial asset categories. Available-for-sale financial assets are recognized as non-current assets unless management intends to sell them within 12 months of the statement of financial position date.

Purchases and sales of investments in financial assets are recognized on the transaction date – the date on which the Company commits itself to purchase or sell the asset.

Financial assets at fair value through profit and loss are initially recognized at fair value and transaction costs are expensed in the statement of profit and loss. Such assets are subsequently adjusted to fair value, gains and losses arising from changes in fair value being recognized in the statement of profit and loss caption net financial costs for the period in which they arise, which also includes interest income and dividends received.

Loans and receivables are classified as “Trade and other receivables” in the statement of financial position, and are carried at amortized cost using the effective interest rate method, less any impairment loss. An impairment loss of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due in accordance with the original terms of the transactions that gave rise to the receivables.

Available-for-sale financial assets are initially recognized at fair value including transaction costs. In subsequent periods these assets are adjusted to fair value, the changes in fair value being recognized in a fair value reserve within Equity. Dividends and interest income from available-for-sale financial assets are recognized in the statement of profit and loss caption other financial income for the period in which the right to receive them is established.

The fair value of listed investments is based on current market prices (“bid”). If the market for a financial asset is not active, the Company establishes fair value through valuation techniques. These include the use of recent transactions, provided that they are at market prices, reference to other instruments that are substantially the same and discounted cash flow analysis when information is available, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Financial assets are derecognized when the rights to receive cash flows from the investments expire or are transferred, as well as all the risks and rewards of their ownership.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets included in the category “at cost or amortized cost” are subject to impairment tests at each financial statement date. Such financial assets are impaired when there is objective evidence that, as a result of one or more happenings that occur after their initial recognition, their estimated future cash flows are affected.

Impairment losses to be recognized on financial assets measured at amortized cost corresponds to the difference between the book value of the asset and its present value as of the date of reporting the new estimated future cash flows discounted at the original effective interest rate.

Impairment losses to be recognized on financial assets measured at cost correspond to the difference between the book value of the asset and the best estimate of the fair value of the asset as of the financial statement date.

Impairment losses are recognized in the statement of profit and loss caption “Impairment losses” in the period they are determined.

If subsequently the impairment loss decreases and such decrease can be objectively related to an occurrence that happened after recognition of the loss, this must be reversed to the statement of profit and loss. The reversal must be recognized up to the amount that would have been recognized (amortized cost) if the loss had not been initially recognized. The reversal of impairment losses is recognized in the statement of profit and loss caption “Reversal of impairment losses”. The reversal of impairment losses on investments in equity instruments (measured at cost) is not permitted.

FINANCIAL LIABILITIES

IAS 39 establishes the classification of financial liabilities in two categories:
i) Financial liabilities at fair value through profit and loss; and
ii) Other financial liabilities.

Other financial liabilities include “Borrowings” and “Trade and other payables” after initial recognition. Trade and other payables are initially recognized at fair value and subsequently adjusted to amortized cost, using the effective interest rate method.

Financial liabilities are derecognized when the related obligations are settled, cancelled or expire.

3.6 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Derivative financial instruments are measured at fair value. The method for recognizing gain and loss in fair value depends upon the designation made of the derivative financial instruments. If they are trading financial derivative instruments, gains and losses are recognized in the statement of profit and loss captions financial costs or income. When they are designated as hedging derivative financial instruments, the recognition of gains and losses depends on the nature of the item hedged, it being a fair value hedge or a cash flow hedge.

Derivative financial instruments are recognized in the caption “Derivative financial instruments”, and if they have a positive or negative fair value they are recognized as financial assets or liabilities, respectively.

A derivative financial instrument is recorded as non-current if its remaining period to maturity is more than 12 months and it is not expected to be realized or settled within 12 months.

HEDGE ACCOUNTING

In hedging its interest rate and exchange rate risk the Company contracts a series of financial derivative instruments, namely swaps.

The criteria for applying hedge accounting rules are:

- Adequate documentation of the hedge;
- The risk to be covered is one of the risks described in IAS 39; and
- It is expected that the changes in fair value or cash flows of the hedged item, attributable to the risk covered, are virtually offset by changes in fair value of the hedging instrument.

At the inception of the hedge operation, the Company documents the relationship between the hedging instrument and the hedged item, its risk management objectives, strategy for managing the risk and its assessment of the effectiveness of the hedging instrument to offset variations in the fair value and cash flows of the item hedged.

In the fair value hedge of an asset or liability, the book value of the asset or liability, determined based on the accounting policy used, is adjusted so as to reflect the variation of its fair value attributable to the risk hedged. Variations in the fair value of the hedging instruments are recognized in the statement of profit and loss together with variations in the fair value of the assets or liabilities hedged attributable to the risk hedged.

In a hedging operation of the exposure to variations of great probability in future cash flows (cash flow hedge) the effective part of the fair value variation of the hedging instrument is recognized in hedging reserves, being transferred to the statement of profit and loss in the period the item hedged affects results. The ineffective part of the hedge in recognized in the statement of profit and loss, whenever the ineffective part exceeds the limits established in IAS 39.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires, is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any amount recorded as "Other reserves – hedge reserves” is only reclassified to the statement of profit and loss when the hedged position affects results. When the hedged position relates to a future transaction which is not expected to occur, any amount recorded as "Other reserves – hedge reserves” is immediately reclassified to the statement of profit and loss.

3.7 INCOME

Income includes the fair value of the income received or receivable from services rendered, net of tax and discounts, returns and other deductions.

Income relating to services rendered refers to charges to subsidiaries corresponding to management costs.

Income relating to investments in subsidiaries and associates is recognized in accordance with the equity method.

Interest income is recognized in accordance with the effective interest method provided that it is probable that economic benefits flow to the company and they can be reliably measured.

3.8 CRITICAL ACCOUNTING JUDGMENTS AND MAIN SOURCES OF UNCERTAINTIES RELATING TO ESTIMATES

When preparing the accompanying financial statements, value judgments and estimates were made using assumptions that affect the amounts of assets and liabilities, as well as the amounts recorded relating to gains and losses of the period.

The estimates and underlying assumptions were determined with reference to the reporting date based on the best knowledge available as of the date of approval of the financial statements, of the events and transactions in process, as well as experience of past and/or current events. However, situations can occur in subsequent periods that were not predictable as of the date of approval of the financial statements and so were not considered in the estimates. Changes in the estimates that occur after the date of the financial statements will be corrected on a prospective basis. Therefore, given the degree of uncertainty, actual results of the transactions can differ from the corresponding estimates.

SIGNIFICANT ACCOUNTING ESTIMATES
3.8.1 ACTUARIAL ASSUMPTIONS

Determination of future liabilities requires the use of assumptions and estimates of a demographic and financial nature, which may significantly affect the liability calculated as of the reporting date. The more sensitive assumptions refer to: the discount rates used to update the liability, the estimated return on assets and the mortality tables.

Liability for post employment benefits – Life assurance

The Company's costs with respect to life assurance are recognised over the period in which the employees become entitled to these benefits, the liability being reflected on the statement of financial position caption "Post employment benefits liabilities". Payments to the beneficiaries each year are recorded as reductions in the provisions.

The Company records costs relating to life assurance in accordance with NCRF 28.

3.8.2 PROVISIONS

Provisions are recognized when REN SGPS has: i) a present legal or constructive obligation as a result of past events; ii) it is more likely than not that an outflow of resources will be required to settle the obligation;

and iii) the amount can be reliably estimated. When one of these criteria is not fulfilled or the existence of the liability is dependent upon a future event, REN SGPS discloses it as a contingent liability, except if the outflow of resources to settle it is considered to be remote.

Provisions are measured at the present value of the estimated expenditure required to settle the liability using a pre-tax rate that reflects the market assessment of the discount period and the risk of the provision.

3.8.3 FAIR VALUE

The fair value of listed investments is based on current market prices ("bid"). If the market for a financial asset is not active, REN SGPS establishes fair value by using valuation techniques. These include the use of recent transactions, provided that they are at market prices, reference to other instruments that are substantially the same and discounted cash flow analysis when information is available, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

3.9 INCOME TAX

Income tax for the year recognized in the statement of profit and loss includes current income tax and deferred tax. Current and deferred tax are recognized in the statement of profit and loss, except when deferred tax relates to items recognized directly in equity, in which case it is also recognized in equity. Current tax payable is computed based on the Company's taxable profit. Taxable profit differs from the accounting profit because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax refers to temporary differences between the amounts of assets and liabilities for accounting purposes and the amounts for tax purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the temporary differences revert, based on tax rates (and tax laws) that have been enacted on the date of the financial statements.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized, or temporary taxable differences that revert in the same period as the deductible temporary differences. At the end of each reporting period a revision is made of the deductible temporary differences and they are adjusted based on the expectation of their future utilization.

3.10 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Foreign currency transactions are translated to Euros, the functional currency, using the exchange rates prevailing at the dates of the transactions. Exchange gains and losses resulting from the settlement of such transactions and from the translation of foreign currency monetary assets and liabilities at the year-end exchange rates are recognized as finance costs in the statement of profit and loss if relating to borrowings and in other operating income and costs in the case of all the other balances/ transactions.

3.11 ACCRUAL BASES

The Company records income and expenses on an accruals basis, under which income and expenses are recorded in the period to which they relate, independently of when they are received or paid. Differences between the amounts received and paid and the related income and expenses are recorded as assets or liabilities.

3.12 DISTRIBUTION OF DIVIDENDS

The distribution of dividends to shareholders is recognized as a liability in the Company's financial statements in the period the dividends are approved by the shareholders and up to the time of their payment.

3.13 CAPITAL AND OWN SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or options are shown net of tax, as a deduction in equity from the amount issued.

Own shares acquired through contract or directly on the stock market are recognized as a deduction in equity. In accordance with the Portuguese Commercial Company Code REN SGPS must ensure at all times that there are reserves in Equity to cover the value of treasury shares, limiting the amount of reserves available for distribution.

Own shares are recorded at cost if they are acquired in a spot transaction or at estimated fair value if acquired in a deferred purchase.

3.14 CASH AND CASH EQUIVALENTS

The caption cash and cash equivalents includes cash on hand, bank deposits, other short-term highly liquid investments with initial maturities of up to three months, and bank overdrafts. Bank overdrafts are shown in the current liabilities "Borrowings" caption on the statement of financial position, and are included in the statement of cash flows as cash and cash equivalents.

3.15 FINANCIAL COSTS ON BORROWINGS

Financial costs on borrowings are recognized as costs in the period they are incurred.

3.16 SUBSEQUENT EVENTS

Events that occur after the statement of financial position date that provide additional information on conditions that existed at the date of the statement of financial position ("adjusting events" or events after the statement of financial position date that lead to adjustments) are recognized in the financial statements. Events that occur after the statement of financial position date that provide information on conditions that exist after that date ("non-adjusting events" or events after the statement of financial position date that do not lead to adjustments) are disclosed in the notes to the separate financial statements, if material.

4 CASH FLOW

For the purpose of the statement of cash flow, cash and cash equivalents includes cash, bank deposits readily available (with terms not exceeding three months) and treasury securities in the monetary market, net of bank overdrafts and other short-term financing equivalents. The caption cash and cash equivalents at 31 December 2011 and 2010 is made as follows:

	2011	2010
Bank deposits repayable on demand	1,366	472
Treasury applications	58,800	102,400
	60,166	102,872
Bank overdrafts (Note 15)	-	(389)
	60,166	102,483

5 TANGIBLE FIXED ASSETS

The changes in tangible fixed assets and accumulated depreciation and impairment losses in the years ended 31 December 2011 and 2010 were as follows:

	2011		
	Transport equipment	Administrative equipment	Total
Assets			
Beginning balance	488	146	634
Acquisitions	124	11	135
Sales/write offs	(153)	-	(153)
Ending balance	459	157	616
Accumulated depreciation and impairment losses			
Beginning balance	219	28	247
Depreciation for the year	122	27	149
Sales	(70)	-	(70)
Transfers and write offs	-	-	-
Reclassifications	-	-	-
Ending balance	271	55	326
Net assets	**188**	**102**	**290**

2010			
	Transport equipment	Administrative equipment	Total
Assets			
Beginning balance	348	59	407
Acquisitions	140	87	226
Ending balance	488	146	634
Accumulated depreciation and impairment losses			
Beginning balance	129	15	145
Depreciation for the year	90	13	103
Ending balance	219	28	247
Net assets	**268**	**118**	**386**

6 FINANCE LEASES

The Company had the following assets under finance lease agreements at 31 December 2011 and 2010:

	2011			2010
	Cost	Depreciation	Net	Net
Transport equipment	318	(140)	177	235
	318	(140)	177	235

The minimum payments under finance lease contracts at 31 December 2011 and 2010 are as follows:

	Present value of minimum payments		Minimum payments	
	2011	2010	2011	2010
Up to 1 year	74	86	80	91
Frim 1 to 5 years	105	142	110	147
	179	228	190	238

7 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The Company's investments in subsidiaries and associates at 31 December 2011 and 2010 were as follows:

		31-Dec-11					Investment held		
Entity	Head office	Capital	Assets	Equity	Net result	%	Investment	Provision (Note 14)	Proportional amount of result (Note 24)
Equity method:									
Subsidiaries									
REN - Rede Eléctrica Nacional, S.A.	Lisbon	586,759	2,895,578	674,544	79,535	100	674,544	-	79,535
REN Trading, S.A.	Lisbon	50	129,986	3,831	3,563	100	3,831	-	3,563
REN Atlântico, Terminal de GNL, S.A. (a)	Sines	13,000	365,441	78,082	8,127	100	81,856	-	8,127
RENTELECOM - Comunicações, S.A.	Lisbon	100	5,051	3,262	2,407	100	3,262	-	2,407
REN Serviços, S.A.	Lisbon	50	773,268	37,171	36,960	100	37,171	-	36,960
Enondas, Energia das Ondas, S.A.	Pombal	250	806	217	0	100	217	-	0
Associates:									
OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A.	Lisbon	2,610	25,751	25,735	187	35	4,725	-	23
							805,605	-	130,616

		31-Dec-10					Investment held		
Entity	Head office	Capital	Assets	Equity	Net result	%	Investment	Provision (Note 14)	Proportional amount of result (Note 24)
Equity method:									
Subsidiaries									
REN - Rede Eléctrica Nacional, S.A.	Lisbon	586,759	2,720,062	656,615	64,849	100	656,615	-	64,849
REN Trading, S.A.	Lisbon	50	173,313	(1,733)	(2,118)	100	-	(1,733)	(2,118)
REN Gasodutos, S.A.	Lisbon	404,931	936,779	455,942	41,982	100	455,942	-	41,982
REN Atlântico, Terminal de GNL, S.A. (a)	Sines	13,000	330,426	69,955	12,909	100	73,729	-	12,910
REN Armazenagem, S.A.	Pombal	76,386	139,950	83,331	5,213	100	83,331	-	5,213
RENTELECOM - Comunicações, S.A.	Lisbon	100	5,967	3,884	3,188	100	3,884	-	3,188
REN Serviços, S.A.	Lisbon	50	9,931	3,132	3,075	100	3,132	-	3,075
Enondas, Energia das Ondas, S.A.	Pombal	250	237	216	(34)	100	216	-	(34)
OMIP - Operador do Mercado Ibérico (Portugal), SGPS, S.A.	Lisbon	2,610	17,232	17,285	10	90	4,545	-	9
							1,281,394	(1,733)	129,074

As explained in the Introductory Note, in October 2011 REN SGPS lost its control over OMIP SGPS, becoming holder of only 35% of its capital.

The changes in these captions in 2011 and 2010 were as follows:

	2011			
	Investment - equity method			
	Proportion of capital held (assets)	Goodwill	Proportion of equity held - provisions (Note 14)	Total
Beginning balance	1,277,622	3,774	(1,733)	1,279,661
Result appropriated by the equity method (Note 19)	128,990	-	1,733	130,723
Effect of the exit of the investment in REN Gasodutos	(455,942)			(455,942)
Effect of the exit of the investment in REN Armazenagem	(83,331)			(83,331)
Sale of OMIP SGPS	(7,388)			(7,388)
Supplementary capital contributions -Trading	2,000			2,000
Supplementary capital contributions - OMIP	7,438			7,438
Distribution of dividends by subsidiaries and associates	(67,557)	-	-	(67,557)
Ending balance	801,832	3,774	-	805,605

	2010			
	Investment - equity method			
	Proportion of capital held (assets)	Goodwill	Proportion of equity held - provisions (Note 14)	Total
Beginning balance	1,247,482	3,774	-	1,251,256
Result appropriated by the equity method (Note 19)	130,807	-	(1,733)	129,073
Distribution of dividends by subsidiaries and associates	(97,800)	-	-	(97,800)
Appropriation of changes in equity in subsidiaries	(3,171)	-	-	(3,171)
Foundation of companies	304	-	-	304
Ending balance	1,277,622	3,774	(1,733)	1,279,661

On 7 April 2011 REN SGPS made a capital increase of 481,317 Euros in the subsidiary REN Gás, through payment in kind of all the shares held in REN Gasodutos (in the amount of 404,931 thousand Euros) and REN Armazenagem (in the amount of 76,386 thousand Euros). REN Gás, S.A. was sold by REN SGPS to REN Serviços in April 2011, this operation not having generated any margin in the financial statements as of 31 December 2011.

Under the process to create the Sole Operator of the Iberian Electricity Market (OMI) and in conformity with the what was established in the Agreement between the Republic of Portugal and the Kingdom of Spain regarding the foundation of an Iberian market of electric energy, in October and December 2011 REN sold, for 9,153 thousand Euros, 55% of the capital of OMIP, Operador do Mercado Ibérico (Portugal), SGPS, S.A. through the transmission of lots of shares representing 5% of the capital of the company, becoming holder of 35% of the capital of the company. Supplementary capital contributions of 4,545,200 Euros were also sold in the transaction. This sale generated a profit in 2011 of 5,163 thousand Euros (Note 19).

At 31 December 2011 and 2010 goodwill included in the caption “Investments - Equity method” was made up as follows:

	2011			2010
Entity	Year of acquisition	Initial amount	Amount recorded	Amount recorded
REN Atlântico, Terminal de GNL, S.A.	2006	3,774	3,774	3,774
		3,774	3,774	3,774

Goodwill represents the difference between the amount paid for the acquisition of the participation in subsidiaries and the fair value of the equity of REN Atlântico, S.A. under the natural gas business unbundling process.

GOODWILL IMPAIRMENT TEST

REN made a goodwill impairment test at 31 December 2011 in terms of the cash generating unit to which REN Atlântico corresponds. REN Atlântico`s business is subject to a concession contract and regulated tariffs so that the recoverable amount was determined based on value-in-use calculations. The cash flow projections considered the expected regulatory terms in place for the remaining term of the concession, the most significant assumption in determining it being the rate of remuneration of the regulated assets. The cash flow was discounted considering an average market pre-tax interest rate, adjusted for the natural gas regasification activities risk, of 8% (post-tax discount rate of 4.99%).

The recoverable amount obtained was 95,317 thousand Euros, which enables the net amount of the non-current asset plus goodwill of 3,774 thousand Euros to be recovered.

8 INCOME TAX

The companies belonging to the REN group are taxed based on the special regime for the taxation of groups of companies (“RETGS”). Consequently, estimated income tax, tax amounts withheld by third parties and corporate income tax paid in advance are recorded in the statement of financial position as accounts payable to and receivable from REN SGPS.

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. Consequently, the Company's tax returns for the years from 2008 to 2011 are still subject to review.

The calculation of income tax for the year includes a State surcharge of an additional 2.5% of taxable profit in excess of 2 million Euros.

Consequently the tax rate used to determine the amount of taxable and deductible temporary differences at 31 December 2011 was 29% (29% in 2010).

The Company's Board of Directors believes 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 31 December 2011 and 2010.

Income tax expense of the years ended 31 December 2011 and 2010 was as follows:

	2011	2010
Current tax	1,725	222
Adjustments relating to prior year income tax	(2,845)	1,032
Deferred tax	(910)	(216)
Income tax	(2,030)	1,038

Current income tax expense for 2011 and 2010 is made up as follows:

	2011	**2010**
Profit before income tax	**114,583**	**106,240**
Permanent differences		
Non tax deductible costs	18,565	27,910
Non taxable income	(140,675)	(132,705)
temporary differences:		
Provision for life assurance and legal processes	14	6
Fair value of futures and unwind swap	474	(640)
Taxable profit	**(7,039)**	**811**
Cost /(credit) of income tax at the rate of 25%	(1,760)	203
Autonomous taxation	35	20
Current tax	**(1,725)**	**222**
Deferred tax	910	(216)
Adjustments relating to prior year taxes	2,845	1,032
Income tax	**(2,030)**	**1,038**

DEFERRED TAX

The amounts of deferred tax assets and liabilities as of 31 December 2011 and 2010 are made up as follows:

	31 December 2011		31 December 2010		Increase / (decrease) in the period	
Nature	Base	Deferred tax	Base	Deferred tax	Results	Equity
Deferred tax assets:						
Provision for legal processes	19	5	-	-	5	-
Provision for life assurance	1	0	6	2	(1)	-
Tax losses	-	-	4,205	1,051	(1,051)	-
Fair value of futures	-	-	1,572	456	(456)	-
Fair value of swaps	15,115	4,383	3,688	1,069	(48)	3,362
	15,135	4,389	9,471	2,578	(1,551)	3,362
Deferred tax liabilities:						
Fair value of futures	-	-	2,212	642	(642)	-
Fair value of swaps	-	-	1,594	462	-	(462)
	-	-	3,806	1,103	(642)	(462)
Total					(910)	3,824

9 FINANCIAL ASSETS
TRADE AND OTHER RECEIVABLES

Trade and other receivables at 31 December 2011 and 2010 are made up as follows:

	2011	2010
Non current		
Other receivables:		
Group companies - loans (Note 26)	1,727,525	1,209,333
Current		
Trade receivable	197	51
Other receivables:		
Group companies - Shareholders' loans (Note 26)	99,155	34,916
Group companies - treasury management (Note 26)	622,995	359,306
Group companies - RETGS (Note 26)	62,486	90,398
Group companies - Debtors (Note 26)	32,555	71,682
Other	238	87
	817,428	556,389
	2,545,150	1,765,774

As of 31 December 2011 the Company give shareholders 'loans to subsidiaries in the amount 1,826 thousands of Euros, which terms and conditions reflect actual market conditions.

The Company agreed a Central Cash pooling agreement. This agreement is valid for annual periods, renewable for equal periods, with market conditions.

The caption "Other receivables – group" includes income tax charged to subsidiaries resulting from the adoption of the special regime for taxation of groups of companies.

OTHER FINANCIAL ASSETS

The caption "Other financial assets" in the amount of 5,667 thousand Euros (7,119 thousand Euros at 31 December 2010), corresponds to an investment in 126 participating units in the closed-ended fund "Luso Carbon Fund", with a maturity of 10 years. This investment is recorded at fair value through profit and loss, considering the value of the participating units of the fund.

10 DERIVATIVE FINANCIAL INSTRUMENTS

At 31 December 2011 and 2010 the Company had the following derivative financial instruments contracted:

		31 December 2011			
		Assets		Liabilities	
Derivatives designated as cash flow hedge	Notional	Current	Non-current	Current	Non-current
Interest rate Swaps	184.000.000 EUR	-	-	640	-
Interest rate Swaps	350.000.000 EUR	-	-	-	14,239
Cross currency swap	10.000.000.000 JPY	-	26,696	-	-
Trading derivatives		1,144		1,095	
Total derivatives designated to cash flows hedge		**1,144**	**26,696**	**1,735**	**14,239**

		31 December 2010			
		Assets		Liabilities	
Derivatives designated as cash flow hedge	Notional	Current	Non-current	Current	Non-current
Interest rate Swaps	384.000.000 EUR	-	-	2,803	2,875
Interest rate Swaps	200.000.000 EUR	-	1,553	-	-
Cross currency swap	10.000.000.000 JPY	-	19,146	-	-
Trading derivatives		2,212		1,572	
Total derivatives designated to cash flows hedge		**2,212**	**20,699**	**4,376**	**2,875**

The amount recorded in this caption relates to five interest rate swaps, one cross currency swap and two forward start interest rate swap contracts that were contracted by REN SGPS to hedge the risk of fluctuation of future interest and foreign exchange rates.

The amounts presented include interest receivable or payable at 31 December 2011 relating to these financial instruments, in the net payable amount of 2,614 thousand Euros.

The features of the swaps contracted at 31 December 2011 and 2010 are as follows:

Reference value	Payment periods	Receipt/payment	Maturity date	Fair value at 31.12.2011	Fair value at 31.12.2010
Interest rate swaps					
50,000 tEuros	Interest counting periods: payable: 5 February, May, August and November – interest settled quarterly; receivable: 5 February, May, August and November – interest settled quarterly.	REN receives Euribor 3M and pays 2,19%	May 2012	(197)	(781)
134,000 tEuros	Interest counting 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 2,28%	June 2012	(443)	(2,094)
50,000 tEuros	Interest counting periods :payable: 27 April and October – interest settled half yearly receivable: 27 April and October - interest settled half yearly	REN receives Euribor 6M and pays 2,26%	October 2014	(1,224)	-
50,000 tEuros	Interest counting periods :payable: 27 April and October – interest settled half yearly receivable: 27 April and October - interest settled half yearly	REN receives Euribor 6M and pays 2,23%	October 2014	(1,209)	-
50,000 tEuros	Interest counting periods: payable: 12 Jan and Jul, interest settled half yearly; - receivable: 12 Jan and Jul, interest settled half yearly.	REN receives Euribor 6M and pays 2,15%	July 2014	(1,152)	-
334,000 tEuros					
200 000 tEuro	- payable: 16 April, interest settled annually; - receivable: 16 of each month, interest settled monthly	REN receives Euribor 1M and pays 1,68%	April 2011	-	(2,803)
				(4,225)	(5,678)
Forward start swaps					
100 000 tEuros	Interest counting 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 2,77%	December 2016	(5,211)	847
100 000 tEuros	Interest counting 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 2,77%	December 2016	(5.443)	706
200,000 tEuros				(10,654)	1,553
Cross Currency Swap					
10 000 000 000JPY 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 pay 5,64% (annual) up to June 2019 and Euribor 6M + 190 p.b. from that date to maturity	June 2024	26,696	19,146
				26,696	**19,146**
10 000 000 000JPY			**Total**	**11,817**	**15,021**

SWAPS:

CASH FLOW HEDGES

The Company hedges part of its future payments of interest on borrowings, bonds issued and commercial paper through designation of interest rate swaps on which it pays a fixed rate and receives a variable rate with a notional value 334,000 thousand Euros (384,000 thousand Euros at 31 December 2010). This is the hedging of the interest rate risk on payments of interest at variable rates on recognized financial liabilities. The risk covered is the variable rate indexer to which the borrowing interest coupons relate. The object of this hedging is to transform loans at variable interest rates to fixed rates, the credit risk not being hedged. The fair value of the interest rate swaps at 31 December 2011 was 4,225 thousand Euros negative (5,678 Euros negative at 31 December 2010).

The Company also has two forward-start interest rate swaps starting in 2012 for the purpose of hedging interest rate fluctuations on the Company's recurring debt. The instruments have a notional value of 200,000 thousand Euros, REN paying a fixed rate and receiving a variable rate. The risk hedged is the variable rate indexer to which the interest coupons of the loans relate. The objective of this hedge is to transform the variable rate borrowing into a fixed rate, the credit risk not being covered. The fair value of the interest rate swaps at 31 December 2011 was 10,654 thousand Euros negative (1,553 thousand Euros positive at 31 December 2010).

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

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

The fair value of the cross currency swap at 31 December 2011 was 26,696 thousand Euros positive (19,146 thousand Euros positive at 31 December 2010). The underlying exchange variation (borrowing) for 2011, in the amount of approximately 7,762 thousand Euros, was offset by a similar variation in the hedging instrument in the statement of profit and loss.

The amount recorded in reserves relating to the above mentioned cash flow hedges was 14,793 thousand Euros (1,607 thousand Euros in December 2010).

	Fair value	Deferred taxes impact	Hedging reserves
1 January 2010	(7,556)	2,002	(5,554)
Changes in fair value	5,949	(1,537)	4,412
31 December 2010	**(1,607)**	**466**	**(1,142)**
1 January 2011	(1,607)	466	(1,142)
Changes in fair value	(13,185)	3,824	(9,362)
31 December 2011	**(14,793)**	**4,290**	**(10,503)**

FAIR VALUE HEDGE

In February 2009 the Company contracted an interest rate swap to hedge the fair value of an issuance of 300,000 thousand Euros. This hedge was discontinued in November 2009, and at that date the instrument hedged had a fair value adjustment resulting from the hedge of 677 thousand Euros. This amount will be amortized to profit and loss in accordance with the effective interest rate method over the period to maturity of the hedged instrument.

FUTURES

The Company, through its subsidiary REN Trading, S.A., has carried out some financial operations in the energy, coal and CO2 emission licence futures market, through entering into standard contracts with

International Swaps and Derivatives Association Inc. ("ISDA") as well as through participation in futures trading exchanges.

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

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

The fair value of the futures energy contracts and CO2 licences at 31 December 2011 and 2010 was as follows:

	Current asset	Current liability
Financial contracts in the energy market for 2012	570	-
Financial contracts in the energy market for 2013	392	
CO2 licences	-	1,095
Carbon financial contracts 2012	182	-
Fair value at 31 December 2011	1,144	1,095

	Current asset	Current liability
Financial contracts in the energy market for 2011	1,941	-
CO2 licences	271	-
Carbon financial contracts	-	1,572
Fair value at 31 December 2010	2,212	1,572

The change in fair value of trading derivatives that were recognized in profit and loss, together with the change in fair value of the assets or liabilities attributable to the risk hedged were 592 thousand Euros negative at 31 December 2011 (640 thousand Euros positive at 31 December 2010).

The loss recognized in 2011 was recorded in the caption "Other income and expenses" so as to have the result of the financial energy contracts in a single caption in the statement of profit and loss (Note 22).

11 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The assets recognised in this caption at 31 December 2011 and 2010 correspond to equity instruments held in strategic market entities in the Spanish electricity market, as follows:

	%held	Entidade	2011	2010
OMEL - Operador del Mercado Ibérico de Energia (Polo Espanhol)	10.00%	REN, SGPS	3,167	-
Red Electrica Corporacion,S.A. ("REE")	1.00%	REN, SGPS	44,760	47,651
Enagás, S.A	1.00%	REN, SGPS	34,125	35,617
Total			**82,051**	**83,267**

The changes in the year ended 31 December 2011 in this caption were as follows:

	OMEL	REE	ENAGAS	Total
1 January 2010	-	52,551	36,835	89,386
Fair value adjustment	-	(4,900)	(1,218)	(6,119)
31 December 2010	**-**	**47,651**	**35,617**	**83,267**
1 January 2011	-	47,651	35,617	83,268
Acquisitions	3,167	-	-	3,167
Fair value adjustment	-	(2,891)	(1,493)	(4,383)
31 December 2011	**3,167**	**44,760**	**34,125**	**82,051**

The participations in REE and Enagás are recorded at fair value determined based on the stock closing cotation as of 31 December 2011.

Red Eléctrica de España ("REE") is the Spanish entity responsible for managing the electricity network in Spain. REN, SGPS acquired a 1% participation in REE as part of an agreement between the Portuguese and Spanish Governments. REE is listed in Euronext – Spain and the financial asset was recorded on the statement of financial position at the market price on 31 December 2011, which resulted in the recognition of a fair value reduction of 2,891 thousand Euros.

ENAGÁS is the entity responsible for the transport and management of the natural gas system in Spain. REN, SGPS acquired a 1% participation in Enagás as part of a strategic partnership agreement, the asset having been recorded at the market price at 31 December of 2011, which resulted in the recognition of a fair value reduction of 1,493 thousand Euros.

In the process to create the Sole Operator of the Iberian Electricity Market (Operador Único do Mercado Ibérico de Electricidade - OMI) and in conformity with an Agreement between the Portuguese Republic and the Kingdom of Spain regarding the forming of an Iberian electric energy market, REN SGPS and REN acquired 10% of the shares of OMEL, Operador del Mercado Ibérico de Energia, S.A., Spanish pole of the Sole Operator, for 3,166,800 Euros.

The participation in OMEL is recorded at cost as OMEL has a specific activity and is not a listed company. No adjustment was made at 31 December 2011 as there were no indications of impairment.

The adjustments to fair value of available-for-sale financial assets are recognized in the equity caption "Fair value reserve":

Fair value adjustment:	2011	2010
fair value variation	(4,383)	(6,118)
Deferred tax impact	-	(496)
Net adjustment in equity	**(4,383)**	**(6,614)**

In 2011 REE and Enagás distributed dividends of 2,538 and 2,001 thousand Euros (2,001 and 1,789 thousand Euros in 2010), respectively. These amounts were recognized in the statement of profit and loss caption "Dividends" (Note 25).

12 DEFERRALS

At 31 December 2011 and 2010 the caption "Deferrals" was made up as follows:

	2011	2010
Deferred costs:		
Prepaid insurance	38	115
Other costs	47	13
	85	128

13 EQUITY INSTRUMENTS SHARE CAPITAL

The Company's subscribed and paid up capital at 31 December 2011 was made up of 534,000,000 shares of 1 euro each.

Share capital at 31 December 2011 and 2010 is made up as follows:

	Number of shares	Capital
	534,000,000	534,000,000
Capital	534,000,000	534,000,000

The main shareholders at 31 December 2011 were as follows:

	Nº of Shares	% Capital
Parpública, SGPS, S.A.	266,471,340	49.90%
Caixa Geral de Depósitos, S.A.	6,285,281	1.18%
EDP - Energias de Portugal, S.A.	26,700,000	5.00%
EGF - GCF, S.A.	44,935,176	8.41%
Gestmin, SGPS, S.A.	30,135,818	5.64%
Oliren, SGPS, S.A.	26,700,000	5.00%
Red Eléctrica Corporación, S.A.	26,700,000	5.00%
Treasury shares	3,881,374	0.73%
Free float	102,191,011	19.14%
	534,000,000	**100.00%**

At 31 December 2011 and 2010 the Company had the following own shares:

	Number of shares	Percentage of capital	Amount
Own shares	3,881,374	0.7268%	10,728

There were no purchases or sales of own shares in 2011.

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

LEGAL RESERVE

In accordance with the Commercial Company Code (Código das Sociedades Comerciais) the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may in certain circumstances be used to increase capital or to absorb losses after all the other reserves have been used up.

At 31 December 2011 the caption “Legal reserve” amounted to 79,809 thousand Euros (74,445 thousand Euros in 2010).

DISTRIBUTIONS

The dividends paid during the years ended 31 December 2011 and 2010, amounted to 89,060 thousand Euros (0,167 Euros per share) and 88,530 thousand Euros (0,166 Euros per share), respectively.

OTHER RESERVES

The caption “Other Reserves” includes changes in the fair value of assets held for sale and derivative financial instruments hedging cash flows.

In accordance with the Commercial Company Code, increases resulting from the adoption of fair value can only be distributed to shareholders when the assets or liabilities that originated the fair value are sold, executed, extinguished, liquidated or when they are used. At 31 December 2011, the Company had in equity the non distributable negative amount of 24,747 thousand Euros (11,003 thousand Euros negative in 2010) relating to decreases resulting from the application of fair value.

14 Provisions, contingent liabilities and contingent assets Guarantees given

At 31 December 2011 and 2010 the Company had given the following bank guarantees:

Beneficiary	Purpose	Beginning	2011	2010
Direcção Geral de Geologia e Energia	Guarantee complete fulfillment of the obligations of the "Transport of Natural Gas Concession Contract through RNT de Gás Natural".	25/09/2006	10,000	10,000
BEI	For loan covenants	26/06/2006	284,675	244,591
Fortia - Energia para Grandes Consumidores	Financial contracts under the ISDA contract (International Swaps and Derivatives Association, Inc.)	19/04/2011	1,000	-

PROVISIONS

At 31 December 2011 and 2010 the caption “Provisions” was made up as follows:

	2011		2010	
	Non-current (Note 7)	Current	Non-current (Note 7)	Current
Beginning balance	1,733	12,470	-	982
Increases	-	15,280	1,733	12,470
Utilization	(1,733)	-	-	(982)
Ending balance	-	27,749	1,733	12,470

The caption provisions at 31 December 2011 corresponds to the provision to cover the contingency relating to litigation with Amorim Energia over dividends received from GALP Energia in 2006, which was recorded in 2010 following notification of the decision of the Arbitration Court of the International Chamber of Commerce (ICC) of Paris on 16 March 2010 and corresponding addendum of 8 July 2010, requiring REN to pay 20,300 thousand Euros, equivalent to half of the amount claimed by Amorim Energia, plus interest. On 17 November 2011 REN was notified of the decision of Cour d'Appel de Paris, denying the request to annul the CCI Agreement.

At 31 December, based on a legal analysis of the arbitration court decision and related addenda, REN decided to increase the provision from 14,874 thousand Euros to 27,749 thousand Euros, corresponding to the full amount of the process plus interest up to that date, to cover the risk of the process (Notes 28 and 29).

15 FINANCIAL LIABILITIES

At 31 December 2011 and 2010 the captions “Suppliers” and “Other payables” were made up as follows:

	2011	2010
Current		
Current suppliers		
Group	150	153
National	2,045	860
Foreign	481	43
	2,676	1,056
Other payables:		
Investment suppliers	4	57
Group companies - RETGS (Note 26)	4,928	-
Group companies - shareholders' loans (Note 26)	-	3,260
Group companies - treasury management (Note 26)	139,155	-
Accrued costs:		
Remunerations	360	419
Other	3,021	240
Other creditors (Note 26)	939	32,086
Others	(3)	-
	148,404	36,062
	151,080	37,118

The Company agreed a central cash pooling agreement with its subsidiaries. This agreement is valid for one year and is renewable for equal periods. The terms and conditions of this agreement are market conditions.

BORROWINGS

The borrowings are made up, in terms of maturity (current and non current) and nature, as follows:

	2011	2010
Non-current:		
Commercial Paper	555,000	227,000
Bonds	1,100,123	942,039
Bank loans	574,760	609,675
Finance lease (Note 6)	105	142
	2,229,987	1,778,856
Current:		
Commercial Paper	-	260,000
Bank loans	34,916	34,916
Bank overdrafts (Note 4)	-	389
Finance lease (Note 6)	74	86
Interest payable	14,971	12,314
Interest receivable	(4,742)	(3,778)
	45,219	303,927
	2,275,206	2,082,784

At 31 December 2011 the Company had ten active commercial paper programs amounting to 1,200,000 thousand Euros, having used 555,000 thousand Euros. Extension of the terms of all the commercial paper programs resulted in their classification as non-current. At 31 December 2011 the amount of bank loans was circa 610,000 thousand Euros.

In 2011 the Company issued bonds totalling 150,000 thousand Euros, which maturity is July and October 2014.

The REN Group's financial liabilities have the following main types of covenants: Cross default, Pari Passu, Negative Pledge, and Gearing. The borrowings from EIB – European Investment Bank include covenants relating to change in shareholder control and covenants relating to rating: (i) in the event of change in shareholder control, if EIB makes a negative assessment of its credit position motivated by the new shareholder Group, it can be required to provide a guarantee acceptable to EIB; (ii) in the event of ratings below the levels specified, the Group can also be called to provide a guarantee acceptable to EIB.

At the end of 2011, the Company also had the following credit lines contracted and not used:

Variable interest rates:	2011	2010
Short term	70,000	120,000

The credit lines maturing in up to 1 year are automatically renewable annually or quarterly (if they are not rescinded in the contractually specified period for that purpose) or by agreement between the parties prior to their maturity.

16 STATE AND OTHER PUBLIC ENTITIES

At 31 December 2011 and 2010 the caption "State and other public entities" was made up as follows:

Current assets	2011	2010
Income tax	14,015	-
VAT receivable	1	2
State and Public entities - Asset	14,016	2

Current liabilities	2011	2010
Income tax	-	59,741
VAT payable	208	241
Retained income tax	93	113
Social support contribuition	68	53
State and Public entities - Liability	369	60,148

The companies belonging to REN group are taxed based on the special regime for taxation of group of companies ("RETGS").

17 DEFERRALS (LIABILITIES)

At 31 December 2011 and 2010 the liability caption "Deferrals" was made up as follows:

	2011	2010
Deferrals (liabilities)		
Dividends	910	745
Other income to be recognized - Resale option of REN SGPS of 10% of OMIP	1,147	-
	2,057	745

18 REVENUE

The income recognized by the Company in the year ended 31 December 2011 and 2010 was as follows:

	2011	2010
Services rendered		
Technical and administrative manangement of the REN Group (Note 26)	11,013	10,218
	11,013	10,218

19 GAINS AND LOSSES ON SUBSIDIARIES AND ASSOCIATES

The gain with subsidiaries in the years ended 31 December 2011 and 2010 was made up as follows:

	2011	2010
Subsidiaries:		
REN REDE ELECTRICA NACIONAL, S.A.	79,535	64,849
REN GASODUTOS, S.A. (Nota 7)	-	41,982
REN ATLÂNTICO, S.A.	8,127	12,909
REN ARMAZENAGEM, S.A. (Nota 7)	-	5,213
RENTELECOM - COMUNICAÇÕES S.A.	2,407	3,188
REN SERVIÇOS, S.A.	36,960	3,075
OMIP, SGPS, S.A.	107	9
ENONDAS – ENERGIA DAS ONDAS, S.A.	0	(34)
REN TRADING, S.A.	3,563	(2,118)
Associates:		
OMIP, SGPS, S.A.	23	-
Gain on the sale of OMIP SGPS (Note 7)	5,163	-
	135,886	129,073

20 SUPPLIES AND SERVICES

The caption “Supplies and services” for the years ended 31 December 2011 and 2010 is made up as follows:

	2011	2010
Specialized services	5,729	3,084
Services rendered to group companies (Note 26)	1,804	1,573
Publicity and promotional expenses	809	952
Travel and lodging	480	249
Other	1,265	796
	10,087	6,655

21 PERSONNEL COSTS

The caption "Personnel costs" for the years ended 31 December 2011 and 2010 is made up as follows:

	2011	2010
Board of directors	1,484	1,930
Personnel	2,539	1,375
Charges on remuneration	688	432
Performance bonuses	-	158
Other	5	77
Insurance	93	46
	4,809	4,018

PERSONNEL EMPLOYED

During the years ended 31 December 2011 and 2010 the average number of personnel employed by the Company was 39 and 21, respectively.

22 OTHER INCOME

The caption "Other income" for the years ended 31 December 2011 and 2010 is made up as follows:

	2011	2010
Futures	391	5,938
Supplementary income	14	530
Other	122	14
	527	6,482

The caption "Other income" corresponds essentially to gain on the financial energy contracts in the amount of 391 thousand Euros in December 2011, less recognized unrealized losses of 592 thousand Euros (5,938 thousand Euros at 31 December 2010). The unrealized gain on financial contracts in 2010 was recognized in the caption increase and decrease in fair value.

23 OTHER EXPENSES

The caption "Other expenses" for the years ended 31 December 2011 and 2010 is made up as follows:

	2011	2010
Donations	573	618
Subscriptions	159	122
Taxes	203	103
Prior year adjustments	360	58
Other	57	1
	1,352	902

24 INTEREST AND SIMILAR INCOME AND EXPENSES

The caption "Interest and similar income and costs" for the years ended 31 December 2011 and 2010 is made up as follows:

	2011	2010
Interest and similar costs		
Interest on bonds issued	57,007	51,026
Bank borrowings	18,649	13,827
Interest on commercial paper isued	21,176	8,929
Swaps	6,674	9,018
Centralized treasury management	1,193	644
Other financial assets Luso Carbon (Note 9)	1,452	157
Other	590	51
	106,741	83,653
Interest and similar income:		
Interest on shareholders' loans (Note 26)	81,868	56,005
Interest on centralized treasury management (Note 26)	15,883	7,671
Interest on bank deposits	3,283	159
	101,034	63,835

25 DIVIDENDS

During the years ended 31 December 2011 and 2010 the Company received the following dividends from financial assets held for sale:

	2011	2010
Dividends received:		
- REE	2,538	2,001
- Enagás	2,001	1,789
	4,540	3,790

26 RELATED PARTIES

During the years ended 31 December 2011 and 2010 the following transactions were carried out with related parties:

	2011			
Related party	Services rendered (Note 18)	Interest and similar income (Note 24)	Supplies and services (Note 20)	Interest and similar costs (Note 24)
REN - Rede Eléctrica Nacional, S.A.	6,150	64,853	787	
REN Trading, S.A.	139	354	330	682
REN Serviços, S.A.	1,205	24,609	574	155
RENTELECOM - Comunicações, S.A.	102	97	113	113
Gasoduto Campo Maior-Leiria-Braga	-	28	-	14
Gasoduto Braga-Tuy	-	-	-	20
REN Gás	-	-	-	208
Enondas	4	11	-	-
REN Gasodutos, S.A.	2,349	5,443	-	-
REN Armazenagem, S.A.	243	642	-	-
REN Atlântico, Terminal de GNL, S.A.	821	1,714	-	-
	11,013	97,751	1,804	1,193

	2010				
Related party	Services rendered (Note 18)	Interest and similar income (Note 24)	Supplies and services (Note 20)	Other expenses	Interest and similar costs
REN - Rede Eléctrica Nacional, S.A.	5,903	55,637	565	-	-
REN Trading, S.A.	104	1,591	330	-	-
REN Serviços, S.A.	1,464	6	620	-	27
RENTELECOM - Comunicações, S.A.	35	-	58	-	24
REN Gasodutos, S.A.	2,037	5,147	-	4	-
REN Armazenagem, S.A.	153	325	-	-	-
REN Atlântico, Terminal de GNL, S.A.	522	969	-	1	-
	10,218	63,675	1,573	5	51

At 31 December 2011 and 2010 the Company had the following balances with related parties:

	2011		
Related party	Current trade and other receivables (Note 9)	Non-current receivables (Note 9)	Trade and other payables (Note 15)
REN - Rede Eléctrica Nacional, S.A.	449,524	1,050,000	342
REN Trading, S.A.	28,854	-	59,669
REN Serviços, S.A.	121,355	609,760	7,078
REN Gasodutos, S.A.	187,820	-	1
REN Armazenagem, S.A.	25,411	-	-
REN Atlântico, Terminal de GNL, S.A.	2,673	67,765	-
Gasoduto Campo Maior-Leiria-Braga	28	-	27,319
Gasoduto Braga-Tuy	-	-	3,570
ENONDAS	543	-	
REN Gás	45	-	45,014
OMI CLEAR, S.A.	-	-	-
OMIP S.A.	-	-	-
RENTELECOM - Comunicações, S.A.	935	-	2,179
	817,190	1,727,525	145,172

	2010		
Related party	Current trade and other receivables (Note 9)	Non-current receivables (Note 9)	Trade and other payables (Note 15)
REN - Rede Eléctrica Nacional, S.A.	282,405	1,050,000	195
REN Trading, S.A.	68,844	-	31,871
REN Serviços, S.A.	3,858	-	1,193
REN Gasodutos, S.A.	174,733	134,675	-
REN Armazenagem, S.A.	20,066	-	-
REN Atlântico, Terminal de GNL, S.A.	6,388	24,657	-
OMI CLEAR, S.A.	(108)	-	-
OMIP S.A.	7	-	-
ENONDAS	5	-	-
RENTELECOM - Comunicações, S.A.	-	-	2,239
	556,199	1,209,332	35,498

27 REMUNERATION OF THE BOARD OF DIRECTORS

The Board of Directors of REN were considered in accordance with NCRF 5 to be the only key members of the management of the Group. Remuneration of the Board of Directors of REN in the years ended 31 December 2011 and 2010 was as follows:

	2011	2010
Salaries and other benefits	1,540	1,930

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

28 OTHER MATTERS

DISAGREEMENT WITH AMORIM ENERGIA B.V.

Following the sale by REN – Redes Energéticas Nacionais, SGPS, S.A. (REN) to Amorim Energia BV in September 2006 of the participation held by REN in the capital of Galp Energia, SGPS, SA, the parties had a disagreement as to which party the dividends distributed by Galp Energia, SGPS, S.A. in July 2006 should belong and agreed to constitute an arbitration court in Lisbon to decide.

On 15 July 2007 the Arbitration Court specially constituted for the purpose by agreement between the parties issued a decision, with one vote against, judging the action brought about by Amorim Energia BV as invalid and recognizing definitively the right of REN to maintain the dividend.

In December 2007 REN was notified of a second arbitration process requested by Amorim Energia B.V., this time with headquarters in Paris, under the auspices of the International Chamber of Commerce ("CCI") regarding the matter relating to the "Shareholders Agreement relating to GALP ENERGIA, SGPS, S.A." signed on 29 December 2005, between REN, AMORIM and ENI PORTUGAL INVESTMENT, S.p.A. ("Shareholder Agreement"), especially with respect to the dividends.

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

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

On 20 July 2010 REN brought a claim against Amorim Energia B.V., in *Cour d'Appel* in Paris, requesting annulment of the decision of the CCI Arbitration Court as it believed that it could make its position prevail.

On September 2010 Amorim Energia B.V. brought a special process against REN to revise the foreign arbitration sentence, requesting recognition in Portugal of the arbitration decision issued on 16 March in Paris by the CCI Court, so that it could be executed in Portugal. In October 2010 REN presented its opposition to the proposal of Amorim Energia.

Subsequently, on 17 November 2011 REN was notified of the decision of *Cour d'Appel* in Paris, which denied the request to annul the CCI Decision.

In any case, following the opposition presented by REN, the action proposed by Amorim Energia B.V. continued pending, in September 2010, with the objective of recognition in Portugal of the CCI Decision, development of the process being awaited.

On 31 December REN, based on a legal analysis of the arbitration decision and related addendum, decided to increase the provision from 14,847 thousand Euros to 27,749 thousand Euros, corresponding to the full amount of the process plus interest to that date (Note 14), so as to cover the risk resulting from the process (Note 29).

NEW MEMBERS OF THE BOARD OF DIRECTORS

In March 2011 the Directors Gonçalo Oliveira, Luis Atienza, Manuel Champalimaud and Filipe de Botton presented their resignation to the President of the Board of Directors, being substituted at the Shareholders' Annual General Meeting held on 15 April, by the following entities: Logoplaste, Gestão e Consultoria Financeira, S.A. (currently called EGF, Gestão e Consultoria Financeira, S.A.), Gestmin, SGPS, S.A., Oliren, SGPS, S.A. and Red Eléctrica Corporación, S.A..

In compliance with the requirements of item 4 of article 390 of the Commercial Company Code, these entities appointed the following individuals to exercise the functions of member of the Board of Directors in their own name:

Luis Guedes da Cruz Almeida (appointed on 27/07/2011);
José Manuel Félix Morgado (appointed on 14/09/2011);
Gonçalo Xavier de Araújo (appointed on 14/09/2011);
Luis Atienza (appointed on 14/09/2011).

29 SUBSQUENTS EVENTS

NEW MEMBERS OF THE BOARD OF DIRECTORS

On 2 January 2012 the Director João Nuno de Oliveira Jorge Palma presented his resignation from the position of Executive Director and Chief Financial Officer to the President of the Board of Directors, it having been decided until the appointment of a new Chief Financial Officer, that Rui Manuel Janes Cartaxo would accumulate these functions.

DISAGREEMENT WITH AMORIM ENERGIA B.V.

On 26 January 2012, 27,837 thousand Euros was paid relating to the amount claimed plus interest accrued up to the date of payment (Note 28) on the Amorim Energia B.V. process.

SECOND PRIVATIZATION OF THE COMPANY

On 2 February 2012 the Council of Ministers, in accordance with information transmitted to Parpública, selected Oman Oil Company S.A.O.C. ("Oman Oil") and State Grid International Development Limited ("State Grid") to acquire distinct lots of shares of the Company, amounting together to all the shares subject to direct sale under the 2nd phase of the privatization of REN.

Oman Oil will acquire 80 100 000 shares, representing 15% do of REN's capital, for the price of 205,056,000 Euros, including a premium of 23% in relation to the market price of the shares on 1 February 2012.

State Grid will acquire 133 500 000 shares, representing 25% of REN's capital, for the price of 387,150,000 Euros, including a premium of 40% in relation to the market price of the shares on 1 February 2012.

The Presidency of the Council of Ministers published in the Official Journal of the Republic of 8 February 2012, resolution 13/2012 that selects the purchasers of the direct sale relating to the 2nd phase of REN's above mentioned privatization process.

AMENDMENTS TO CONCESSION CONTRACTS

On February 21, 2012, the following additions to the concession agreements in effect between the Portuguese State and the Group companies were signed, namely: i) the concession of transport activity of electricity through the National Network of Transport of Electricity signed with REN – Rede Eléctrica Nacional, S.A.; ii) the concession of transport activity of natural gas through the National Network of Natural Gas Transportation, signed with REN Gasodutos, S.A.; iii) the concession activity of reception, storage and regasification of liquefied natural gas to the terminal in Sines, signed with REN Atlântico, terminal GNL, S.A.; iv) the concession of the activity of underground storage of natural, signed with REN Armazenagem, S.A.. These concession contracts were changed with the main purposes of: i) detailing the functions of the operators of the national networks of electricity and natural gas transportation; ii) develop arrangements for monitoring and supervising the activities of dealers by the Portuguese State and iii) specify the terms applicable to provide information by each of the dealers, adapting the respective contractual clauses to the

legal provisions and regulations in force, in particular Decree-Law no. No. 77/2011 and n. No. 78/2011, both of 20 June.

DISCLOSURES REQUIRED BY LAW

FEES INVOICED BY THE STATUTORY AUDITOR

Information regarding fees paid to the statutory auditor is disclosed in the REN Group's Consolidated Report and Accounts.

EXPLANATION ADDED FOR TRANSLATION

These consolidated financial statements are a translation of financial statements originally issued in Portuguese in accordance with the Financial Accounting and Reporting Standards ("NCRF"). In the event of discrepancies, the Portuguese language version prevails.

The Accountant n.º 30275

The Board of Directors:

Rui Manuel Janes Cartaxo
(President and CEO)

Aníbal Durães dos Santos
(Executive Director)

João Caetano Carreira Faria Conceição
(Executive Director)

João Manuel de Castro Plácido Pires
(Executive Director)

José Isidoro de Oliveira Carvalho Netto
(Director)

José Luís Alvim Marinho
(President of the Audit Committee)

José Frederico Vieira Jordão
(Member of the Audit Committee)

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

Luis Guedes da Cruz Almeida
(Director appointed by EGF, Gestão e Consultoria Financeira, S.A. on 27/07/2011)

Luis Maria Atienza Serna
(Director appointed by Rede Eléctrica Corporacion, S.A. on 14/09/2011)

Gonçalo Xavier de Araújo
(Director appointed by Oliren, SGPS, S.A. on 14/09/2011)

José Manuel Félix Morgado
(Director appointed by Gestmin, SGPS, S.A. on 14/09/2011)

REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

REPORT AND OPINION OF THE AUDIT COMMITTEE

CONSOLIDATED ACCOUNTS

Within the scope of the attributions it has been granted, the Audit Committee has monitored the development of the activity of REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A. and its subsidiaries, supervised the compliance with the law, regulations and the articles of association, supervised the compliance with accountability policies and practices, and supervised the process of preparation and disclosure of financial information, the statutory auditing, and the effectiveness of the internal control and risk management systems. It further supervised the activity of the Statutory Auditor and of the External Auditor, including their independence and impartiality.

The Audit Committee also examined the consolidated financial information comprised within the Management Report and the financial statements of REN – Redes Energéticas Nacionais, SGPS, S.A. and its subsidiaries attached thereto in relation to the financial year ended on December 31, 2011, which comprise the Consolidated Financial Position Statement, evidencing a total of 4,473,675 thousand Euros and 1,037,439 thousand Euros of equity capital, including a consolidated net result of 120,576 thousands of Euros, Consolidated Profit and Loss Accounts, Comprehensive Income, Changes in Equity Capital and Cash Flows in relation to the financial year closed on the abovementioned date and the respective Annex.

The Audit Committee analysed the Legal Accounts Certification and the Audit Report on the consolidated financial information, prepared by the Statutory Auditor and the External Auditor, which has been agreed by the Audit Committee.

Within the context of the executed analysis, the Audit Committee further supervised the compliance and adequacy of the accounting policies, procedures, practices and adopted valuation criteria, as well as the regularity and quality of the Company's accounting information.

Taking into consideration the aforesaid, it is the opinion of the Audit Committee that the Consolidated Financial Statements and Consolidated Management Report, as well as the proposal expressed therein, abide by the applicable accounting, legal and statutory provisions, wherefore it recommends its approval by the General Shareholders Meeting.

Lisbon, March 1, 2012

José Luis Alvim (President)

José Frederico Jordão (member)

Fernando António Portela Rocha de Andrade (Member)

REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A.

REPORT AND OPINION OF THE AUDIT COMMITTEE

INDIVIDUAL ACCOUNTS

Within the scope of attributions it has been granted, the Audit Committee has monitored the development of the activity of REN – REDES ENERGÉTICAS NACIONAIS, SGPS, S.A., supervised compliance with the law, regulations and the articles of association, supervised compliance with accountability policies and practices, and supervised the process of preparation and disclosure of financial information, the statutory auditing, and the effectiveness of the internal control and risk management systems. It further supervised the activity of the Statutory Auditor and of the External Auditor, including their independence and impartiality.

The Audit Committee also examined the individual financial information included in the Management Report and the financial statements of REN – Redes Energéticas Nacionais, SGPS, S.A. attached thereto in relation to the financial year ended on December 31, 2011, which comprise the Balance Sheet as of December 31, 2011, evidencing a total of 3,545,260 thousand Euros and 1,072,823 thousand Euros of equity capital, including a net result of 112,553 thousands of Euros, the Profit and Loss Accounts by Natures, Changes in Equity Capital and Cash Flows in relation to the financial year closed on the abovementioned date and the respective Annex.

The Audit Committee analysed the Legal Accounts Certification and the Audit Report on the individual financial information, prepared by the Statutory Auditor and the External Auditor, which has been agreed by the Audit Committee.

Within the context of the analysis performed, the Audit Committee further supervised the compliance and adequacy of the accounting policies, procedures, practices and adopted valuation criteria, as well as the regularity and quality of the Company's accounting information.

Taking into consideration the aforesaid, it is the opinion of the Audit Committee that the Individual Financial Statements and Management Report, as well as the proposal expressed therein, abide by the applicable accounting, legal and statutory provisions, wherefore it recommends its approval by the General Shareholders Meeting.

Lisbon, March 1, 2012

José Luis Alvim (President)

José Frederico Jordão (member)

Fernando António Portela Rocha de Andrade (Member)

STATUTORY AUDIT REPORT AND AUDITORS` REPORT
CONSOLIDATED FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese – Note 39)

Introduction

1. In accordance with the applicable legislation, we present the Statutory Audit Report and Auditors` Report on the consolidated financial information contained in the Directors' Report and the consolidated financial statements of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. ("the Company") and subsidiaries ("the Group") which comprise the Consolidated Statement of Financial Position as of 31 December 2011 that presents total assets of 4,473,675 thousand Euros and equity of 1,037,439 thousand Euros, including a consolidated net profit of 120,576 thousand Euros, the Consolidated Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Board of Directors is responsible for: (i) the preparation of consolidated financial statements that present a true and fair view of the financial position of the companies included in the consolidation, the consolidated results and comprehensive income from their operations, the consolidated changes in their equity and their consolidated cash flows; (ii) the preparation of historical financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control; and (iv) informing any significant facts that have influenced its operations and the operations of the companies included in the consolidation, their financial position and comprehensive income.

3. Our responsibility is to examine the financial information contained in the above mentioned documents of account, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our examination.

Scope

4. Our examination was performed in accordance with the auditing standards ("Normas Técnicas e as Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included verifying the consolidation procedures used and that the financial statements of the companies included in the consolidation have been appropriately examined, assessing the adequacy of the accounting policies used and their uniform application and disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the consolidated financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our examination also included verifying that the

consolidated financial information contained in the Directors' Report is in accordance with the other consolidated documents of account, and making the verifications required by items 4 and 5 of article 451 of Commercial Companies Code. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion, the consolidated financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated financial position of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. and subsidiaries as of 31 December 2011, the consolidated results and comprehensive income from their operations, the consolidated changes in their equity and their consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as endorsed by the European Union, applied on a consistent basis between years, and that the financial information contained in them is, in the terms defined in the standards mentioned in the paragraph 4 above, complete, true, timely, clear, objective and licit.

Report on other legal requirements

6. It is also our opinion that the financial information contained in the consolidated Directors' Report is in accordance with the consolidated financial statements of the year and the report on corporate governance practices includes the items required of the Company in accordance with article 245-A of the Securities Market Code.

Lisbon, 1 March 2012

Deloitte & Associados, SROC S.A.
Represented by Jorge Carlos Batalha Duarte Catulo

STATUTORY AUDIT REPORT AND AUDITORS` REPORT
SEPARATE FINANCIAL STATEMENTS

(Translation of a report originally issued in Portuguese - Note 31)

Introduction

1. In accordance with the applicable legislation, we present the Statutory Audit Report and Auditors` Report on the financial information contained in the Directors' Report and the accompanying financial statements of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. ("the Company") which comprise the Statement of Financial Position as of 31 December 2011 that presents total assets of 3,545,260 thousand Euros and equity of 1,072,823 thousand Euros, including a net profit of 112,553 thousand Euros, the Statements of Profit and Loss by Nature, Changes in Equity and Cash Flows for the year then ended and the corresponding Notes.

Responsibilities

2. The Board of Directors is responsible for: (i) the preparation of financial information that presents a true and fair view of the financial position of the Company, the results and comprehensive income from its operations, the changes in its equity and its cash flows; (ii) the preparation of historical financial information in accordance with generally accepted accounting principles in Portugal and that is complete, true, timely, clear, objective and licit, as required by the Securities Market Code; (iii) the adoption of adequate accounting policies and criteria and the maintenance of an appropriate system of internal control; and (iv) informing any significant facts that have influenced its operations, its financial position and results.

3. Our responsibility is to examine the financial information contained in the above mentioned documents of account, including verifying if, in all material respects, the information is complete, true, timely, clear, objective and licit, as required by the Securities Market Code, and issue a professional and independent opinion, based on our examination.

Scope

4. Our examination was performed in accordance with the auditing standards ("Normas Técnicas e as Directrizes de Revisão/Auditoria") issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the financial statements are free of material misstatement. Our examination included verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the significant estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation. Our examination also included assessing the adequacy of the accounting policies used and their disclosure, taking into consideration the circumstances, verifying the applicability of the going concern concept and assessing the adequacy of the overall presentation of the financial statements and assessing if, in all material respects, the information is complete, true, timely, clear, objective and licit. Our examination also included verifying that the financial information contained in the Directors' Report is in accordance with the other documents of account, as well as the verifications required by items 4 and 5 of article 451 of the Commercial Companies Code. We believe that our examination provides a reasonable basis for expressing our opinion.

Opinion

5. In our opinion the financial statements referred to in paragraph 1 above, present fairly, for the purposes of the paragraph 7 below, in all material respects, the financial position of REN – Redes Energéticas Nacionais, S.G.P.S., S.A. as of 31 December 2011, the results and the comprehensive results of its operations, the changes in its equity and its cash flows for the year then ended, in conformity with generally accepted accounting principles in Portugal and the information contained therein is, in the terms of the definitions included in the standards referred to in paragraph 4 above, complete, true, timely, clear, objective and licit.

Emphasis

6. The financial statements referred to in paragraph 1 above refer to the Company on an individual basis and were prepared in accordance with generally accepted principles in Portugal for approval and publication in accordance with current legislation. As mentioned in Note 3.2 to the financial statements, investments in subsidiary companies are recorded in accordance with the equity method. As required by current legislation the Company has prepared consolidated financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union, for separate publication.

Report on other legal requirements

7. It is also our opinion that the financial information contained in the Directors' Report is in agreement with the financial statements for the year and the report on corporate governance practices includes the matters required of the Company in accordance with article 245-A of the Securities Market Code (Código dos Valores Mobiliários).

Lisbon, 1 March 2012

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Deloitte & Associados, SROC S.A.
Represented by Jorge Carlos Batalha Duarte Catulo

ANNUAL
REPORT 2011

REN

ANNEXES

MANAGEMENT REPORT

1. LEGISLATION IN 2011

1.1 ELECTRICITY

ERSE Order ("Despacho") no. 122/2011 of January 4th, DR. no. 2, Series II
Approves the procedure of the communications, implementation and monitoring of the interruptibility service system.

ERSE Order ("Despacho") no. 1549/2011 of January 19th, DR. no. 13, Series II
Establishes the time profiles of losses for the networks of BT, MT, AT and MAT between January 1st and December 31st, 2011 and changes to the profiles in BTN and BTE.

Ministerial Order ("Portaria") no. 71/2011 of February 10th, DR. no. 29, Series I
Changes the conditions of the interruptibility service, to be provided by a consumer of electricity to the operator of the transmission network.

Ministerial Order ("Portaria") no. 117/2011 of March 25th, DR. No. 60, Series I
Amendment to the transitional regime, applicable during 2011, to the provision of the interruptibility service per consumer of electricity in very high voltage (VHV), high voltage (HV) and medium voltage (MV) to the operator of the transmission network.

Decree-Law no. No. 62/2011 of May 9th, DR. No. 89, Series I
Establishes the procedures for the identification of critical infrastructures for health, safety and economic and social well-being of society in the energy sector.

Decree-Law no. 78/2011 of June 20th, DR. no. 117, Series I
Establishes common rules for the electricity internal market.

Resolution from the Council of Ministries no. 34/2011, of August 1st, DR no. 146 Series I
Approves the timetable for the staged termination of regulated tariffs for electricity and natural gas.

Regulation no. 496/2011 of August 19th, DR. no. 159, Series II
Regulatory review of the electricity sector - Regulation of Commercial Relations, Tariffs Regulation, and Regulation of Access to Networks and Interconnections.

Order ("Despacho") no. 13492/2011, of September 26th, DR. no. 194, Series II
Recognises the relevant public interest of the supporting infrastructure and equipment for the production of electricity by renewable energy sources, WaveRoller Peniche, in Praia da Almagreira.

Law no. 51-A/2011, of September 30th, DR. no. 189, Series I, Suppl
Eliminates the reduced VAT rate on electricity, with consequent submission of this good to the standard rate.

Ministerial Order ("Portaria") no. 286/2011 of October 31st, DR. no. 209, Series I
Sets the coefficient Z for offshore wind power projects with the use of floating platforms.

ERSE Guideline. no. 5/2011 of November 24th, DR. no. 226, Series II
Establishes the terms and conditions for PRE Placement Auctions.

Ministerial Order ("Portaria") no. 310/2011 of December 21st, DR. no. 243, Series I

Revokes the interruptibility system per consumer of electricity in very high voltage.

ERSE Guideline no. 6/2011 of December 22nd, DR. no. 244, Series II
Changes the Tariff Regulation of the Electricity Sector.

ERSE Guideline no. 7/2011 of December 22nd, DR. no. 244, Series II
Approves the rates and prices for electricity and other services in 2012, and control parameters for the regulatory period 2012-2014.

1.1 NATURAL GAS

ERSE Order ("Despacho") no. 3454/2011 of February 21st, DR. No. 36, Series II
Approves the terms and conditions of the auction for the gas year 2011- 2012 and its regulation.

Ministerial Order ("Portaria") no. 137/2011, of April 5th, DR. No. 67, Series I
Adopts the NP 1473 standard as the Regulation of Acceptance Terminal, Storage and Regasification of Liquefied Natural Gas.

Ministerial Order ("Portaria") no. 142/2011, of April 6th, DR. No. 68, Series I
Regulation of the Natural Gas National Transmission Network.

ERSE Order ("Despacho") no. 6794/2011 of April 14th, DR. No. 84, Series II
Approves the Logistics Management Manual of UAG Supply.

Decree-Law no. No. 62/2011 of May 9th, DR. No. 89, Series I
Establishes the procedure for the identification and protection of the infrastructure critical to health, safety and economic and social well-being in the energy sectors.

Decree-Law no. 77/2011 of June 20th, DR. no. 117, Series I
Establishes common rules for the natural gas internal market.

ERSE Guideline no. 2/2011 of June 26th, DR. no. 142, Series II
Approves the trade terms of connection to the natural gas transmission and distribution networks.
Republishes the methodology of universal coding of the facilities.

ERSE Order ("Despacho") no. 8687/2011 of June 28th, DR. no. 122, Series II
Approves the rates and prices of natural gas for the gas year 2011-2012.

Decree-Law no. 87/2011 of July 18th, DR. no. 136, Series I
Establishes the applicable regulation for recognition and transmission of regular rate adjustments due to the regulatory authorities in the sector of natural gas.

Law no. 51-A/2011, of September 30th, DR. no. 189, Series I, Suppl
Eliminates the reduced VAT rate on natural gas, with consequent submission of this good to the standard rate.

ERSE Guideline no. 3/2011 of October 7th, DR. 193, Series II
Approves the general conditions of contracts for use of distribution networks and transmission of natural gas.

Regulation no 541/2011 of October 10th, DR. no. 194, Series II
Changes the Tariff Regulation of the Natural Gas Sector.

Ministerial Order ("Portaria") no. 297/2011 of November 16th, DR. No. 220, Series I
Determines the minimum safety reserves of natural gas of all non-interruptible consumption

II REN'S SUSTAINABILITY

1. GRI CORRESPONDENCE TABLE

	INDICATOR	GC	LOCATION - EVALUATION
	STRATEGY AND ANALYSIS		
1.1	Message from the Chairman		4
1.2	Impacts, risks and opportunities		14-15, 85-87, 89-90, 97-99
	ORGANISATIONAL PROFILE		
2.1	Denomination		REN – Redes Energéticas Nacionais, SGPS, SA, 147
2.2	Brands and services		5
2.3	Operational structure		5-9
2.4	Head office		Av. EUA, 55 – 1749-061 Lisboa
2.5	Countries in which it operates		Portugal
2.6	Type and legal nature of ownership		5-6, 84
2.7	Markets covered		5-6
2.8	Size		15-19
2.9	Main changes		4-5, 14-15
2.10	Premiums		87-88
EU1	Installed capacity (MW), broken down by energy source and by country or regulatory regime		REN's activity does not include the production of energy, and therefore it is not seen as an applicable indicator.
EU2	Net exports of energy, broken down by energy source and by country or regulatory regime		REN's activity does not include the production of energy, and therefore it is not seen as an applicable indicator.
EU3	Number of domestic, industrial and commercial clients		REN's activity does not include the distribution of energy, and therefore it is not seen as an applicable indicator.
EU4	Length of transmission lines		18-19
EU5	Distribution of CO2 allowances, by country and by regimen		REN's activity does not include the production of energy, and therefore it is not subject to the allocation of emission allowances, and so it is not seen as a relevant indicator.
	PARAMETERS FOR THE REPORT		
	Report Profile		
3.1	Period covered		2011 January 1st to 2011 December 31st
3.2	Date of the latest report		2010 Sustainability Report
3.3	Publishing cycle		Annual
3.4	Contacts		430-431
	Report Scope and Limits		
3.5	Definition of the contents		84-85
3.6	Limits		84-85
3.7	Specific limitations		84-85
3.8	Basis for preparation		84-85
3.9	Measurement techniques and calculation bases		84-85, 418-419
3.10	Reformulations		There was a reformulation of the amount of nitrogen consumed by REN Atlântico due to an error in the factor conversion
3.11	Significant changes		Inclusion of REN Telecom
	Table of Contents of the GRI		
3.12	Table of Contents of the GRI		Present table, 410-416
	Verification		
3.13	Current policy and practice related to seeking external control for the report		84-85
	GOVERNANCE		
	Governance		
4.1	Governance structure		157-160
4.2	Role of the Chairman		159, 207
4.3	Independent and/or Non-executive Directors		159-160, 207-208
4.4	Mechanisms of communication with shareholders and employees		100
4.5	Relation between remuneration and organizational performance		200-202
4.6	Conflicts of interests		191, 92
4.7	Qualifications and skills of the administrators		208-210
4.8	Mission statement, values, codes of conduct, and principles		http://www.ren.pt/vPT/GrupoREN/Missao/Pages/Missao.aspx
4.9	Procedures for overseeing the economic, environmental and social performance		186, 190-191

	INDICATOR	GC	LOCATION - EVALUATION
4.10	Processes for assessing the performance of management		186, 190-191
	Commitments to External Initiatives		
4.11	Approach to the precautionary principle	7	126-128, 193-199
4.12	Participation in initiatives subscribed by the organisation	7	117, VN Global Compound
4.13	Participation in associations and national / international bodies	7	117, 120-121
	Relation with Stakeholders		
4.14	List of stakeholders		92
4.15	Basis for identification of stakeholders		91
4.16	Approaches to the relation with stakeholders		91-100
4.17	Issues and concerns of stakeholders and response		91-100

ECONOMIC PERFORMANCE

	INDICATOR		GC	LOCATION - EVALUATION
FORMS OF MANAGEMENT				14-15, 68, 80-81, 89-90
ASPECT: AVAILABILITY AND RELIABILITY				
EU6	**Sectorial**	Availability and Reliability of energy supply		46-49
ASPECT: DEMAND MANAGEMENT				
EU7	**Sectorial**	Demand management programmes, including residential, commercial and industrial programmes		REN has no, nor may it develop demand management programmes.
ASPECT: RESEARCH & DEVELOPMENT				
EU8	**Sectorial**	Research and development approach		120-125
ASPECT: PLANT DECOMMISSIONING				
EU9	**Sectorial**	Provisions for decommissioning nuclear plants		There are no nuclear power plants in Portugal
ASPECT: ECONOMIC PERFORMANCE				
EC1	**Essential**	Creation and distribution of value		Direct Economic valve generated: €342.201M Economic valve Distributed €310.675M Economic valve retained: €31.529M
EC2	**Essential**	Financial implications, risk assessment and opportunities posed by climate change	7	The risks and opportunities posed by climate change are identified by REN, however, the respective financial implications are not yet evaluated. Partial Indicator 133-137
EC3	**Essential**	Coverage of Retirement Plans in the organisation		111, 339-340
EC4	**Essential**	Financial contributions to investment		121, 271, 303-304
ASPECT: MARKET PRESENCE				
EC5	Complementary	Ratio between the minimum wage earned at REN and the national minimum wage	6	The amount of the minimum wage earned in REN is 1.44 times the national minimum wage for 2011 (485€).
EC6	**Essential**	Contracting suppliers		The contracting process for the procurement of goods, services and works is based on the public procurement rules in force, namely, in the Public Contracts Code. This process is based on limited tendering, involving companies included in a list of qualified suppliers for various classes of relevant supplies. In 2011 REN had an average payment term of 31 days.
EC7	**Essential**	Contracting top managers	6	REN does not have a policy that limits the hiring of top managers to a specific region of Portugal, to which it confines its activity.
ASPECT: INDIRECT ECONOMIC IMPACTS				
EC8	**Essential**	Development and impact of investments in the community, of a commercial nature, pro-bono or in kind		118-120
EC9	Complementary	Description of significant indirect economic impacts for public benefit		51-53, 63-64, 135

	INDICATOR		GC	LOCATION - EVALUATION
ASPECT: AVAILABILITY AND RELIABILITY				
EU10	**Sectorial**	Coverage of long-term demand (including reserves)		
ASPECT: DEMAND MANAGEMENT				
EU11	**Sectorial**	Average generation efficiency, by energy source and by country or regulatory regime		REN has no energy production activities and so it is not affected by this type of analysis.
ASPECT: EFFICIENCY OF THE SYSTEM				
EU12	**Sectorial**	Efficiency in energy transmission and distribution		46-52

ENVIRONMENTAL PERFORMANCE

	INDICATOR		GC	LOCATION - EVALUATION
FORMS OF MANAGEMENT				14-15, 68, 80-81, 89-90, 105-106, 126-128
ASPECT: MATERIALS				
EN1	**Essential**	Consumption of materials	8	131
EN2	**Essential**	Percentage of materials used that are not recycled	8,9	131
ASPECT: ENERGY				
EN3	**Essential**	Direct energy consumption		Energy consumed by REN comes from fossil sources 137
EN4	**Essential**	Indirect energy consumption		REN's electricity supplier is EDP Serviço Universal and all information regarding the primary energy associated with electricity production can be found at the following link: http://www.edpsu.pt/pt/origemdaenergia/Pages/OrigensdaEnergia.aspx 137
EN5	Complementary	Energy conservation and efficiency improvement	8,9	133-137
EN6	Complementary	Initiatives to provide products and services based on energy efficiency or on renewable energies and reductions in the consumption achieved	8,9	133-137
EN7	Complementary	Initiatives to reduce indirect energy consumption and reductions achieved	8,9	133-137
ASPECT: WATER				
EN8	**Essential**	Total water consumption	8	131
EN9	Complementary	Water resources affected	8	131
EN10	Complementary	Reused water	8,9	131
ASPECT: BIODIVERSITY				
EN11	**Essential**	Land in protected areas or areas with high biodiversity value outside protected areas	8	140
EU13	**Sectorial**	Comparison between the biodiversity of restored habitats and that of original habitats		Monitoring plans have been implemented in the works being developed in lines and substations, regarding environmental aspects of greater impact. REN has no way to measure what is original state of habitats was, as it is about old facilities for which REN has no information on their original state. 127-130
EN12	**Essential**	Significant impacts upon protected areas or areas with high biodiversity value outside protected areas		129-130, 140-145
EN13	Complementary	Protected or restored habitats	8	140-145

INDICATOR			GC	LOCATION - EVALUATION
EN14	Complementary	Managing impacts on biodiversity	8	126-130, 140-145
EN15	Complementary	Number of species listed in the IUCN Red List and in the national conservation list of species with habitats in areas affected by REN	8	142
ASPECT: EMISSIONS, EFFLUENTS AND WASTE				
EN16	**Essential**	Direct and indirect emissions of greenhouse gases		133-136
EN17	**Essential**	Other indirect emissions of greenhouse gases	8	134 REN pretends to increase the range of the GEE emissions reported accordingly to scope 3 of the GHG Protocol
EN18	**Essential for REN's sector**	Initiatives to reduce the emissions of greenhouse gases	8,9	135-136
EN19	**Essential**	Emissions of ozone depleting substances	8	REN does not produce any products or services that use any ozone depleting substances. Over time, all cooling equipment containing ozone depleting gases has been replaced according to REN's equipment replacement plan.
EN20	**Essential**	NOx, SOx and other significant emissions into the atmosphere	8	Arising from the REN's activity, the emissions of NOx and SOx are considered immaterial. Additionally, this indicator was not considered relevant by our stakeholders.
EN21	**Essential**	Waste water rejection	8	131
EN22	**Essential**	Production of waste by type and by final destination	8	131-132
EN23	**Essential**	Occurrence of spills in certain activities	8	In 2011, there were nine spills of hazardous substances. From the registered spills it was only possible to quantify three of those, all from hydrocarbons: - 1 spill of 200 l; - 2 spills of 9 m3. In a perspective of continuous improvement, in 2012 it is REN's aim to enhance the awareness of its employees and of the environmental monitoring teams to always record the amounts of hazardous substances spilled.
EN24	Complementary	Production of waste according to the Basel Convention	8	This indicator is not applicable, since the waste produced by REN is all sent to national waste management operators.
EN25	Complementary	Water resources and respective habitats affected by the rejection of wastewater	8	131
ASPECT: PRODUCTS AND SERVICES				
EN26	**Essential**	Initiatives to assess and mitigate environmental impacts	8,9	126-130
EN27	**Essential**	Percentage that has been recovered from products sold and the respective packaging	8,9	This indicator is not applicable to REN's activity.
ASPECT: COMPLIANCE				
EN28	**Essential**	Legal proceedings and penalties for breach of legislation on environmental issues	8	In 2011 twelve cases related to administrative environmental offenses were raised, and which are still on-going; Two administrative environmental offenses cases were completed, in which there was no guilt was found (without penalty); Sixty cases were carried forward from previous years, and which were still unresolved in 2011.
ASPECT: TRANSPORTATION				
EN29	Complementary	Environmental impacts resulting from transportation	8	134
ASPECT: GENERAL				
EN30	Complementary	Costs and investments with environmental protection	8,9	132

SOCIAL PERFORMANCE - LABOUR PRACTICES

INDICATOR			GC	LOCATION - EVALUATION
FORMS OF MANAGEMENT				14-15, 68, 80-81, 89-90, 112, 126
ASPECT: EMPLOYMENT				
EU14	**Sectorial**	Retention and renewal of skilled labour		105-110
LA1	**Essential**	Employees per type of job		There are no part-time employees. All work contracts are full-time. REN does not have supervised employees.
LA2	**Essential**	Rate of employee rotation by age, gender and region		The rotation rate by region is not applicable, since REN's operations are centred in Portugal. 102-103
EU15	**Sectorial**	Percentage of employees eligible to retire in the next 5 and 10 years		103
EU16	**Sectorial**	Policies and requirements relating to health and safety of employees, contractors and subcontractors		111-116
EU17	**Sectorial**	Average of subcontracted employees		113
EU18	**Sectorial**	Training of subcontracted employees		The increase almost 3 times higher than last year in the number of entities involved in training was due to the terminal expansion works of REN Atlântico. 113-114
LA3	Complementary	Benefits for full time employees	6	111
ASPECT: RELATIONS BETWEEN EMPLOYEES AND MANAGEMENT				
LA4	**Essential**	Employees covered by collective bargaining agreements	3	112
LA5	**Essential**	Minimum periods of notice in relation to operational changes	3	The notice periods follow from the General Labour Law.
ASPECT: HEALTH AND SAFETY AT WORK				
LA6	Complementary	Employees represented on safety and occupational health committees		112
LA7	**Essential**	Rates of injuries, occupational diseases, lost days, absenteeism and deaths resulting from work activities		113-114
LA8	**Essential**	Programmes related to serious illnesses		113
LA9	Complementary	Topics related to health and safety, covered in formal agreements with trade unions		The topics covered are described under Title XV and under Annex IV of the Collective Bargaining Agreement.
ASPETO: TRAINING				
LA10	**Essential**	Annual training per employee		107
LA11	Complementary	Skills management programmes		105-110
LA12	Complementary	Employees with performance evaluation and career development		100%, 110
ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES				
LA13	**Essential**	Number of employees per diversity indicator	1,6	Within REN's universe of employees, there are two employees with disabilities. 103-104
LA14	**Essential**	Ratio between the basic salary for men and for women by functional category	1,6	The amount of salary at REN does not depend on gender but on the professional category and on the skills shown.

Social performance - Human Rights

INDICATOR			GC	LOCATION - EVALUATION
FORMS OF MANAGEMENT				14-15, 68, 80-81, 89-90, 105-106, 126-128
ASPECT: INVESTMENT PRACTICES AND PROCUREMENT PROCEDURES				
HR1	**Essential**	Investment agreements with clauses on human rights	1,2,4, 5,6	In Portugal the aspects related to human rights are included in the Constitution and in the General Labour Law. However, REN is preparing a specification to be included in the lists of specifications, which will address requirements on social responsibility to be fulfilled in undertakings and in contracts for the provision of services, which shall include human rights.
HR2	**Essential**	Suppliers evaluated on human rights	1,2,4,5,6	Legal compliance is validated during the supervision of subcontractors and during audits. REN complies with Portuguese law, namely by ensuring human rights as reflected in the company's Code of Conduct (see answer HR1).
HR3	Complementary	Training of employees on human rights	1,4,5	0% Although the REN has not promoted any specific training initiative on human rights, the Company's Code of Conduct covers compliance with human rights, being known to all employees. Additionally, REN is a signatory to the principles of the *UN* Global Compact.
ASPECT: NON-DESCRIMINATION				
HR4	**Essential**	Incidents involving discrimination and actions taken	1,6	REN complies with the Portuguese legislation as far as ensuring human rights and is a signatory to the *principles* of the UN Global Compact. No incidents involving discrimination were identified in 2011.
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
HR5	**Essential**	Right to freedom of association and collective bargaining	1,3	REN guarantees the freedom of association and negotiates in accordance with the ethical principles and conduct norms established in the Code of Conduct. In 2011 were not identified situations in which the right of freedom of association and collective negotiation were at risk. The mechanism of the right to strike are guaranteed by national legislation.
ASPECT: CHILD LABOUR				
HR6	**Essential**	Risk of child labour	1,5	REN complies with Portuguese legislation prohibiting the contracting of child labour and is a signatory *to* the principles of the UN Global Compact. Legal compliance is validated during supervision and audits.
ASPECT: FORCED AND SLAVE LABOUR				
HR7	**Essential**	Risk of forced and slave labour	1,4	REN complies with Portuguese legislation prohibiting the contracting of forced and slave labour and is a signatory to the *principles* of the UN .Global Compact. Legal compliance is validated during supervision and audits.
ASPECT: SAFETY PRACTICES				
HR8	Complementary	Security personnel trained in human rights	1,2	REN complies with the Portuguese legislation as far as ensuring human rights and is a signatory to the *principles* of the UN Global Compact. Legal compliance is validated during the supervision of subcontractors and during audits.
ASPECT: INDIGENOUS RIGHTS				
HR9	Complementary	Cases of violation of the rights of indigenous people	1	REN's activity is developed in Portugal and so this indicator is not applicable.

SOCIAL PERFORMANCE - SOCIETY

INDICATOR			GC	LOCATION - EVALUATION
FORMS OF MANAGEMENT				14-15, 68, 80-81, 89-90, 116-117, 126
ASPECT: COMMUNITY				
EU19	**Sectorial**	Decision-making processes participated by communities		129
EU20	**Sectorial**	Management of impacts resulting from involuntary changes /displacement		The notice periods follow from the General Labour Law, of which the measures set out in Chapter II, Section I of the ACT are complied with.
EU21	**Sectorial**	Planning and response to disasters / emergencies		115-116
SO1	**Essential**	Management of impacts upon the communities		116-119
EU22	**Sectorial**	Movement of persons as a result of expansion or construction of production facilities and transmission lines, from the economic and physical standpoint		The construction of infrastructure at national level has a strong outsourced component, most of which happens at local level.
ASPECT: CORRUPTION				
SO2	**Essential**	Assessment of corruption risks	10.3	The Group's accounts are audited by an independent auditor and are subject to external legal certification in accordance with the applicable regulations, and is not therefore our practice to carry out a risk analysis for corruption within REN's units or business areas. It should be noted that there is no legal case against REN companies, to date, namely under investigation.
SO3	**Essential**	Training of employees in anti-corruption practices	10.3	0% Although the REN has not promoted any specific training initiative on anti-corruption policies and procedures, the company's Code of Conduct defines the mechanisms for reporting any eventual irregularities and violations to the Code (Article 20).
SO4	**Essential**	Actions taken in case of corruption	10.3	
ASPECT: PUBLIC POLICY				
SO5	**Essential**	Position on public policies and lobbying practices	10.3	REN collaborates in the preparation of studies and in discussion forums for the sector at government level, namely: - Active follow-up in the drafting of EU legislation and establishment of contacts with its institutions (European Commission and European Parliament). - Regular participation in different projects and working groups of international organisations in the electric and natural gas sector, namely in ENTSO-E, ENTSO-G, Eurelectric and Cigré, which actively influence European policies and promote good practices for the sector. - Combined work with DGEG ERSE in the establishment of new European network codes for the natural gas and electricity sectors.
SO6	**Complementary**	Funding of political parties		REN does not fund any political parties, and this is an activity forbidden by law to companies in Portugal.
ASPECT: UNFAIR COMPETITION				
SO7	Complementary	Lawsuits for unfair competition, *antitrust* and monopoly practices		The REN is the single concession holder for the transmission of energy in Portugal, whose activity is regulated, and therefore it has no interference in setting prices.
ASPECT: COMPLIANCE				
SO8	**Essential**	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations		In 2011 there were no fines or non-monetary sanctions.

SOCIAL PERFORMANCE - PRODUCT

INDICATOR			GC	LOCATION - EVALUATION
FORMS OF MANAGEMENT				**14-15, 68, 80-81, 89-90, 106, 112, 126**
ASPECT: ACCESSIBILITIES				
EU23	**Sectorial**	Programmes, including in partnership with the Government, to improve and maintain access to electrical services		Refer to answer given to indicator SO5.
ASPECT: AVAILABILITY OF INFORMATION				
EU24		Practices for dealing with language, cultural, educational and physical barriers limiting the safety access to and use of electrical services		REN does not distribute power to retail and the end consumers. However, where appropriate it publishes information to clarify the general public on relevant issues concerning the impact of energy transmission.
ASPECT: HEALTH AND SAFETY OF THE CLIENT				
PR1	**Essential**	Health and safety related with products and services		46-53, 61
PR2	Complementary	Cases of legal non-compliance related to impacts of products and services on health and safety		Three non-compliances were identified in audits by a third party on the safety aspects of REN's SIGQAS, certified in accordance with the requirements of OHSAS 18001, indicating a reduction of 50% over the previous year.
EU25	**Sectorial**	Number of deaths and injured, including diseases caused by REN's infrastructures, to people outside the Company		There were no occurrences in 2011.
ASPECT: LABELLING OF PRODUCTS AND SERVICES				
PR3	**Essential**	Information on products and services required by regulations	8	46-51, 59-62
PR4	Complementary	Cases of legal non-compliance related to information on products and services, and labelling	8	There were no cases of non-compliance recorded on the information available in 2011.
PR5	Complementary	Client satisfaction		96
ASPECT: ADVERTISING				
PR6	**Essential**	Programmes of voluntary codes related to marketing *communications*, including advertising, promotion and sponsorship		The principles by which REN is governed in terms of communication are covered in the Company's Code of Conduct (Article 14).
PR7	Complementary	Cases of legal non-compliance concerning voluntary codes related to marketing communications, *including advertising*, promotion and sponsorship		There were no recorded cases of non-compliances related to communication, *marketing*, advertising, promotion and sponsorship, in 2011.
ASPECT: CLIENT PRIVACY				
PR8	Complementary	Complaints regarding breaches of client privacy		REN complies with Portuguese legislation regarding the confidentiality of information, this principle being covered in the Company's Code of Conduct. No complaints have been identified regarding breaches of client privacy.
ASPECT: COMPLIANCE				
PR9	**Essential**	Fines for legal non-compliance related to the provision and use of products and services		There were no fines in 2011 for legal non-compliances related to the provision and use of products and services.
ASPECT: ACCESSIBILITIES				
EU26	**Sectorial**	Percentage of population not supplied in areas of concessioned distribution, by rural and urban areas		REN's activity does not include power distribution, so this indicator is not applicable.
EU27	**Sectorial**	Interruptions to domestic supply and respective duration due to non-payment		REN's activity does not include distribution, so this indicator is not applicable.
EU28	**Sectorial**	Interruption of supply		46-48, 59
EU29	**Sectorial**	Average duration of supply interruptions		46, 48, 59
EU30	**Sectorial**	Average coefficient of availability of a plant per energy source, country and regulatory regime		REN's activity does not include distribution, so this indicator is not applicable.

1.2 METHODOLOGICAL NOTES

INDICATOR		DEFINITION / CRITERIA OF CALCULATION
EN1	Lubricating oils	The average density value used for the conversion of the volume of lubricating oils to mass units was 0.89 kg/dm3
EC1	Direct Economic Value Created	It corresponds to the sum of net added value, net income not related to the VAB, financial income and dividends from subsidiaries, subtracted from other costs and losses.
	Economic Value Distributed	It corresponds to the costs with employees and management bodies, dividends paid to shareholders, interest payments, payments to the State in taxes, Corporate Income Tax and community support.
	Accumulated economic value	It corresponds to the subtraction of the Direct Economic Value Created by the Economic Value Distributed.
EN3	Diesel	Net calorific value of diesel fuel taken from the legislation in force (Decision 17313/2008 of June 26th): 43.3 GJ / t.
	Petrol	Net calorific value of petrol taken from the legislation in force (Decision 17313/2008 of June 26th): 44.8 GJ / t.
	Natural gas	Net calorific value of gas taken from the National GEE Inventory published in 2008 by the Portuguese Environment Agency: 38.46 GJ / (Nm3 x 103).
	Propane	Net calorific value of petrol taken from the legislation in force (Decision 17313/2008 of June 26th): 47.3 GJ / t.
EN16	Direct and indirect emissions of greenhouse gases	Total amount of greenhouse gas direct emissions (SF6 used as dielectric insulator, CH4 from the purges of the gas pipeline, and CO2 from the boilers) and indirect emissions (through the consumption of electricity and network losses).
	Electricity	In 2011 the emission factor used was 234 gCO2/kWh, which corresponds to the figure provided by REN's energy supplier, EDP Serviço Universal (average of monthly values from January to November 2011).http://www.erse.pt/pt/desempenhoambiental/rotulagemenergetica/comparacaoentrecomercialisadores/Paginas/default.aspx) .).
	Diesel	Emission factor for diesel fuel taken from the legislation in force (Commission Decision n. º 2007/589/EC of July 18th): 0.0741 ton CO2/GJ.
	Petrol	Emission factor for petrol taken from the legislation in force (Commission Decision n. º 2007/589/EC of July 18th): 0.0686 ton CO2/GJ.
	Natural gas	Emission factor for natural gas taken from the legislation in force (Commission Decision n. º 2007/589/EC of July 18th): 0.0561 ton CO2/GJ.
	Propane	Emission factor for natural gas taken from the legislation in force (Commission Decision n. º 2007/589/EC of July 18th): 0.0631 ton CO2/GJ.
EN17	Other indirect emissions of greenhouse gases	Calculated from the calculation of GHG emissions associated with transportation of passengers by plane DEFRA (2011 Guidelines to Defra / DECC's GHG *Conversion Factors for Company Reporting: Methodology Paper for Emission Factors)*. Only Scope 3 direct emissions were considered, corresponding to emissions associated with burning of fuel in flights. The following assumptions were made: • All *flights* made within Europe, except for domestic flights, were deemed short-haul. The *long-haul* flights correspond to intercontinental flights; • All distances were obtained by resorting to *Goggle Earth*; • As it is not known exactly what the no. of trips made in economy class or in executive class is, it was considered that all trips corresponded to *average seats*; • The calculation of the indicator passageiro.km was made by considering that each ticket issued corresponds to one passenger. For flights classified as round trips, two trips were considered.
EN21	Waste water rejection	Rejection of wastewater associated with the LNG regasification process and leaching of the caverns for underground storage of natural gas.
LA2	Rotation rate	Ratio of the number of employees that left the company in 2011, by the total number of employees on December 31st 2011.
LA7	Absenteeism rate	Ratio of the sum of paid leaves of absence (for illness, accident, maternity and other reasons) and unpaid absences, by the total number of theoretical working hours.
	Incidence rate	Measures the number of fatal and non-fatal occupational accidents occurred in a given period per one thousand employees at risk in that same period.
	Severity rate	Measures the number of days lost through non-fatal accidents that occur in a given period of time per each million hours worked during the same period.

EU27	Average frequency of system interruptions (SAIFI)	Ratio of the total number of interruptions in delivery points, during a given period, by the total number of delivery points in the same period. **Electricity**: The SAIFI corresponds to the average number of accidental interruptions longer than three minutes checked at the delivery points in a given time interval.: **Gas**: The SAIFI corresponds to the average number of accidental interruptions checked at the delivery points in a given time period (a year, usually).
EU28	Average duration of supply interruptions in the system (SAIDI)	Ratio of the total time of interruptions in delivery points, during a given period, by the total number of delivery points in the same period. **Electricity**: The SAIDI for a given time period (a year, usually) is the average time of accidental interruptions longer than three minutes at the delivery points. **Gas**: The SAIDI for a given time period (a year, usually) is the average time of accidental interruptions longer than three minutes at the delivery points.

1.3 REVIEW REPORT

Deloitte & Associados, SROC S.A.
Inscrição na OROC nº 43
Registo na CMVM nº 231

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REVIEW REPORT

Free translation of a report originally issued in Portuguese.

To the Board of Directors of REN – Redes Energéticas Nacionais, SGPS, SA.

Introduction

1. We have performed a review to the sustainability information included in the 2011 Annual Report of REN – Redes Energéticas Nacionais, SGPS, S.A. that covered:

   - The reliability of the Strategy and Profile information and the 2011 data of the core performance indicators, including those specific to the sector, as identified in the "GRI Index" included in the 2011 Annual Report, and its consistency with the remaining content of that report, and compliance with the disclosure of information requirements defined by the Guidelines for Sustainability Reporting of the Global Reporting Initiative, version v3.0 of 2006, considering the electric utilities supplement, for A+ application level;

   - The information provided by REN regarding the application of the principles of Inclusivity, Materiality and Responsiveness established in AA1000 *AccountAbility Principles Standard* 2008 ("AA1000APS (2008)"), as described in the Sustainability Separator of the 2011 Annual Report.

Responsabilities

2. The Board of Directors of REN is responsible for preparing the 2011 Annual Report, as well as defining, implementing and carrying out adequate processes, procedures and criteria for collecting, processing, presenting and validating the information contained therein. Our responsibility is to express an opinion, based on the procedures referred to below, on the information referred to above.

Scope

3. We conducted our review in accordance with the International Standard on Assurance Engagements 3000 – ISAE 3000, issued by the *International Auditing and Assurance Standards Board*, for assurance engagements other than audit or limited reviews of historical financial information, for a limited level of assurance. Was also considered AA1000 *Assurance Standard* 2008, for type 2 reviews and a moderate level of assurance.

4. These standards require that we plan and perform procedures and apply audit skills and techniques, in order to obtain an adequate understanding of the subject matter and, considering the circumstances, to obtain sufficient appropriate evidence on which to base our opinion. In a limited assurance engagement (equivalent to a moderate assurance level), the procedures performed consist primarily of inquiries of company personnel and analytical procedures, including tests on a sample basis, and therefore, less assurance is obtained than in an engagement aimed at obtaining reasonable assurance.

A expressão Deloitte refere-se à Deloitte Touche Tohmatsu, uma Swiss Verein, ou a uma ou mais entidades da sua rede de firmas membro, sendo cada uma delas uma entidade legal separada e independente. Para aceder à descrição detalhada da estrutura legal da Deloitte Touche Tohmatsu e suas firmas membro consulte www.deloitte.com/about

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Member of Deloitte Touche Tohmatsu

5. The main procedures performed were:

   - Interview of those responsible in REN for the management of sustainability and for the preparation of the sustainability information, in order to know and understand the management principles, as well as the systems and procedures applied;
   - Review of the compliance of the 2011 Annual Report content in accordance with the "GRI Index", with the GRI Guidelines information disclosure requirements for level A+;
   - Review of the contents of the Sustainability Separator of the 2011 Annual Report, namely chapter "1. Sustainability approach" and "3. Stakeholders Dialogue" relating to adherence to the principles of Inclusivity, Materiality and Responsiveness of AA1000APS (2008);
   - Review of the processes, criteria and systems in place to collect, accumulate, present and validate the quantitative data for 2011, relating to the indicators reviewed by us;
   - Analytical data review, and tests, on a sample basis, of the company's calculations relating to the quantitative data subject to our review, as well as tests to confirm the quantitative and qualitative data included in the scope of our work, referred in paragraph 1 above, obtaining and reviewing related evidence thereof; and
   - Verification of the consistency of the sustainability information included in the 2011 Annual Report with the results of our work and with the remaining contents of that report.

Opinion

6. Based on the work performed, which was executed to obtain a moderate level of assurance, nothing has come to our attention that causes us to believe that:

   - The sustainability information included in REN's 2011 Annual Report, referred to in paragraph 1 above, has not been reliable and consistently prepared and that it does not conform, in all material respects, with the disclosure requirements of the GRI Guidelines for the application level A +; and

   - REN does not apply, in all material respects, the principles of Inclusivity, Materiality and Responsiveness defined in standard AA1000 APS, as described in the Sustainability Separator of the 2011 Annual Report.

Independence and competence of the team

7. We comply with the policies of independence of Deloitte, which are, in all respects, similar to the Code of Ethics of the *International Ethics Standards Board for Accountants*.

8. Our team consists of Deloitte employees who have the skills and experience required to perform this work.

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Observations and recommendations

9. The following main observations and improvement opportunities, which do not affect our conclusions, where communicated to REN:

   - Principle of Inclusivity: REN reviewed the mapping and re-evaluated the relevance of the various stakeholder groups and performed, as planned, a consultation process specifically designed to obtain input's that took into account in the review of the sustainability strategic priorities. Alongside REN has several mechanisms of periodic or continuous interaction, through which can ensure regular communication and involvement with these agents.

     We recommend that during the next sustainability strategic cycle (2013 to 2015), REN considers the opportunities for improvement relating to the involvement / communication with the following groups: "clients and infrastructure users", "community" and "employees" that were identified during the working groups sessions and the stakeholders consultation undertaken for the review of strategic priorities.

   - Principle of Materiality: REN regularly review the relevant issues on which to focus its management and communication on sustainable management approach and performance, using objective criteria and processes for this purpose. We recommend that the external communication of the process of defining relevant issues (or materiality) includes the identification of the criteria considered in the assignment of levels of relevance and not just the sources / mechanisms used; and

   - Principle of Responsiveness: REN tries to address the information needs and concerns of their stakeholders and define sufficient mechanisms for this purpose, which is reflected in its recognition. The adoption of international reference standards and guidelines in its management, and reporting of information, ensures the comprehensiveness and relevance of the sustainability information managed and communicated.

     We recommend that the statement of commitments and resulting sustainability action plans be enhanced through the disclosure of the cause-effect relationship between these commitments and actions identified, and the needs and suggestions expressed by stakeholders, as well as by defining and communicating goals and performance against them.

Lisbon, 02 March 2012

Deloitte & Associados, SROC S.A.

Deloitte & Associados, SROC S.A.
Represented by João Carlos Frade

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III GLOSSARY

1.1 FINANCIAL GLOSSARY

CAPEX
Capital expenditure on acquisitions and upgrades of tangible fixed assets

DEBT TO EQUITY RATIO
Net debt/equity

NET DEBT
Short- and long-term financial debt – cash balances

DIVIDEND PER SHARE
Ordinary dividend / total number of shares outstanding

EBIT
Earnings before interest and taxes (operating profit)

EBITDA
Earnings before interest, taxes, depreciation and amortisation (operating profit, plus amortisations, plus provisions, adjusted per non-recurring items)

EBITDA *MARGIN*
EBITDA/Turnover

PAYOUT RATIO
Ordinary dividend/net profit

RETURN ON ASSETS (ROA)
EBIT/total assets

RETURN ON EQUITY (ROE)
Net profit/Equity

TURNOVER
Sales plus services provided

1.2 TECHNICAL GLOSSARY

ACRONYMS

AA
Environmental Assessment
AA1000
Assurance Standard 2008
AA1000APS
Accountability Principles Standard
AA1000SES
Stakeholder Engagement Standard
AAE
Strategic Environmental Assessment

ACER
Agency for the Cooperation of Energy Regulators
ACNUR
United Nations High Commissioner for Refugees
ACT
Collective Bargaining Agreement
AGC
Agreement on the Management of Natural Gas Consumption
AGSI
Aggregated Gas Storage Inventory
APA
Portuguese Environment Agency
APAI
Portuguese Association for Impact Assessment
BCSD
Business Council for Sustainable Development
BTN
Normal Low Voltage
CADin
Support Centre for Child Development
CADM
Board of Directors
CAE
Energy Emission Contracts
CDP
Carbon Disclosure Project
CELE
European Union Emission Trading Scheme
CEM
Electric and Magnetic Fields
CEO
Chief Executive Officer
CER
Certified Emissions Reductions
CESUR
Power Purchase Agreements for the Supplier of Last Resort
CIGRÉ
Conseil International des Grands Réseaux Électriques
CIGRÉ
International Council on Large Electric Systems
CIT
Individual Employment Contract
CMVM
Portuguese Securities Market Regulator
CO
Certificates of Origin
CO2
Carbon dioxide (greenhouse gas)
CODEMO
Portuguese Code for Market Research and Opinion Studies
CRH
Human Resources Committee
CT
Term Contracts
DACF

Day Ahead Congestion Forecast

DGEG
Department of Energy and Geology
DR
Diário da República [Portuguese Official Gazette]
DRS
Disaster Recovery System
DWDM
Dense Wavelength Division Multiplexing
EC
European Commission
ECS
Environmental Framework Studies
ECSI
European Customer Satisfaction Index
ECX
European Climate Exchange
EDP
Energias de Portugal, S.A.
EEGO
Issuing Entity for Cogeneration Guarantees of Origin
EGIG
European Gas pipeline Incident Data Group
EIA
Environmental Impact Assessment
EIA
Environmental Impact Studies
EIB
European Investment Bank
EIncA
Study of Environmental Incidences
EIS
Environmental Impact Statement
EIT
Equivalent Interruption Time
Elecpor
Portuguese Association of Companies in the Electricity Sector
EMTN
Euro Medium Term Notes
ENAAC
National Strategy for Adaptation to Climate Changes
ENB
National Fire brigade School
ENF
Energia Não Fornecida [Non Supplied Energy]
ENTOS-E
European Network of Transmission System Operators for Electricity
ENTSO
European Network of Transmission System Operators for Gas
ENTSO-G
European Network of Transmission System Operators for Gas
EPIS
Entrepreneurs for Social Inclusion
ERGEG
European Regulators Group for Electricity and Gas

ERSE
Energy Services Regulatory Authority
ESOMAR
European Society for Opinion and Marketing Research Association
ETA
Electricity Transmission Activity
ETS
Emissions Trading Scheme
ETSO
European Transmission System Operators
EU
European Union
EUA
European Unit Allowances
EURELECTRIC
European Union of Electricity Companies
EURELECTRIC The Union of the Electricity Industry
FAI
Innovation Support Fund
FBF
Firefly Bird Flapper
FEUP
School of Economics, University of Porto
FP7
7th Framework Programme of the European Community on research, technological development and demonstration activities.
FSR
Florence School of Regulation
GDP
Gás de Portugal, SGPS, S.A.
GDP
Gross Domestic Product
GHG
Greenhouse gases
GMRS
Gas Regulating and Metering Station
GNL
Liquefied Natural Gas
GNR
Guarda Nacional Republicana [Portuguese National Guard]
GO
Guarantees of Origin
GPEARI
Planning, Strategy, Evaluation and International Relations Office
GRI
Global Reporting Initiative
GRMS
Gas Regulating and Metering Station
GSE
Gas Storage Europe
GVA
Gross Value Added
HICP
Harmonised Index of Consumer Prices
HIV

Human Immunodeficiency Virus

HV
High Voltage
ICE
Intercontinental Exchange
ICNB
Institute for Conservation of Nature and Biodiversity
IDAD
Institute for the Environment and Development of the University of Coimbra
IEA
International Energy Agency
IES
Independent Electricity System
IFRS
International Financial Reporting Standards
IGU
Independent Gasification Units
INE
Portuguese Institute of Statistics
INESC
Institute of Systems and Computer Engineering
IOPS
Official Social Welfare Institutions
IP
Internet Protocol
IPCTN09
Survey of the National Scientific and Technological Potential, 2009
IPSS
Private Institutions of Social Solidarity
IRC
Corporate Income Tax
ISAE 3000
International Standard on Assurance Engagements 3000
ISDA
International Swap and Derivatives Association
ISO
International Organization for Standardization
ISQ
Welding and Quality Institute
IST
Higher Technical Institute
iTELSA
Innovative Tools for Electrical System security within Large Areas
IUCN
International Union for conservation of Nature
KPI
Key Performance Indicator
LABELEC
Research, Development and Laboratory Activities
LBG
London Benchmarking Group
LNEG
National Laboratory for Energy and Geology
LNG
Liquefied natural gas

LPN
League for the Protection of Nature
MBA
Master of Business Administration
MC
Market Committee
MEC
Portuguese Ministry of Science and Education
MEDGRID
Consortium with the goal of promoting the development of electrical interconnections between the North, South and East Mediterranean
MEFF
Spanish Futures and Options Exchange
MERGE
Mobile Energy Resources for Grids of Electricity
METSO
Mediterranean Transmission System Operators
MIBEL
Iberian Electricity Market
MLT
Medium- and Long-Term
MoDPEHS
Modular Development of a pan-European Electricity Highway System
MTSP
Municipal Tax on Sale of Property
NATO
North Atlantic Treaty Organization
NG
Natural Gas
OECD
Organisation for Economic Co-operation and Development
OHS
Occupational Health and Safety
OHSAS
Occupational Health and Safety Advisory Services
OMEL
Operador del Mercado Ibérico de Energía – Polo Español, S.A. [Spanish Cluster]
OMI
Iberian Market Operator
OMICLEAR
Sociedade de Compensação de Mercados de Energia, S. A.
OMIP
Operador do Mercado Ibérico de Energia Energía (Pólo Português), S.A. [Portuguese Cluster]
OPEX
Operating and Maintenance Costs
PAPI
Pen and Paper Interview
PDIR
Development and Investment Plan of the Electricity Transmission Network
PDIR
Development and Investment Plan of the RNTIAT
PEGASE
Pan European Grid Advanced Simulation and state Estimation
PNALE
Portuguese Emission Licence Award Plan

PNBEPH
Portuguese Plan for High Hydraulic Potential Dams
PNDI
Natural Park of International Douro
PNLE II
Portuguese Emission Licence Award Plan
POC
Portuguese Official Accounting Plan
PPA
Power Purchase Agreements
PPDA
Environmental Performance Promotion Plan
PPDA
Plan for Promoting Environmental Performance
PPEC
Plan for the Promotion of the Efficient Use of Electricity
PRE
Subsidised producers
PREn
Plan for the Rationalization of Energy Consumption
PRV
Variable Remuneration Program
PSP
Portuguese Police Force
QAS
Quality, Environment and Safety
QP
Permanent Staff
QSR
Quality of Service Regulation
QUERCUS
National Association for Nature Conservation
R&D
Research & Development
RAB
Regulatory Asset Base
RCCP
Current ROE
RDC
Research and Development Committee
RDI
Industrial Data Network
RDI
Research, Development & Innovation
RECAPE
Environmental Compliance Report on the Execution Project
RECS
Renewable Energy Certificate System
REIVE
Power lines with Smart Electric Vehicles
RENTELECOM
RENTELECOM – Comunicações, S.A.
RES
Renewable Energy Sources Directive
RH

Human Resources

RNDGN
National Natural Gas Distribution Network
RNT
National Electricity Transmission Grid
RNTGN
National Natural Gas Transmission Network
RNTIAT
National Natural Gas Transmission Network, Storage Infrastructure and LNG Terminals
ROA
Return on Assets
SAP
Systems of applications and products for data processing
SDC
System Development Committee
SDH
Synchronous Digital Hierarchy
SEN
National Electricity System
SEP
Public Electricity Supply System
SGCIE
Intensive Energy Consumption Management System
SGNL
Sociedade Portuguesa de Gás Natural Liquefeito, S.A.
SGPS
Holding Company
SGRI
South Gas Region Initiative
SIFIDE
System of Tax Incentives for Research and Development
SIGQAS
Integrated Management System for Quality, Environment and Safety
SNGN
National Natural Gas System
SOC
System Operations Committee
SRPV
Service of Private Voice Networks
SS
Substation
SSSV
Safety Valves on Surface
TEN
Trans-European Networks
TSO
Transmission System Operators
TYNDP
Ten-Year Network Development Plan
UCTE
Union for the Co-ordination of Transmission of Electricity
UGS
Tariff of Global Use of the System
URT
Tariff of Use of the Transmission Network

VAT
Value Added Tax
VHV
Very High Voltage
VHVL
Very High Voltage Lines
ZCA
Hunting Area
ZPE
Special Protection Areas

UNITS

bcm	109 cubic metres
cent	€ Euro cents
CO2	carbon dioxide
EUR	Euro
€	Euro
GHz	gigahertz
GJ	gigajoule
GW	gigawatt
GWh	gigawatt hour
k€	thousands of Euros
km	kilometre
kV	kilovolt
kWh	kilowatt hour
m3	cubic metre
m3(n)	normal cubic metre (volume of gas measured at 0o Celsius and at the pressure of 1 atmosphere)
M€	million Euros
mEuros	thousands of Euros
MVA	megavolt- ampere
Mvar	megavolt- ampere reactive
MW	megawatt
MWh	megawatt hour
p.p.	percentage points
s	second
t	tonne
tcm	1012 cubic metres
tCO2eq	Tonne of CO2 equivalent
TWh	terawatt- hour

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