



Financial Statements 2011

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1. Financial statements and notes at 31 December 2011

Individual balance sheet

		Expressed in Euros	
	Note	31-12-2011	31/12/2010
Assets			
Non-current			
Tangible fixed assets	5	361.076	292.204
Investments - equity method	6	3.103.844	3.053.444
Other receivables	9	-	438.148
Deferred tax assets	7	34.350	90.700
		3.499.270	3.874.496
Current			
Clients		50.221	46.109
State and other public entities	8	699	8.787
Other receivables	9	1.232.796	223.490
Deferred tax assets	7	40.565	
Deferrals		29.530	15.689
Cash and Bank Deposits	4	164.208	830.033
		1.518.020	1.124.108
Total Assets		5.017.290	4.998.604
Equity			
Capital and reserves attributable to shareholders			
Share Capital	10	2.500.000	2.500.000
Share Premium		1.193.711	1.193.711
Legal Reserve	11	18.820	17.246
Retained Earnings		242.879	228.718
		3.955.411	3.939.676
Net profit for year		82.059	15.735
Total Equity		4.037.470	3.955.411
Liabilities			
Non-current			
Deferred tax liabilities	7	-	116.109
Other payables	12	-	153.076
		0	269.185
Current			
Suppliers	12	140.969	208.447
State and other public entities	8	163.600	50.957
Loans received		54.447	
Deferred tax liabilities	7	116.109	
Other payables	12	504.694	503.093
Deferrals		-	11.511
		979.820	774.008
Total Liabilities		979.820	1.043.193
Total Equity and Liabilities		5.017.290	4.998.604

Individual income statement

	Note	Expressed in Euros	
		31-12-2011	31/12/2010
Sales and services rendered	13	2.065.440	2.579.081
Gains/losses related to subsidiaries, associates and joint ventures	6	50.399	5.733
External supplies and services	14	(685.388)	(986.265)
Staff Costs	15	(999.645)	(976.392)
Other income and gains		98.500	62.710
Other expenses and losses	16	(338.747)	(555.234)
Profit before depreciations, financial costs and taxes		190.560	129.635
Expenses/reversions from depreciations		(79.558)	(110.064)
Operating Profit (before financial and tax losses)		111.002	19.571
Interest and similar earnings	17	1.722	4.656
Interest and similar expenses	17	(4.358)	(5.166)
Profits before taxes		108.366	19.060
Income Tax	18	(26.307)	(3.325)
Net profit for the financial year		82.059	15.735

Statement of changes in equity

	Equity attributable to equity holders					Total
	Share Capital	Share Premiums	Legal Reserve	Accumulated Earnings	Result Year	
At 1 January 2010	2.500.000	2.233.323	16.184	219.153	10.628	4.979.288
Total profit for the year	-	-	-	-	15.735	15.735
Decrease in investments		(1.039.612)				(1.039.612)
Dividend distribution	-	-	-	-	-	-
Increase due to profit application	-	-	1.063	9.565	(10.628)	-
At 31 December 2010	2.500.000	1.193.711	17.247	228.718	15.735	3.955.411

	Equity attributable to equity holders					Total
	Share Capital	Share Premiums	Legal Reserve	Accumulated Earnings	Result Year	
At 1 January 2011	2.500.000	1.193.711	17.247	228.718	15.735	3.955.411
Total profit for the year	-	-	-	-	82.059	82.059
Decrease in investments		-				-
Dividend distribution	-	-	-	-	-	-
Increase due to profit application	-	-	1.574	14.161	(15.735)	-
At 31 December 2011	2.500.000	1.193.711	18.820	242.879	82.059	4.037.470

Cash flow statement

	December 2011	December 2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments from customers	1.573.258	3.002.978
Payments to suppliers	(1.105.062)	(1.782.935)
Payments to staff	(866.650)	(938.905)
Cash generated from operations	(398.454)	281.139
Payment/receipt of income tax	(10.335)	68.587
Other receipts/payments	(165.386)	(329.519)
Net cash from operating activities (1)	(574.175)	20.206
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments relating to:		
Tangible fixed assets	(70.966)	
Receipts from:		
Interest and similar earnings	2.224	2.396
Net cash used in investment activities (2)	(68.742)	2.396
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments relating to:		
Loans received	(19.963)	(32.474)
Interest and similar expenses	(2.945)	(1.284)
Net cash used in investment activities (3)	(22.908)	(33.757)
Variation in cash and equivalents (4)=(1)+(2)+(3)	(665.825)	(11.155)
Effect of exchange differences		
Cash and equivalents at the beginning of the year	830.033	841.188
Cash and equivalents at the end of the year	164.208	830.033
BREAKDOWN OF CASH AND EQUIVALENTS		
Cash	641	1.635
Short-term bank deposits and equivalent		
Bank overdrafts		
Bank deposits	163.567	328.398
Term deposits		500.000
Other assets		
Cash resources on the Balance Sheet	164.208	830.033

Notes to the Individual financial statements

1 General information

OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A. was established under Decree no. 360/ME/2003, of 6 June of the Minister of the Economy, its respective public deed being signed on 16 June 2003.

The company began operations on 10 December 2003, with the purpose of organising and managing a system of support for transactions and settlements within the Iberian Energy Market, specifically including:

- a) the management of the organised market for energy forward contracts;
- b) the brokering of agents for purpose of business relationship within the Iberian Electricity Market;
- c) the management of other markets for energy commodities;
- d) the provision of settlement services in the context of organised energy markets;
- e) the provision of settlement services for standardised transactions in unorganised energy markets;
- f) the provision of market organisation services in connection with the operation of the electricity system.

Due to delays in establishing the MIBEL – Iberian Electricity Market, OMIP only began operating on 3 July 2006.

OMIP's share capital is 2,500,000 Euros, represented by 250,000 shares with a face value of 10 euros each, and at 31 December 2009 was 90% owned by REN. SGPS, S.A. and 10% by OMEL, SA. As of 25 October 2010, OMIP's share capital is 100% held by OMIP, SGPS, S.A., due to a proposed "merger-division" which was carried out through the incorporation into OMIP SGPS, pursuant to article 118, paragraph 1, subparagraph c) of the CSC, of an independent economic unit consisting of the following assets:

- i. Shares owned by OMIP in the Spanish company called OMEL – Operador del Mercado Iberico de Energía, Polo Español, S.A., based in C/ Alfonso XI, no. 6, 4 and 5 floors, 28014 Madrid, with the taxpayer identification number A-81845414, with registered capital of EUR 1,999,998.00 (one million nine hundred and ninety-nine thousand nine hundred and ninety-eight Euros), registered at the Commercial Registry of Madrid under number M-199944, this holding corresponding to 666,666 (six hundred and sixty-six thousand six hundred and sixty-six) ordinary shares with a face value of EUR 0.30 (thirty cents) each, nominative, with total face value of EUR 199,999.80 (one hundred and ninety-nine thousand nine hundred and ninety-nine Euros and eighty cents), representing 10% (ten percent) of the share capital of OMEL.
- ii. Equity appropriate to support the exercise of the aforementioned activity, specifically the fixed assets assigned to it, also identified in Annex IV of the "merger-division" project.

The stated elements of the equity of OMIP, S.A. and transferred to OMIP SGPS were recorded in OMIP, S.A. in the amount of 1,039,612 Euros, corresponding to:

- i. Shareholding in OMEL, incorporated into OMIP SGPS, recorded in OMIP for the amount of EUR 1,033,323.00 (one million and thirty-three thousand three hundred and twenty-three Euros);
- ii. The other assets to be incorporated into the OMIP SGPS, broken down in the aforementioned Note IV, were recorded in OMIP for the amount of EUR 6,288.51 (six thousand two hundred and eighty-eight Euros and fifty-one cents).

The project was prepared in compliance with the requirements upon which the application of the fiscal neutrality special regime depends, as laid down in Articles seventy-three et seq. of the Corporate Tax Code, the elements of assets and liabilities to be highlighted transferred by the amounts shown in the accounting records in the relevant format for the purpose of implementing those tax regulations. For accounting purposes, the balance sheet items shall be entered in OMIP SGPS by the value for which they are recorded in the accounts of OMIP.

On 28 October 2011, the capital of OMIP, SA, became 50% owned by OMIP, SGPS, and 50% owned by OMEL.

OMIP holds all share capital in the company, OMIClear - Sociedade de Compensação de Mercados de Energia, S.G.C.C.C.C., S.A., the corporate purpose of which is the clearing of futures transactions, specifically futures contracts and electricity options.

These financial statements were approved by the Board of Directors at its meeting on 21 March 2012. It is the opinion of the Board of Directors that these financial statements honestly and faithfully reflect OMIP's operations, as well as its financial position and performance and cash flows.

2 Accounting framework for preparation of the financial statements

2.1. Basis of preparation

These financial statements, prepared in accordance with the historical cost principle, constitute the first set of financial statements prepared by the Company in accordance with accounting and financial reporting standards (IAS) issued and in force or issued and adopted from 1 January 2009.

OMIP's financial statements have been prepared in accordance with accounting principles generally accepted in Portugal (POC) to 31 December 2009.

2.2. Impact of transition to SNC

OMIP has adopted the IAS issued and in force or issued and at 1 January 2010, applying these rules retrospectively for all periods presented. The transition date is 1 January 2009 and the company prepared its opening balance sheet at that date.

This transition does not in any way affect the equity of the company, resulting only in changes in the naming of accounts.

3 Accounting Policies

The principal accounting policies applied in preparing the financial statements are those described below. Unless otherwise indicated, these policies have been consistently applied to all years presented.

3.1. Financial holdings – Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which OMIP has decision-making powers in relation to financial and operating policies, to which control, either direct or indirect, over more than half of the voting rights is normally associated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether OMIP exercises control over an entity. Entities that qualify as subsidiaries are listed in Note 19.

Holdings in subsidiaries are stated at the value resulting from applying the equity method. Under this method, the share of profits in subsidiaries and associated entities, in proportion to the shareholdings, is included in the income statement, and the share of net worth, considering any additions arising from adjustments to fair values and goodwill, is reflected in the balance sheet. These values are calculated from the approved financial statements of the respective subsidiaries and associated entities, or, in the absence thereof, are based on best estimates, which have as a reference date the financial year of the Company.

3.2. Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any accumulated impairment losses. This cost includes the estimated cost to the date of transition to the IAS, and the acquisition costs of assets obtained after that date.

The acquisition cost includes the purchase price of the asset, costs directly attributable to the acquisition and costs incurred in preparing the asset for its entry into operation.

Subsequent costs incurred in connection with renovations and major repairs, which increase the useful life of the assets, are recognised in the cost of the asset.

Current repair and maintenance costs are recognised in the year in which they are incurred.

Tangible fixed assets are depreciated systematically on a straight-line basis over the period of their estimated useful life.

The estimated useful life of the most significant tangible fixed assets is as follows:

	<u>Years</u>
Transport equipment	Between 3 and 5 years
Administrative equipment	Between 3 and 10 years

The useful life of assets is reviewed at the end of the year for each asset to ensure that the depreciation charged is in accordance with the pattern of consumption of the assets. Changes to useful life are treated as a change in the accounting estimate, and are applied prospectively.

Gains or losses on the disposal of assets are determined by the difference between the net realisable value and the book value of the asset, being recognised in the income statement.

3.3. Financial assets

The Board of Directors determines the classification of financial assets on the date of initial recognition in accordance with the purpose of their purchase, reassessing this classification at each reporting date.

Financial assets may be classified as:

- a) Financial assets at fair value through profit or loss - includes non-derivative financial assets held for trading respecting short-term investments and assets at fair value through profit or loss at the date of initial recognition;
- b) Loans and receivables include financial assets not derived from fixed or determinable payments not quoted in an active market.
- c) Investments held to maturity – includes non-derivative financial assets with fixed or determinable payments and established maturities, which the entity intends and is capable of holding to maturity;
- d) Financial assets available for sale – includes non-derivative financial assets designated as available for sale at the time of initial recognition or that do not fit into the aforementioned categories. They are recognised as non-current assets unless there is intent to sell them within 12 months of the balance sheet date.

Purchases and sales of investments in financial assets are recorded at the trade date, i.e. on the date on which OMIP undertakes to buy or sell the asset.

Financial assets at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in income. These assets are subsequently measured at fair value, with gains and losses resulting from changes in fair value recognised in income for the period in which they occur under the net financial expenses caption, which also includes the amounts of interest income and dividends earned.

Financial assets available for sale are initially recognised at fair value, plus transaction costs. In subsequent periods, they are measured at fair value, with the change in fair value recognised in the fair value reserve under equity. Dividends and interest earned on financial assets available for sale are recognised in the income of the period in which they occur, under other operating gains, where the right to receive payment is established.

The fair value of financial assets quoted is based on market prices ("bid"). If there is no active market, OMIP establishes fair value using valuation techniques. These techniques include the use of prices used in recent transactions, provided that market conditions allow the comparison with instruments that are substantially similar, and the calculation of discounted cash flows where information is available, prioritising market information at the expense of internal information of the target entity.

Receivables are classified on the balance sheet as "Other receivables". Adjustment for the impairment of receivables is made where there is objective evidence that the Company will not be able to receive the amounts due under the original terms of the transactions that gave rise to them.

3.4. Cash and equivalents

Cash and equivalents includes cash, bank deposits and other short-term investments of high liquidity and with initial maturities of up to 3 months, and bank overdrafts. Bank overdrafts are shown on the Balance Sheet as current liabilities under the heading "Financing obtained," and are considered in the preparation of the cash flow statement as cash and equivalents.

3.5. Share Capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of taxes, from the amount issued.

3.6. Financial Liabilities

The Board of Directors determines the classification of financial liabilities on the date of initial recognition in accordance with IAS 27 – Financial Instruments.

Financial liabilities may be classified/measured:

- (a) At cost or amortised cost less any impairment loss;
- (b) At fair value with the changes in fair value being recognised in the income statement.

OMIP classifies and measures at cost or amortised cost, financial liabilities: i) that in terms of time are on demand or have a specific maturity; ii) whose remuneration is a fixed amount, fixed interest rate or variable rate corresponding to a market index; and iii) that have no contractual clause which may result in a change to liability for repayment of the face value and accrued interest payable.

For liabilities recorded at amortised cost, the interest earned to be recognised in each period is determined according to the effective interest rate method, which corresponds to the rate that exactly discounts estimated future cash receipts during the expected life of the financial instrument.

Financial liabilities which constitute financing obtained, accounts payable (suppliers, other creditors, etc.) and equity instruments are recorded at cost or amortised cost, as well as any associated derivative contracts that are not traded in an active market and whose fair value cannot be reliably determined.

An entity should derecognise a financial liability (or part of a financial liability) only when it is extinguished, i.e. when the obligation established under the contract is paid, cancelled or expires.

3.7. Income tax

Income tax for the period includes current tax and deferred tax. Income taxes are recorded in the income statement, except when they are related to items that are recognised directly in equity. The value of current tax payable is determined based on earnings before taxes, adjusted in accordance with tax rules.

In 2008, the Company began to be included within the income tax consolidation perimeter of the REN Group. As a consequence, activity relating to payments on account is recorded on the balance sheet belonging to REN - Redes Energéticas Nacionais, SGPS, S.A., under the caption "Income Tax".

However, during the current year, the company left the REN Group tax group. As this only occurred on 19 October 2011, the payments on account were recorded on the balance sheet belonging to REN - Redes Energéticas Nacionais, SGPS, S.A., under the caption "Income Tax".

Deferred taxes are recognised using the liability method based on the balance sheet, taking into account the temporary differences resulting from the difference between the tax bases of assets and liabilities and their values in the financial statements.

Deferred taxes are calculated based on the tax rate in force or that formally communicated at the balance sheet date, and estimated to be applicable on the date of realisation of the deferred tax assets or the date of payment of the deferred tax liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available for the use of the temporary difference. Deferred tax liabilities are recognised for all taxable temporary differences, except those relating to: i) the initial recognition of goodwill; or ii) the initial recognition of assets and liabilities, except those related to a business combination, and that at the transaction date do not affect accounting or tax results. However, with regard to taxable temporary differences related to investments in subsidiaries, these should not be recognised to the extent that: i) the parent company is capable of controlling the period of reversal of the temporary difference; and ii) it is likely that the temporary difference will not be reversed in the near future.

3.8. Leases

Leases of fixed assets, for which OMIP substantially bears all the risks and benefits incidental to ownership of the asset, are classified as finance leases. Agreements under which the analysis of one or more particular situations of the contract point to such a nature are also classified as finance leases. All other leases are classified as operating leases.

Finance leases are capitalised at the inception of the lease by the present value of minimum lease payments, each determined at the date of commencement of the contract. The debt resulting from a financial lease contract is recorded net of finance charges, under the caption Loans. Financial charges included in the rent and the depreciation of the leased assets are recognised in the income statement in the period to which they relate.

Tangible assets acquired through finance leases are depreciated over the lesser of the useful life of the asset and the lease period where the company does not have a purchase option at the end of the contract, or the estimated useful life period where the company intends to acquire the assets at the end of the contract.

In operating leases, rents are recognised as expenses in the income statement on a straight-line basis over the lease term.

3.9. Revenue

Revenue comprises the fair value of services, received or to be received, net of taxes and discounts.

Services are recognised in the period to which they relate, as recommended by the principle of accrual accounting.

3.10. Tariff adjustments

Since the SNC omits regulated activities and the registration of tariff adjustments, OMIP has established a policy for recognising and measuring tariff adjustments as set out in FRS 4 – ‘Changes in accounting policies, estimates and errors’ with reference to the international standard SFAS 71 – Rate regulated activities. SFAS 71 states that: “an entity must recognise: a) a regulatory asset by its right to recover specific costs incurred previously and to obtain a specific return; or b) a regulatory liability by its obligation to repay amounts previously received and pay a specific remuneration, where there is entitlement to increase or reduce future rates” according to the recovery mechanisms established by the regulator.

Accordingly, at each reporting date, OMIP estimates, according to the criteria established by the tariff regulation published by the ERSE, the deviations between actual and estimated costs for the acceptance of operational costs and the determination of permitted revenues. This correction is adjusted with the approval of the ERSE in the following year (year n+1), for incorporation of the tariffs of the following year (n+2). Exceptionally, the regulator established during the year 2010 that the adjustments for the years 2009 and 2010 would only be adjusted in the year 2012.

3.11. Accruals

Other income and expenses are recorded in the year to which they relate regardless of when they were paid or received, in accordance with the principle of accrual accounting. The differences between the amounts received and paid the corresponding income and expenses are recorded as accruals and deferrals under the captions Accounts Receivable and Accounts Payable.

It should be noted that OMIClear ceased to be subsidised from the year 2011 inclusive, therefore it ceased to generate tariff adjustments, whereby the value given in the final balance sheet in 2011 refers to the corrections made up to the year 2010.

4 Cash Flows

4.1. Cash and equivalents that are not available for use

OMIP has no Cash or equivalents balance with restrictions on use for the periods presented.

4.2. Breakdown of the values shown under cash reveal the following values

At 31 December 2011, the detail of cash and equivalents show the following values:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Cash	641	1.635
Bank deposits	163.567	828.398
Cash and equivalents	<u>164.208</u>	<u>830.033</u>

The detail of the amount considered as the final balance under the caption "Cash and equivalents" for purposes of preparing the cash flow statement for the year ended 31 December 2011 is as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Cash		
- Cash	641	1.635
	<u>641</u>	<u>1.635</u>
Bank deposits		
- Demand deposits	163.567	328.398
- Term deposits	-	500.000
	<u>163.567</u>	<u>828.398</u>
Cash and equivalents (assets)	<u>164.208</u>	<u>830.033</u>

5 Tangible fixed assets

During the year ended 31 December 2010, activity recorded under the tangible fixed assets caption was as follows:

Activity in tangible fixed assets – 2010

	<u>Transport equipment</u>	<u>Administrative equipment</u>	<u>Assets in Progress</u>	<u>Total</u>
At 1 January 2010				
Acquisition cost	110.613	1.532.657	-	1.643.270
Accumulated depreciation	(87.847)	(1.365.171)	-	(1.453.018)
Net value	22.766	167.486	-	190.252
31 December 2010				
Additions	100.000	27.667	129.425	257.092
Disposals	(110.613)	(7.619)	-	(118.231)
Transfers and write-offs	-	(35.509)	-	(35.509)
Depreciation - year	(27.012)	(83.052)	-	(110.064)
Depreciation - disposals	100.276	7.536	-	107.811
Depreciation - transfers and write-offs	-	855	-	855
Net value	85.417	77.363	129.425	292.205
31 December 2010				
Acquisition cost	100.000	1.517.195	129.425	1.746.620
Accumulated depreciation	(14.583)	(1.439.832)	-	(1.454.416)
Net value	85.417	77.363	129.425	292.205

During the year ended 31 December 2011, activity recorded under the tangible fixed assets caption was as follows:

Activity in tangible fixed assets – 2011

	<u>Transport equipment</u>	<u>Administrative equipment</u>	<u>Assets in Progress</u>	<u>Total</u>
1 January 2011				
Acquisition cost	100.000	1.517.195	129.425	1.746.620
Accumulated depreciation	<u>(14.583)</u>	<u>(1.439.832)</u>	<u>-</u>	<u>(1.454.416)</u>
Net value	<u>85.416,66</u>	<u>77.362,53</u>	<u>129.425,00</u>	<u>292.204,19</u>
31 December 2011				
Additions	130.000	24.705	45.725	200.430
Disposals		-	-	-
Transfers and write-offs	(60.000)	-	-	(60.000)
Depreciation - year	(34.167)	(45.391)	-	(79.558)
Depreciation - disposals	8.000	-	-	8.000
Depreciation - transfers and write-offs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net value	<u>129.250</u>	<u>56.676</u>	<u>175.150</u>	<u>361.076</u>
31 December 2011				
Acquisition cost	170.000	1.541.900	175.150	1.887.050
Accumulated depreciation	<u>(40.750)</u>	<u>(1.485.224)</u>	<u>-</u>	<u>(1.525.974)</u>
Net value	<u>129.250</u>	<u>56.676</u>	<u>175.150</u>	<u>361.076</u>

6 Financial investments – Equity Method

At 31 December 2010, the detail of investment in associated entities is as follows:

	<u>% held</u>	<u>31-12-2011</u>	<u>31-12-2010</u>
OMICLEAR	100,00%	3.000.000	3.000.000
Total		<u>3.000.000</u>	<u>3.000.000</u>

The detail in relation to the associated company is as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
	<u>OMICLEAR</u>	<u>OMICLEAR</u>
Assets		
Non-current	321.319	684.568
Current	147.945.801	77.138.040
	<u>148.267.121</u>	<u>77.822.608</u>
Liabilities		
Non-current	-	233.300
Current	145.163.277	74.535.864
	<u>145.163.277</u>	<u>74.769.164</u>
Equity	<u>3.103.844</u>	<u>3.053.444</u>
	3.103.844	3.053.444
Activity in the year		
Income	1.499.079	1.182.712
Expenditures	(1.448.680)	(1.176.979)
Net profit	<u>50.399</u>	<u>5.733</u>
% holding	<u>100%</u>	<u>100%</u>
	<u>50.399</u>	<u>5.733</u>

Activity in shareholding from 1 January 2010 to 31 December 2011 is as follows:

	<u>OMICLEAR</u>
At 1 January 2010	3.047.711
Acquisitions	-
Gains / (Losses)	5.733
Other movements in Capital	-
Disposals	-
Dividends received	-
31 December 2010	<u>3.053.444</u>
Acquisitions	-
Gains / (Losses)	50.399
Other movements in Capital	-
Disposals	-
Dividends received	-
31 December 2011	<u>3.103.844</u>

7 Deferred tax assets and liabilities

Activity in deferred tax assets and liabilities captions for the years presented are as follows.

Deferred Tax Assets

	<u>Tariff Adjustmen</u>	<u>Tax Loss</u>	<u>Total</u>
To 1 January 2010	40.565	-	40.565
Year ended 31 December			
Constitution by results	-	50.134	50.134
Activity in the period	-	50.134	50.134
At 31 December 2010	40.565	50.134	90.700
	<u>Tariff</u>	<u>Tax Loss</u>	<u>Total</u>
	<u>Adjustmen</u>		
At 1 January 2011	40.565	50.134	90.700
Year ended 31 December			
Reversal by results	-	(15.785)	(15.785)
Activity in the period	-	(15.785)	(15.785)
At 31 December 2011	40.565	34.350	74.915
Tax losses carried forward:			
- year 2010	119.748		

Deferred Tax Liabilities

	<u>Tariff Adjustments</u>
To 1 January 2010	73.144
Year ended 31 December	
Constitution by results	42.965
Activity in the period	42.965
At 31 December 2010	116.109
	<u>Tariff</u>
	<u>Adjustments</u>
At 1 January 2011	116.109
Year ended 31 December	
Activity in the period	-
At 31 December 2011	116.109

8 State and Other Public Entities

In the year ended 31 December 2011, the detail of the caption State is as follows:

	31-12-2011		31/12/2010	
	Assets	Liabilities	Assets	Liabilities
Income tax	-	10.179	-	9.820
Withholding of income tax		34.377		20.642
Value added tax - VAT	-	85.624	-	11.034
Social security contributions	-	33.420	-	9.461
VAT other markets	699	-	8.787	-
	699	163.600	8.787	50.957

Income tax details

	2011	2010
Payments on account		
Withholding tax	343	675
Estimate income tax	(10.522)	(10.494)
Total	(10.179)	(9.820)

9 Other receivables

At 31 December 2011, the detail of the caption Other receivables is as follows:

	31-12-2011		31/12/2010		
	Current	Total	Current	Non-current	Total
Other debtors					
REN - Rede Eléctrica Nacional, SA			110.165		110.165
OMP - Operador do Mercado Ibérico de Energia			4.368		4.368
OMIClear, S.A.	790.012	790.012	108.331		108.331
OMP, SGPS, S.A.	4.582	4.582			
Other debtors			627		627
Accruals and deferrals					
Accrued income	438.148	438.148	-	438.148	438.148
Other receivables	1.232.742	1.232.742	223.490	438.148	661.638

The balance of Other debtors refers to transactions with Group companies (see Note 19.4).

The increase in current income relates to the tariff adjustment generated in 2010.

Pursuant to order no. 17041/2010 of the Office of the Secretary of State for Energy and Innovation, the OMIP and OMIClear model of economic support expired on 31 December 2010.

As such, the net amounts (i.e., the net balance of assets and liabilities of OMIP and OMIClear) of tariff adjustments established in 2009 and 2010 will be recovered through tariff in n+2, as recommended in the Tariff Regulation, i.e. in 2012.

10 Share Capital

At 31 December 2011, OMIP's share capital is fully subscribed and paid-up, being represented by 250,000 shares with a face value of 10 Euros each.

11 Statutory reserve

According to current commercial legislation, the Company is obligated to transfer to the caption legal reserve at least 5% of annual net profit until it reaches 20% of capital. This reserve may not be distributed to shareholders, but may be used to absorb losses after all other reserves have been exhausted.

At 31 December 2011 the legal reserve stood at 18,819.85 Euros.

12 Suppliers and other payables

At 31 December 2011, the breakdown of the caption Suppliers and other payables is as follows:

	31-12-2011		31/12/2010		
	Current	Total	Current	Non-Current	Total
Suppliers	140.969	140.969	208.447	-	208.447
	140.969	140.969	208.447	-	208.447
Other Creditors					
Suppliers investment	56.678	56.678	44.473		44.473
REN, SGPS, SA	7.430	7.430	7.430		7.430
REN - Rede Eléctrica Nacional, SA	29.009	29.009	19.317		19.317
OMIClear, SA	72.310	72.310	287.900		287.900
REN Armazenagem, SA	53.325	53.325	869		869
RENTELECOM, SA	4.683	4.683	1.954		1.954
Other creditors	54.447	54.447	77.121		77.121
Creditors for accrued expenses					
Holiday pay and Subsidies Holidays	102.303	102.303	28.629	-	28.629
Tariff Adjustments	153.076	153.076		153.076	153.076
Others	25.880	25.880	35.400	-	35.400
Total	559.141	559.141	503.093	153.076	656.169

The increase in current income relates to the tariff adjustment generated in 2009.

Pursuant to order no. 17041/2010 of the Office of the Secretary of State for Energy and Innovation, the OMIP and OMIClear model of economic support expired on 31 December 2010.

As such, the net amounts (i.e., the net balance of assets and liabilities of OMIP and OMIClear) of tariff adjustments established in 2009 and 2010 will be recovered through tariff in n+2, as recommended in the Tariff Regulation, i.e. in 2012.

13 Sales and Services Rendered

At 31 December 2011, the detail of income from services rendered is as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Tariff for Global Management of the System	-	1.370.647
Services provided - Natural Gas	129.949	241.334
Management Syst. Support Services	470.827	-
Commissions	1.103.338	913.932
Other services	<u>361.326</u>	<u>53.168</u>
Sales and Services Rendered	<u>2.065.440</u>	<u>2.579.081</u>

14 External supplies and services

At 31 December 2011 and 2010, the detail of cost of supplies and services is as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Costs of specialised work	377.580	683.265
Common services costs	82.357	90.266
Travel and accommodation	81.224	84.550
Communication	21.316	27.877
Representation expenses	43.543	65.300
Seminars and conferences	1.739	726
Training	-	1.325
Power and fluids	9.699	9.101
Materials	15.857	8.138
Insurance	3.723	-
Rents	11.012	-
Upkeep and repairs	33.630	6.920
Others (below € 5,000)	<u>3.709</u>	<u>8.797</u>
External supplies and services	<u>685.388</u>	<u>986.265</u>

The item Costs for specialised work mainly includes spending on information technology services and consulting services. Common costs relate to amounts charged by the REN group in relation to the common costs of the building, management, administration, etc.

15 Staff Costs

At 31 December 2011 and 2010, the detail of staff costs is as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Corporate bodies remuneration	575.497	705.458
Employee payments	300.209	176.095
Charges for salaries	111.823	83.145
Insurance for accidents and diseases	5.935	6.702
Social activities cost	-	557
Other costs	<u>6.181</u>	<u>4.435</u>
Personnel costs	<u>999.645</u>	<u>976.392</u>

The average number of employees in 2011 was 6 (it was 4 in 2010).

16 Other expenses and losses

The detail of Other expenses and losses is as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Indirect Taxes	29.766	23.124
- Value Added Tax	14.017	6.877
- Stamp duty	20	181
- Rates	15.159	15.935
- Others	569	132
Disposals costs	-	625
Donations	-	750
Contributions	4.103	4.060
Market operations	304.706	526.674
Others	172	0
Other expenses and losses	<u>338.747</u>	<u>555.234</u>

The caption market operations includes mainly the fixed monthly fees charged by market makers. These members ensure adequate levels of liquidity and depth of range in the market. The commissions set with the market makers were renegotiated, which led to the decrease observed.

17 Financial income and expenses

The detail of Financial income and expenses is as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Interest and similar earnings		
Interest income from Bank Deposits	1.597	3.194
Favourable exchange differences	124	-
Income from shareholding	-	1.461
	<u>1.722</u>	<u>4.656</u>
Interest and similar expenses		
Unfavourable exchange differences	(1.363)	(1.770)
Interest leasing expenses	(2.303)	(1.284)
Banking services	(687)	(1.898)
Others	(5)	(214)
	<u>-4.358</u>	<u>-5.166</u>
Financial income and expenses	<u>(2.636)</u>	<u>(511)</u>

18 Tax for the Year

The breakdown of the amount of tax for the year recognised in the financial statements is as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Current income tax	10.522	10.494
Deferred income tax	15.785	(7.169)
Income tax	<u>26.307</u>	<u>3.325</u>

The tax rate used for the recovery of tax differences at balance sheet date for the year ended 31 December 2011 was 26.5% (2010: 26.5%).

The reconciliation of the amount of tax for the year is as follows:

	Notes	<u>31-12-2011</u>	<u>31/12/2010</u>
Profits before tax		108.366	19.060
Tax rate		25,0%	25,0%
		<u>27.091</u>	<u>4.765</u>
Non-deductible expenses		5.172	7.588
Income not taxable		50.399	53.701
Deferred tax losses		-	-
Correction to deferred tax		-	-
Separate taxation		9.575	10.494
		<u>92.237</u>	<u>76.549</u>
Current income tax		10.522	10.494
Deferred income tax		15.785	(7.169)
Income tax		<u>26.307</u>	<u>3.325</u>
Effective tax rate		24,28%	17,45%

The tax rate adopted for establishing the amount of tax in the financial statements is as follows:

	<u>31-12-2011</u>	<u>31-12-2010</u>
Tax rate	25,00%	25,00%
Municipal surcharge	1,50%	1,50%
	<u>26,50%</u>	<u>26,50%</u>

19 Transactions with related entities

At 31 December 2011, OMIP was majority owned by REN – Redes Energéticas Nacionais, SGPS, S.A.

The list of related entities is as follows:

Related entities

Shareholders

OMIP - Operador do Mercado Ibérico (Portugal), SGPS, SA
OMEL - Operador del Mercado Ibérico de Energia, Pólo Español, SA

Group Companies

REN - Redes Energéticas Nacionais, SGPS, SA
REN - Rede Eléctrica Nacional, SA
REN Trading, SA
REN Gás, SGPS, SA
REN Gasodutos, SA
REN Armazenagem, SA
REN Atlântico, Terminal de GNL, SA
Rentelecom - Comunicações, SA
REN Serviços, SA
Enondas, Energia das Ondas, SA
OMIP - Operador do Mercado Ibérico (Portugal), SGPS, SA
OMI - Pólo Español, SA
OMEL - Operador del Mercado Ibérico de Energia, Pólo Español, SA
OMIClear – Sociedade de Compensação de Mercados de Energia, (SGCCCC), SA
OMIClear – Sociedade de Compensação de Mercados de Energia, (SGCCCC), SA, Sucursal en España

During the year, the Company carried out the following transactions with these related parties:

Income – Group Companies

	<u>31-12-2011</u>	<u>31/12/2010</u>
Services Rendered		
REN - Rede Eléctrica Nacional, SA	60.000	1.092.542
REN - Gasodutos, SA	30.000	
OMICLEAR, S.A.	470.827	30.000
	<u>560.827</u>	<u>1.122.542</u>

19.1. Expenses – Group Companies

	<u>31-12-2011</u>	<u>31/12/2010</u>
Purchases of Services		
REN - Rede Eléctrica Nacional, SA	49.511	63.632
REN Armazenagem, SA	19.646	14.843
RENTELCOM - Comunicações, SA	5.363	16.563
REN Serviços, SA	13.080	13.200
	<u>87.600</u>	<u>108.238</u>

19.2. Remuneration of the Board of Directors

During the period ended 31 December 2011, the remunerations received by the Board of Directors of OMIP were as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Decision-Making Bodies		
Salaries and other short-term benefits	575.497	705.458
	<u>575.497</u>	<u>705.458</u>

No loans were granted to members of the Board of Directors.

At the end of the period ended 31 December 2011, balances resulting from transactions carried out with related parties are as follows:

19.3. Balances with related parties – Group Companies

	<u>31-12-2011</u>	<u>31/12/2010</u>
Clients and other receivables		
REN - Rede Eléctrica Nacional, SA	-	110.165
OMP SGPS	4.582	4.368
OMICLEAR, S.A.	790.012	108.331
	<u>794.594</u>	<u>222.863</u>
Suppliers and other payables		
REN - Redes Energéticas Nacionais, SGPS, SA	(7.430)	(7.430)
REN - Rede Eléctrica Nacional, SA	(29.009)	(19.317)
RENTELECOM - Comunicações, SA	(4.683)	(1.954)
REN SERVIÇOS, SA	(10.824)	(3.993)
REN Armazenagem, SA	(53.325)	(869)
OMICLEAR, S.A.	(72.310)	
	<u>(177.581)</u>	<u>(33.563)</u>

20 Contingencies

At 31 December 2011, there are no contingencies or commitments known.

Lisbon, 21 March 2012

Accountant, no. 30375 , Maria Teresa Rodrigues Martins

The Board of Directors,

José Isidoro d'Oliveira Carvalho Netto

Pedro Jesus Mejía Gómez

Abengoa, S.A. (José Domínguez Abascal)

E.ON España, S.L. (Javier Anzola Pérez)

EDP – Energias de Portugal, S.A. (Carlos Manuel Côrte-Real Alves Pereira)

Endesa Generación Portugal, S.A. (Adolfo Javier de Rueda Villén)

Gas Natural, SDG, S.A. (Rosa María Sanz García)

Iberdrola Generación, S.A. (Rodolfo Martínez Campillo)

Parcaixa, SGPS, S.A. (Paulo Alexandre da Rocha Henriques)

REN – Redes Energéticas Nacionais, SGPS, S.A. (Maria José Menéres Duarte Pacheco Clara)

Auditor's Report

(Free Translation from the original in Portuguese)

Introduction

1 We have audited the financial statements of OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), Sociedade Gestora de Mercado Regulamentado, S.A., comprising the balance sheet as at December 31, 2011, (which shows total assets of 5.017.290 euros and total shareholder's equity of 4.037.470 euros, including a net profit of 82.059 euros), the statement of income by nature, the statement of changes in equity, the cash flow statement for the year then ended and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Board of Directors to prepare the Director's Report and the financial statements which present fairly, in all material respects, the financial position of the company and the results of its operations, the changes in equity and the cash flows, as well as to adopt appropriate accounting policies and criteria and to maintain an adequate system of internal control.

3 Our responsibility is to express an independent and professional opinion on these financial statements based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations approved by the Institute of Statutory Auditors which require that we plan and perform the examination to obtain reasonable assurance about whether the financial statements are free of material misstatement. Accordingly, our examination included: (i) verification, on a test basis, of the evidence supporting the amounts included in the financial statements, and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the financial statements; (ii) assessing the appropriateness of the accounting principles used and their disclosure, as applicable; (iii) assessing the applicability of the going concern basis of accounting; and (iv) evaluating the overall presentation of the financial statements.

5 Our audit also covered the verification that the financial information included in the Director's report is in agreement with the financial statements.

6 We believe that our examination provides a reasonable basis for our opinion.

Opinion

7 In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), Sociedade Gestora de Mercado Regulamentado, S.A. as at December 31, 2011, the results of its operations, the changes in equity and the cash flows for the year then ended in conformity with generally accepted accounting principles in Portugal.

Report on other legal requirements

8 It is also our opinion that the financial information included in the Director's report is consistent with the financial statements for the year.

Lisbon, 22 March, 2012

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Jorge Manuel Santos Costa, R.O.C.

Luís Borges de Assunção
Revisor Oficial de Contas
Rua Anchieta, 21 – 3º Dto.
1200-023 Lisboa

CERTIFICAÇÃO LEGAL DAS CONTAS

INTRODUÇÃO

1. Examinei as demonstrações financeiras anexas da OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A., as quais compreendem o balanço em 31 de Dezembro de 2011 (que evidencia um total de balanço de € 5.017.290 (2010: € 4.998.604) e um total de capital próprio de € 4.037.470 (2010: € 3.955.411), incluindo um resultado líquido de € 82.059 (2010: € 15.735)), a demonstração dos resultados por naturezas e a demonstração dos fluxos de caixa do exercício findo naquela data e o correspondente Anexo.

RESPONSABILIDADES

2. É da responsabilidade do Conselho de Administração a preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira da Empresa e o resultado das suas operações e os fluxos de caixa, bem como a adopção de políticas e critérios contabilísticos adequados e a manutenção de um sistema de controlo interno apropriado.
3. A minha responsabilidade consiste em expressar uma opinião profissional e independente, baseada no exame daquelas demonstrações financeiras.

ÂMBITO

4. O exame a que procedi foi efectuado de acordo com as Normas e as Directrizes Técnicas da Ordem dos Revisores Oficiais de Contas, as quais exigem que o mesmo seja planeado e executado com o objectivo de obter um grau de segurança aceitável sobre se as demonstrações financeiras estão isentas de distorções materialmente relevantes. Para tanto, o referido exame incluiu:
 - a verificação, numa base de amostragem do suporte das quantias e divulgações constantes das demonstrações financeiras e a avaliação das estimativas, baseadas em juízos e critérios definidos pelo Conselho de Administração, utilizadas na sua preparação;
 - a apreciação sobre se são adequadas as políticas contabilísticas adoptadas e a sua divulgação, tendo em conta as circunstâncias;



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- a verificação da aplicabilidade do princípio da continuidade; e
 - a apreciação sobre se é adequada, em termos globais, a apresentação das demonstrações financeiras.
5. O nosso exame abrangeu também a verificação da concordância da informação financeira constante do relatório de gestão com as demonstrações financeiras.
6. Entendi que o exame efectuado proporciona uma base aceitável para a expressão da minha opinião.

OPINIÃO

7. Na minha opinião, as demonstrações financeiras referidas apresentam, de forma verdadeira e apropriada em todos os aspectos materialmente relevantes, a posição financeira da OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A., em 31 de Dezembro de 2011 e o resultado das suas operações e os fluxos de caixa no exercício findo naquela data, em conformidade com os princípios contabilísticos geralmente aceites.

RELATO SOBRE OUTROS REQUISITOS LEGAIS

8. É também minha opinião que a informação financeira constante do relatório de gestão é concordante com as demonstrações financeiras do exercício.

Lisboa, 26 de Março de 2012



Luís Borges de Assunção
(Revisor Oficial de Contas n.º 114)

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RELATÓRIO E PARECER DO FISCAL ÚNICO

No cumprimento das disposições legais e estatutárias, vem o Fiscal Único da OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A emitir os seus Relatório e Parecer sobre os documentos de prestação de contas elaborados pelo Conselho de Administração, relativos ao exercício de 2011.

No desempenho das suas funções, o Fiscal Único acompanhou a gestão e o funcionamento da Empresa, com o detalhe considerado conveniente, nomeadamente através da apreciação das Actas do Conselho de Administração, com quem reuniu diversas vezes, bem como pelos contactos regulares mantidos com membros do mesmo Conselho e responsáveis por Departamentos da Empresa.

O Fiscal Único manifesta o seu reconhecimento pela disponibilidade e total abertura que sempre caracterizaram os referidos contactos.

Emitimos a Certificação Legal das Contas, nesta data.

Da análise dos documentos elaborados pelo Conselho de Administração que incluem o Relatório de Gestão, o Balanço, a Demonstração dos Resultados por naturezas, a Demonstração dos Fluxos de Caixa e o respectivo anexo, o Fiscal Único conclui que reflectem com exactidão a situação económica e financeira da Empresa em 31 de Dezembro de 2011 merecendo igualmente a sua concordância os princípios contabilísticos e os critérios valorimétricos adoptados.

Nestes termos, o Fiscal Único é de parecer que a Assembleia Geral aprove:

1. O Relatório de Gestão e as Contas relativos ao Exercício de 2011 apresentados pelo Conselho de Administração;
2. A proposta de aplicação dos resultados constante do Relatório de Gestão

Lisboa, 26 de Março de 2012

O Fiscal Único



Luís Borges de Assunção
(Revisor Oficial de Contas nº 114)