



Annual Report 2011

emilebar

New look. Same Values

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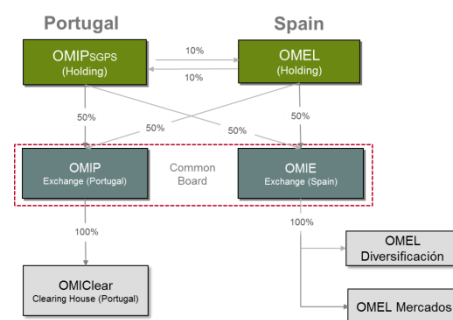
1. Chairman's Statement

The year 2011 was marked by the implementation of the major changes to the corporate plan determined by the International Agreement of Santiago, with a view to the creation of a single operator (OMI) in the Iberian energy market, in which OMIClear¹ plays a major role.

Let me highlight the following steps:

- On 18 October 2011, the two Holdings (OMIP SGPS² in Portugal and OMEL³ in Spain), executed a share exchange agreement that had been signed on 10 June 2011, pursuant to which the Portuguese Holding, which until that time had held all share capital in OMIP, sold 50% to OMEL and this company, which until then had held all share capital in OMIE, sold 50% to OMIP SGPS, both thus holding the two market operators - OMIE and OMIP - in equal parts.
- REN⁴ reduced its share of the capital of OMIP SGPS from 90% to 35% by selling shares to various shareholders, being obliged to reduce this stake to a maximum of 10%.
- The model of corporate governance, also referred to in the Santiago Agreement, was implemented, consisting of a Board of Directors common to both market operators, OMIP and OMIE. The Board met for the first time in Madrid on 10 November 2011.
- The first meetings of the Boards of Directors of both Holding were also held.

With these steps completed, the objectives and challenges for 2012 will focus on a deeper integration with OMIE, and also on the completion of the sale of 50% of the share capital of OMIClear to OMIE, in order to capture synergies for the business developed, and to complete the implementation of the organizational model determined by the Santiago Agreement.



Combined with these institutional changes, several internal changes were also initiated, such as changing premises to a new headquarters in order to meet the challenges of the coming years.

In terms of core activities, there was an increase in of exchange trades clearing, reaching 34 TWh, while the OTC clearing suffered a slight decrease to 27 TWh. On the other hand, OMIClear continued to participate in the development of activities in other fields of the energy market, developing and leveraging existing tools.

In the year under review, a positive result was obtained of approximately 50.4 thousand Euros. The competence and enthusiasm of all company employees really counted towards this result, for which I would like to express my gratitude.

¹ OMI Clear – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C.C., S.A.

² OMIP – Operador do Mercado Ibérico (Portugal), SGPS, SA.

³ OMEL – Operador del Mercado Iberico de Energía, Polo Español, S.A..

⁴ REN – Redes Energéticas Nacionais, SGPS, S.A..

Looking to the future, I reiterate the commitment to further develop the market and use all the tools at our disposal, particularly those that allow as great a diversity of activities as possible, as well as capturing synergies within OMI.

The year 2012 will be a period of complex challenges due to the market situation in which OMIClear operates, and due to changes in the legal and regulatory framework at EU level.

Lisbon, 20 March 2012

A handwritten signature in black ink, appearing to read 'José Isidoro D'Oliveira Carvalho Netto', with a stylized flourish at the end.

José Isidoro D'Oliveira Carvalho Netto
Chairman

2. Highlights

Date	Event
21.Jan.	OMIP and OMEL present the creation of an OMIClear branch in Spain to MIBEL's Regulators Committee
25.Fev.	The 14 th . meeting of the Clearing and Settlement Committee is held in London
15.Mar.	Nexus Energía, S.A. is admitted as a Physical Settlement Agent
31.Mar.	OMIClear reaches two clearing volume records: Monthly, in March, with 10.5 TWh Quarterly, in the 1st quarter, with 19.2 TWh
20.May.	OMIClear starts Daily and Weekend futures contracts clearing
03.Jun.	The 15 th . meeting of the Clearing and Settlement Committee is held in Barcelona
30.Sep.	The 16th meeting of the Clearing and Settlement Committee is held in Funchal (Madeira)
17.Oct.	OMIClear changes premises to Avenida Casal Ribeiro, 14, in Lisbon
05.Oct.	Alpiq Energía España S.A.U. is admitted as a Physical Settlement Agent
20.Oct.	Alpiq Energía España S.A.U. is admitted as a Direct Clearing Member
05.Dec.	Deutsche Bank AG Frankfurt becomes a Financial Settlement Agent and General Clearing Member by means of incorporation of BHF – BANK, Aktiengesellschaft
31.Dec.	OMIClear reaches a record quarterly clearing volume in the 4 th . quarter with 19.8 TWh

Table 1 –2011 Highlights

3. Derivatives Market

3.1. Overview

In terms of electricity prices, the year 2011 was marked by a sharp rise in spot values, a difference of almost 13 €/MWh over the previous year in the Spanish zone, representing a 35% increase.

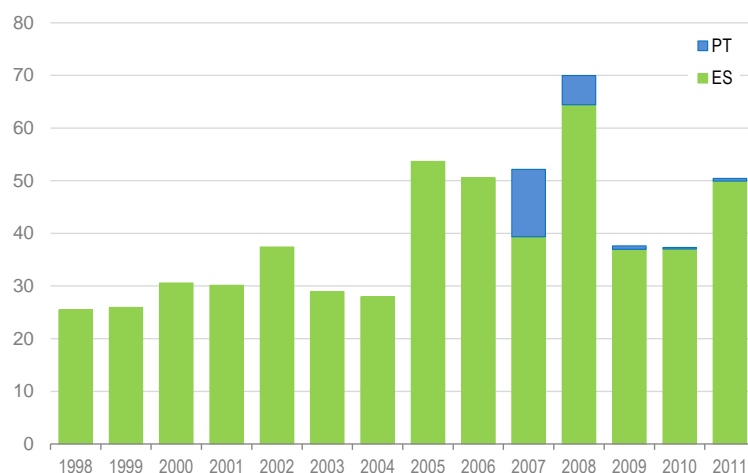


Figure 1 – Spot Prices (€/MWh) from 1998 to 2011.
Annual Average. Spanish and Portuguese zones

On the other hand, the trend already observed in the last two years for a reduced difference between prices of the Portuguese and Spanish MIBEL zones continued, with an average annual spread of 0.53 €/MWh being registered.

The price rise compared to 2010 was also witnessed in the futures market, albeit in a different way. While the average price of monthly futures rose, on average, by 32% over the previous year, the Cal12 which was negotiated in January at an average price of 48.5 €/MWh, in December showed an average value only 8.8% higher.



Figure 2 – Future Prices of front Contracts (€/MWh) from 2006 to 2011.
Spanish Zone

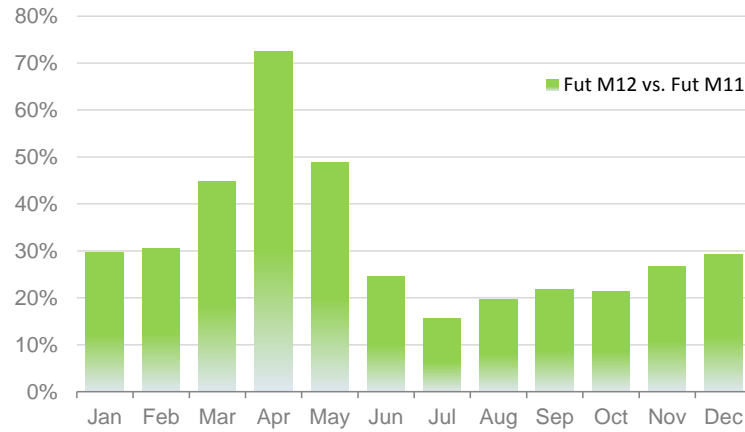


Figure 3 – Variation in Average Prices of Monthly Futures 2011 v 2010
Spanish Zone

This rise in prices led to a significant narrowing of the price differences towards the French market, which were historically negative, even registering positive values, particularly at the end of the year, i.e. Iberia had futures prices higher than those in the French market.

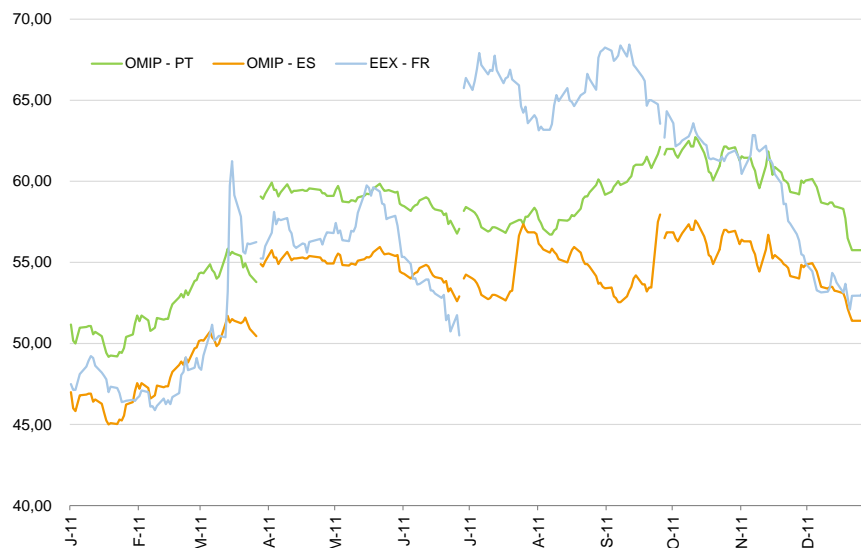


Figure 4 – Prices of the front Quarterly Futures Contract (€/MWh).
Spanish Market vs. French Market

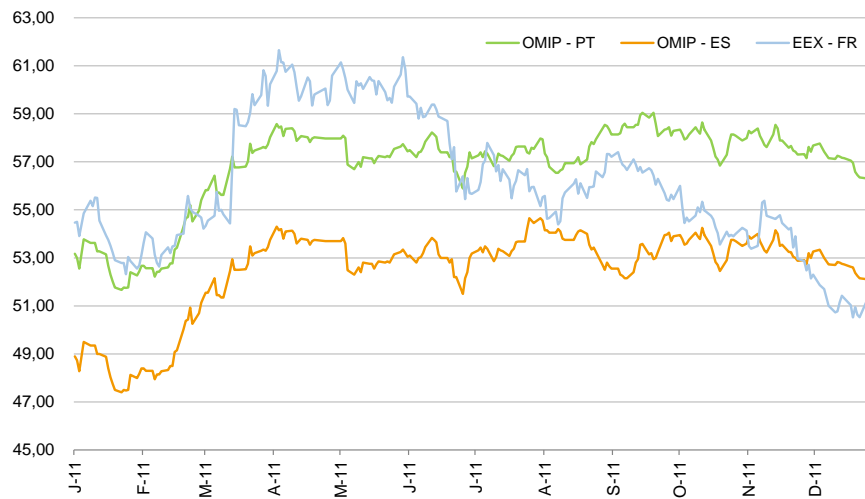


Figure 5 – Prices of the Year 2012 Futures Contract (€/MWh).
Spanish Market vs. French Market

However, this generalised rise in prices was, curiously, accompanied by a sharp decline in volatility, reaching the lowest levels since the market began operating, despite increased liquidity. For example, during 2011, the front quarterly contract showed an absolute average annual return of just over half that seen in the previous year.

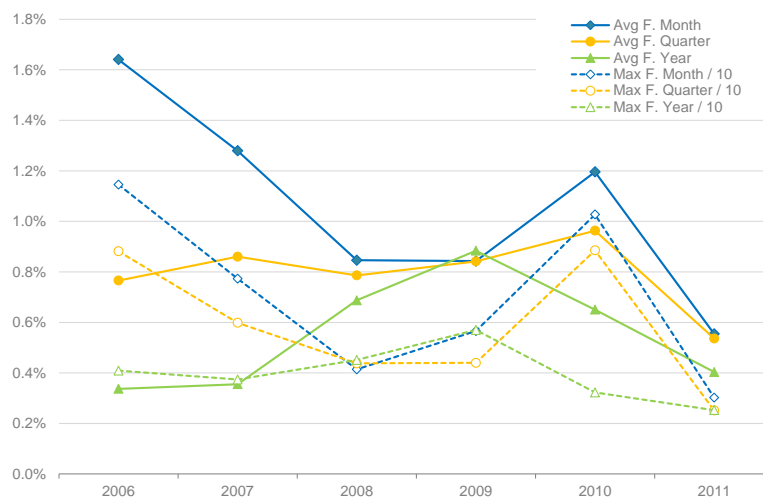


Figure 6 – Front Monthly, Quarterly and Annual Futures Contract, Base Load, Spanish Zone
Absolute Value of Daily Returns (%). Maximum and average value in 2011

3.2. Clearing and Settlement Activity

The volume cleared by OMIClear grew by about 11% over the previous year, rising from 55 TWh to 61 TWh, representing a notional value of 3,245 million Euros.

	2011	2010
Volume recorded (TWh)	61.2	55.3
Notional value recorded (M€)	3,245	2,427

OMIClear Business Indicators

Analysing the volumes recorded on an annual basis, the upward trend observed since the market began operating remained, OMIClear having reached third position in terms of European clearing houses in the clearing of power derivatives.

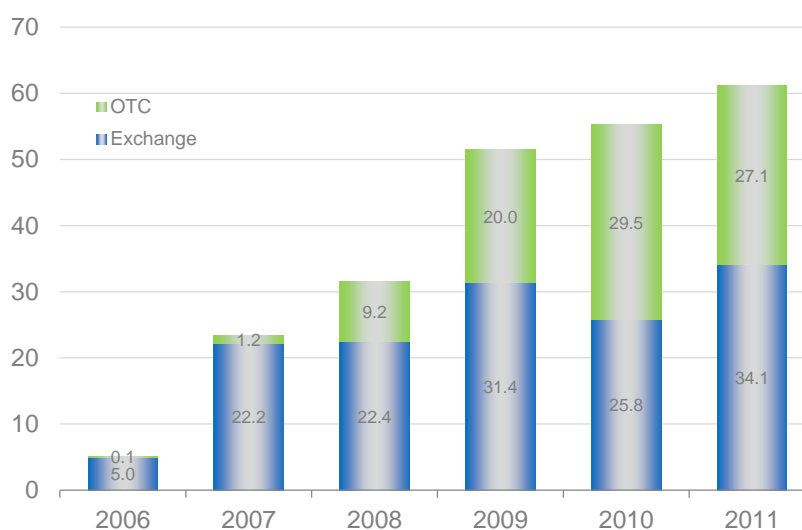


Figure 7 – Annual Volume Cleared by OMIClear (TWh)

The significant increase in the clearing of exchange trades (+32%) contrasted with a slight decrease (-8%) in bilateral operations (OTC). The volume originated in OMIP represented 56% of the total, the clearing of bilateral operations accounting for the remaining 44%, equivalent to 27.1 TWh.

However, the volumes cleared also exhibit some volatility within a year, given that, during 2011, only three months had a volume above the monthly average recorded, being responsible for 42% of the volume for the year.

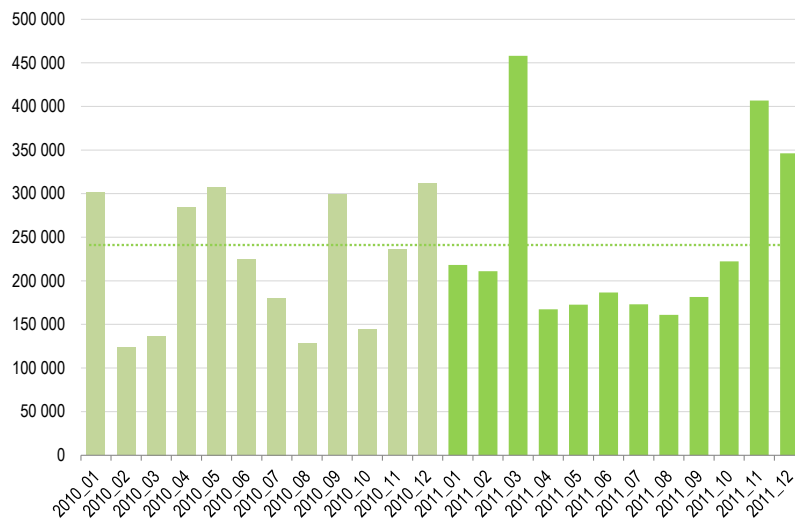


Figure 8 – Monthly Energy Volume Cleared in OMIClear (MWh)

In daily terms, the year 2011 recorded six of the ten sessions with the largest volume cleared, with most of them achieving an energy equivalent to 1.55 TWh. Similarly, March, November and December were, in this order, the months with the highest volume ever, with the same being true for the fourth and first quarters of 2011, during which the 20 TWh mark in cleared futures contracts was almost reached.

In order to foster market liquidity, OMIClear, in collaboration with OMIP, continued to support the market makers programme, undertaking the following in 2011:

- Establishing an annual contract with all market makers.
- Joining a new entity: Nexus Energía, which joined EGL Energia Iberia, Deutsche Bank and Citigroup, which already played this important role in previous years.

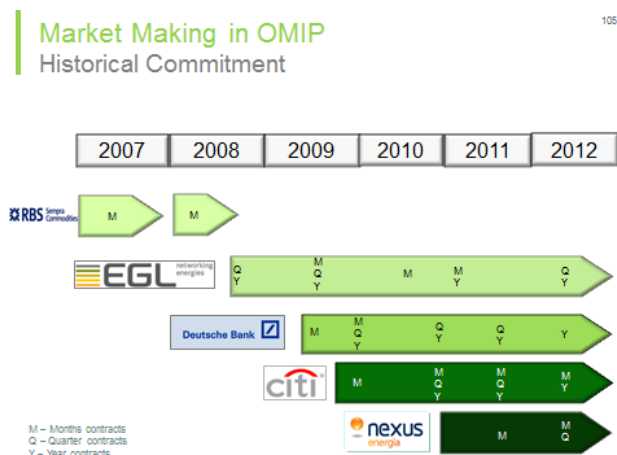


Figure 9 – Market Making in the OMIP Market. Spanish Zone Futures

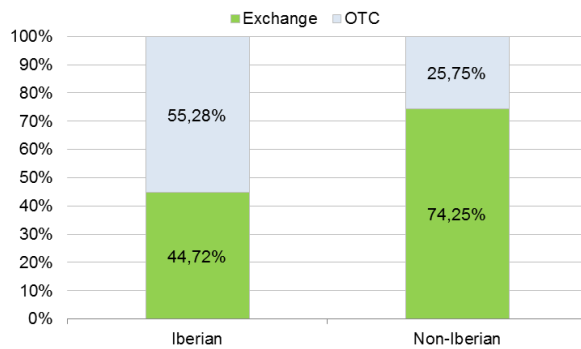


Figure 10 – Breakdown of Volume Cleared by OMIClear
Market v OTC and Iberian v Outside Iberia (2011)

Around 37% of the volume cleared was originated outside Iberia, with distribution by OTC/Exchange segment being clearly asymmetric.

The volume recorded by Iberian entities comes in practically equal portions of Market and OTC transactions.

Non-Iberian entities show a clear predominance of market transactions (74.3%) over the bilateral operations (25.8%).

Portuguese zone contracts accounted for just 2.2% of the volume cleared, and in terms of maturities, the contracts most recorded in OMIClear clearly remain those with quarterly delivery, with a market share close to 49%. Annual contracts lost a little weight, which was offset by a slight increase in monthly contracts. Other contract types (days, weekends and weeks) still account for an insignificant volume.

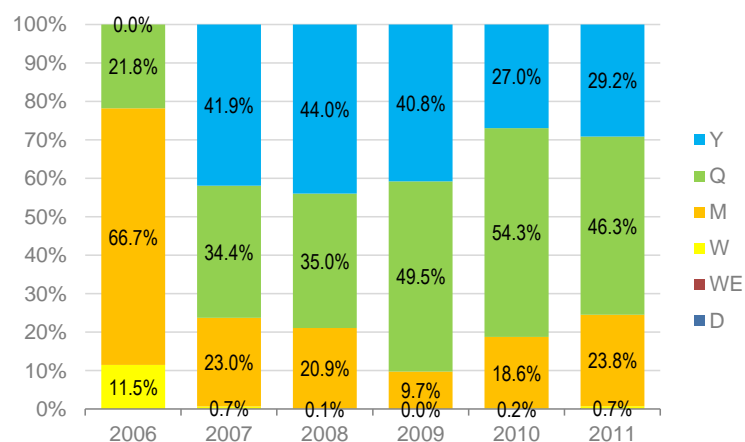


Figure 11 – Market Volume Cleared by OMIClear (MWh)
Historical Breakdown by Maturities

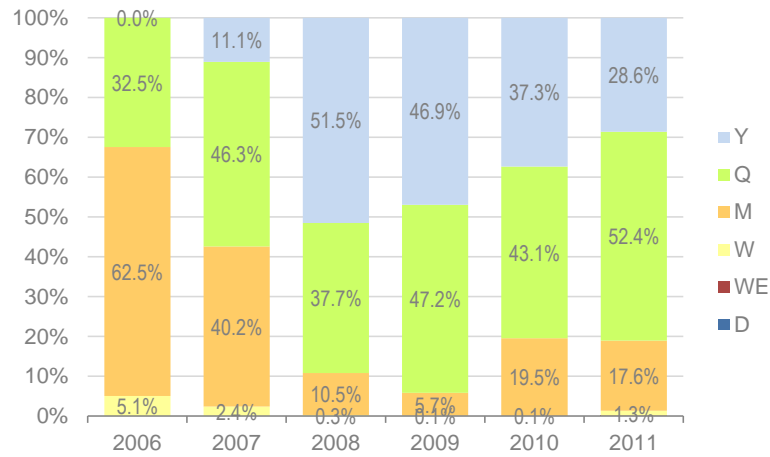


Figure 12 – OTC Volume Cleared by OMIClear (MWh)
Historical Breakdown by Maturities

Open positions have remained relatively stable over time, even indicating a declining trend, which may be related to the perception of lower price risk due to the decreased volatility observed during 2011.

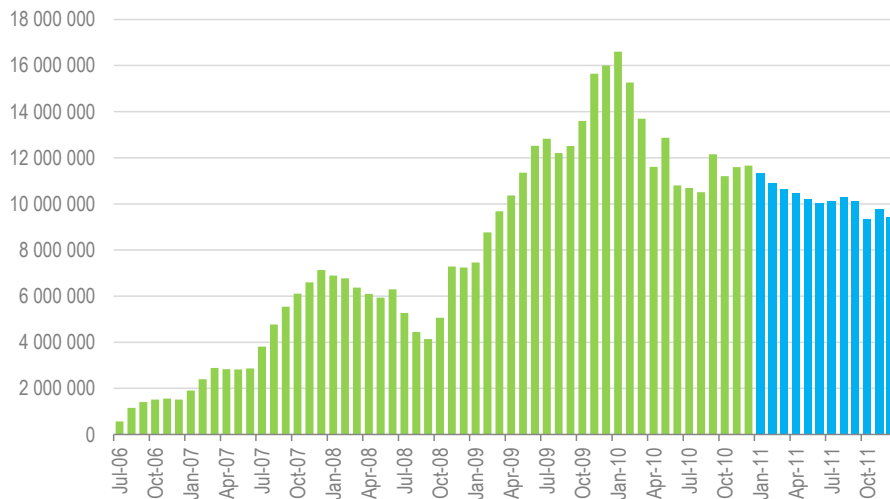


Figure 13 – Open Interest (end of month) recorded in OMIClear (MWh)

3.3. New Products

OMIClear accepts futures contracts, swaps and forwards for the MIBEL Spanish and Portuguese zones for registration and clearing, some of which involve physical delivery, and others, have purely financial delivery.

In 2011, new products were introduced, with daily and weekend contracts, which complete the short-term yield curve, deserving special mention.

Indeed, at the request of members, the portfolio that, since the market began operating, covered weeks, months, quarters and years was completed in May, with daily contracts being included from day D+1 to D+9, as well as the two following weekends, according to the schema shown in Table 3.

Both base load and peak load contracts were launched, all involving financial delivery for the Spanish zone, whereby the D+1 day is available only for registering bilateral operations.

The market has taken fairly well to this new type of product, with the registration of OTC contracts accounting for 81% of the cleared volume of daily contracts and 100% of weekend contracts.

DAY Contracts (BL)

		May 2011														June 2011													
		Wk20							Wk21							Wk22							Wk23						
		Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su
		16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6						
Trading Days	Contracts Delivery Days																												
16-05-2011	Mo																												
17-05-2011	Tu																												
18-05-2011	We																												
19-05-2011	Th																												
20-05-2011	Fr																												
21-05-2011	Sa																												
22-05-2011	Su																												
23-05-2011	Mo																												
24-05-2011	Tu																												
25-05-2011	We																												
26-05-2011	Th																												
27-05-2011	Fr																												
28-05-2011	Sa																												
29-05-2011	Su																												
30-05-2011	Mo																												

Table 3 – Weekly Pattern for Opening New Daily Contracts

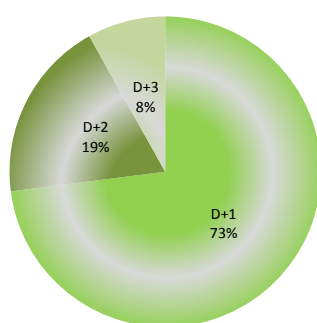


Figure 14 – Daily Contracts

Breakdown of Volume Registered by Maturity (2011)

Although maturities up to nine days are open to registration, the entire volume was concentrated in the short-term, up to three days, with particular emphasis on the first day, with 73% of the volume registered. All contracts registered were base load.

At the end of the year, the launch of futures for the Portuguese zone took place with base-load, physical delivery, for weekly, monthly, quarterly and annual contracts

This initiative aimed to support auctions of the Portuguese energy Supplier of Last Resort arising from the special production regime by means of special trading sessions, the first of which took place on 16 December 2011.

3.4. Participants

OMIClear includes two types of participants: clearing members⁵, which are counterparty in the deals registered, and settlement agents,⁶ which only perform a complementary function to facilitate or provide settlement services, to clearing members, with the TARGET2 European Central Banks System in the case of financial settlement, and with the OMIE in the case of physical settlement, not being, therefore, counterparty in the transactions.

In 2011, the membership structure did not change significantly compared to 2010, the following changes being noted:

- Alpiq Energía España S.A.U. was admitted as a Direct Clearing Member (DCM) and Physical Settlement Agent (PSA);
- Nexus Energía, SA registered as a PSA;
- Deutsche Bank AG Frankfurt assumed the status of General Clearing Member (GCM) and was admitted as a Financial Settlement Agent as a result of the incorporation of BHF - BANK Aktiengesellschaft's "Exchange Traded Derivatives" business unit, an organisation that had been performing those functions with OMIClear since June 2007;
- With the amendment of legislation, Spanish distribution companies that, during the early years of the market, bought a part of the energy required to supply their tariff customers, transferred their statuses to the corresponding suppliers of last resort, and, for this reason, made the corresponding adjustments during 2011. Thus, E.ON Distribución, SL ceased activities as a GCM and PSA, with Hidrocantábrico Distribución Eléctrica, Iberdrola Distribución Eléctrica, S.A.U., Endesa Distribución Eléctrica, S.L. and Unión Fenosa Distribución, S.A. ceasing their functions as PSA early in the year.

In spite of these changes, at the end of the year, the total number of members in OMIClear remained 13, as it has since 2009. There were 26 settlement agents, 19 PSA and 7 FSA.

The following table represents the list of participants in OMIClear, to December 2011, with a breakdown of their respective status.

⁵General Clearing Members (GCM) or Direct Clearing Members (DCM).

⁶Financial Settlement Agents (FSA) or Physical Settlement Agents (PSA).

	Direct Clearing Member	General Clearing Member	Financial Sett. Agent	Physical Sett. Agent
Alpiq Energía España, S.A.U.	●			●
Banco Santander, S.A.		●	●	
BHF-Bank, AG			●	
Caixa Geral de Depósitos, S.A.		●	●	
Citibank International PLC, Sucursal en España			●	
Citigroup Global Markets Ltd.	●			
Deutsche Bank AG Frankfurt		●	●	
Deutsche Bank, AG – Sucursal em Portugal			●	
E.ON Comercializadora de Último Recurso, S.L.				●
E.ON Energy Trading, S.E.	●			
E.ON Generación, S.L.	●			●
EDP - Energias de Portugal, S.A.				●
EDP - Serviço Universal, S.A.				●
EGL, A.G.				●
EGL Energía Iberia, S.L.	●			●
Electrabel N.V./S.A.				●
Endesa Energía XXI, S.L.				●
Endesa Generación, S.A.	●			●
Factor Energía, S.A.				●
Gás Natural Electricidad SDG, S.A.				●
Gás Natural SUR SDG, S.A.				●
Gás Natural SDG, S.A.	●			●
Goldman Sachs International	●			
HC Naturgas Comercializadora de Último Recurso, S.A.				●
Hidroeléctrica del Cantábrico, S.A.				●
Iberdrola Generación, S.A.U.	●			●
J. Aron & Company				●
Morgan Stanley & Co. International plc.		●		
Morgan Stanley Bank, AG			●	
Nexus Energía, S.A.				●

Table 4 – OMIClear Members and Agents (31.Dec.2011)

Spain and Portugal comprise the majority of entities registered in OMIClear as clearing members and settlement agents, but this is not symmetrical for all functions: GCM and FSA has almost equal distribution between the Iberian region and other European countries, whereas, in terms of DCM and PSA, the predominance of Iberian members is significant.

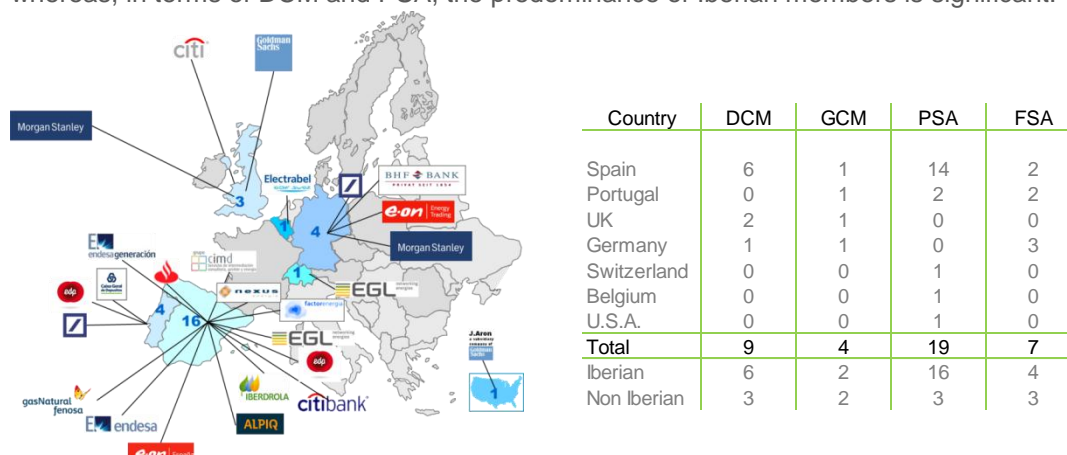


Figure 15 – Origin of Participants in OMIClear (Dec.2011)

As has been happening for several years, a specific visit was carried out to OMIClear clearing members aimed at analysing the levels of risk assumed by the clearing house. The key conclusions are that both the systems and the management model have responded very appropriately to market needs and the level of risk of each member is within very comfortable parameters against the collateral deposited with OMIClear.

At the end of 2011, OMIClear had about 345 million Euros in guarantees, with half of this amount corresponding to deposits in cash (Euros).

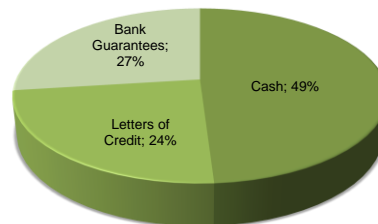


Figure 16 – Composition of the OMIClear Guarantee Portfolio (Dec.2011)

In order to optimise the relationship with its participants, OMIClear has developed and put into operation a new feature on its website called Members Corner, which not only allows members and settlement agents to carry out online the entire admission process, but also lets them manage the maintenance of their status, such as changing and registering trading members and users of the platform, opening accounts or activating new settlement relationships. In addition to virtually eliminating paperwork, this new application allows members to permanently check all the details of their status with OMIClear, including billing.

In the same vein, meetings of the Clearing and Settlement Committee proceeded, the standard three annual meetings being held with the following dates and locations:

- 14th. meeting – London (25.Feb.2011)
- 15th. meeting – Barcelona (03.Jun.2011)
- 16th. meeting – Funchal / Madeira (30.Sep.2011)

These meetings have become milestones in the Iberian electricity market, attracting increasing attendance and interest on the part of members, not only due to the topics discussed, but also the interaction between the various participants from diverse backgrounds.



Figure 17 – 16th. meeting of the Clearing and Settlement Committee (Funchal / Madeira, 30.Sep.2011)

4. Other Services

Shortly after the market start-up, OMIClear sought to diversify its services by taking advantage of the existing systems and distribution network. It was along these lines that it actively participated in the project management of the Portugal-Spain interconnection with the system operators of both countries, REE⁷ and REN⁸, and in the clearing of the contracts traded in CESUR (Supplier of Last Resort Energy Contracts) auctions carried out in Spain, and Portuguese VPP (Virtual Power Plant).

In 2011, OMIClear continued to perform the function, begun in 2007, of managing guarantees for the operation of the Portuguese electricity system, operated by REN. Market agents that enter into a contract with the Portuguese TSO (REN) are required to post guarantees to cover the financial obligations arising from network usage.

Agents may choose to directly provide such guarantees to REN or to OMIClear. In the latter case, OMIClear notifies and guarantees REN, within certain limits, the amount of guarantees provided by the market agent concerned. This service allows agents to make significant operating gains by capturing synergies, as they relate to a single entity with whom they are used to managing risk and providing guarantees.

OMIClear continued to work closely with OMIP in the management of the natural gas switching platform, including the operation of e_Switch, an IT platform designed to support, in a timely, transparent and secure manner, the process of changing supplier in the market gas in Portugal, as a result of the agreement concluded with REN – Gasodutos, S.A..

During the last year, significant developments have been made to e-Switch, including a new version of the software using a model based entirely on XML messages in place of the original model, dating back to 2009, based on a web interface, in order to effectively automate all interactions between the agents involved and support the process of full liberalisation.

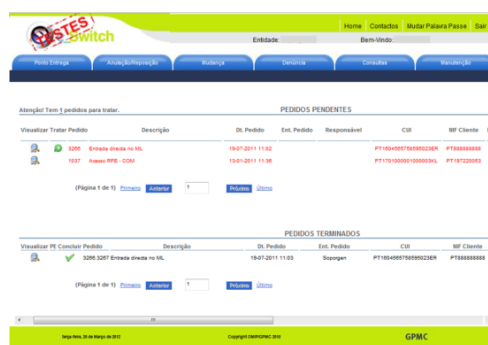


Figure 18 – E_Switch. Test System Screen

The specification for this new version of the platform resulted from the crucial contribution of natural gas market retail agents in Portugal, concluding a process of full adaptation to the needs and requirements of the entire value chain, which included the launch of auxiliary process flows, thus closing the set of information flows defined by ERSE.

Around three years after activity launch, in late 2011, the market still records a small share of the liberalised market, close to 10,000 clients, which, however, accounted for around 90% of the total of natural gas consumption. The year 2012 will be a turning point in the liberalisation of the sector, which is to be expected, given the large influx of requests for a change of supplier received at the end of the year: 50% of requests in 2011 occurred in December.

⁷ REE – Red Eléctrica de España, S.A.

⁸ REN – Rede Eléctrica Nacional, S.A.

Four training courses in Spain were provided aimed at producers, suppliers, traders and other professionals in the power sector, with the objective of promoting and disseminating the fundamentals and operation of the Iberian electricity derivatives market. Demand was much higher than in previous years, demonstrating the great interest that this market has attracted among companies in the sector. Improvements were made to the training modules by strengthening the practical component, allowing online interaction with a system testing platform. In-house sessions were also developed, both in new or potential members of the market and in already active members, in order to train new teams. The response from participants was very positive and the suggestions received will lead to further improvements in 2012.

5. Internal Organisation

5.1. Shareholders

Despite profound organisational changes within the group in which the company operates, these did not affect OMIClear, as OMIE has not yet bought into it, as provided in the Santiago Agreement. As a result of this situation, the company OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), Sociedade Gestora de Mercado Regulamentado, S.A. continues to hold 100% of OMIClear's capital and there were no changes to its corporate boards, identified below.

5.2. Corporate Boards (2009 – 2011)⁹

Presiding Board of the General Meeting

Maria Elvira Teixeira Borges	Chairman
Nuno Miguel da Silva Alves do Rosário	Deputy Chairman
Ana Paula Boazinha Fernandes Antão Cerqueira	Secretary

Board of Directors

José Isidoro d'Oliveira Carvalho Netto	Chairman
Jorge Fernando da Silva Simão	Member
Paulo Martins de Sena Esteves	Member

Statutory Auditor

Luís Borges da Assunção (ROC)	Permanent
João Alberto Monarca Pires, Unipessoal, Lda. (SROC)	Acting/Substitute

5.3. Ethics Committee

The first two-year term after its creation having been completed, the new process of appointing the OMIClear Ethics Committee for the next term (July 2011 to June 2013) was conducted. In accordance with the Code of Ethics, two members are elected by the participants in the Market, with, to this end, clearing members and their clients being called, which are in fact the trading members of OMIP. The respective elections took place at the meeting of the Members Committees, held in June in Barcelona.

These are the members of the Ethics Committee:

- Angel Landa López de Ocariz
- António Sevilla Cervantes
- Ignasi Nieto Magaldi
- João José Esteves Santana
- João Luís Correia Duque

⁹Situation at 31 December 2011.

5.4. Participated and Associated Companies

OMIClear has no shareholding in any other entity.

However, in order to adapt its structure to the requirements that the new organisation dictated by OMI layout, OMIClear established a branch in Spain in late 2010.

On 21 January 2011, OMIP and OMEL gave notice of these developments to the Regulators Committee of the Iberian electricity market (MIBEL), in its meeting held in Lisbon. This Committee is composed by the supervisory bodies of the financial and energy sectors of Portugal and Spain (CMVM, CNE, CNMV, ERSE). A press release was issued.

This initiative represents another step in the construction of the Iberian market operator (OMI), in order to continue to provide agents participating in MIBEL with new value added services, enabling them to benefit from synergies between both countries' spot and forward markets.

However, as described, the corporate development of the OMI gave priority to other projects, buying into OMIClear not yet having been processed, which is why the branch remained operationally inactive.

It is believed that, during 2012, the steps necessary for this structure to enhance new services will be taken, in particular regarding products related to the operation of the day-ahead markets, as well as others managed by the Spanish operator of the OMI.



Figure 19 – OMIClear Branch
Joint Press Release (26.Jan.2011)

5.5. Staff

In terms of organisational structure, OMIClear has a specific operating area dedicated to the core management of the clearing house, specifically their risk management functions, and the provision of services to support areas being undertaken in common with OMIP, as outlined in the following diagram. Nevertheless, the legal employment relationship of each employee is established only with one of the companies.

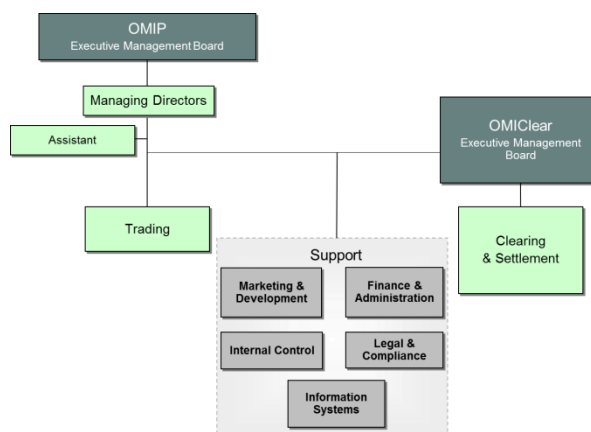


Figure 20 – OMIP/OMIClear Operational Organisation

At 31 December 2011, in addition to the three members of the Board of Directors, OMIClear had nine employees, four of whom were exclusively dedicated to the function of clearing and settlement.

Four of the employees are female and five male, with an average age of 29.9 years, all having a bachelor's or higher degree and an average length of service of 3.7 years.



Figure 21 – OMIClear Employees

6. Internal Activities

Integrated into the process of deep organisational restructuring, OMIClear, along with OMIP, changed premises and headquarters on 17 October 2011.



Figure 22 – OMIClear Headquarters

Since market set-up, both companies were domiciled in the headquarters of the Portuguese TSO (REN), where it could benefit from the synergies arising from sharing space with a large organisation, which was, incidentally, its majority shareholder. Eight years after the project began, and coinciding exactly with the loss of the majority shareholding in the Group by REN, OMIP and OMIClear moved to new premises after a thorough process of planning the various activities involved.

The usable space increased, and the working conditions, functionality and safety conditions of energy supply facilities improved.

The team is now spread over two floors in the business centre of Lisbon, benefiting from a wide-ranging public transport network and nearby support structures.



Figure 23 – OMIClear's New Image

In the same vein, and to support the organisational changes, the end of 2011 was also marked by a change in the image of the entire OMI group.

The original colours, blue for the Spanish operator, and red for the Portuguese operator, were replaced by green, creating an overall uniformity, a profound break with the past at all levels: colours, lettering, stationary, etc.

The Christmas campaign was supported in the new image and served to test and refine solutions.

In parallel, OMIClear proceeded with restructuring its website, seeking first to put the Members Corner module into operation to support the relationships established with market members and agents and, later, to incorporate the new corporate image of the company.

OMIClear's technological and communications systems were realigned for the new premises, and major improvements to support infrastructure were also carried out, both in terms of performance and security. All the new solutions entered into operation without impacting the functioning of the market, their performance going according to plan.

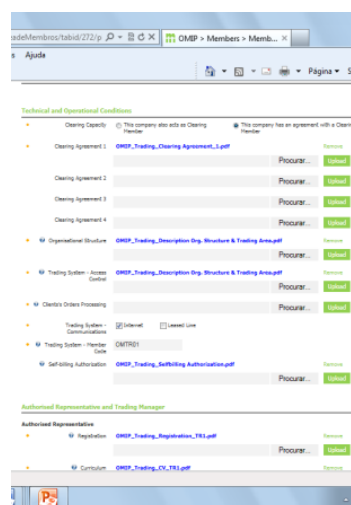


Figure 24 – Members Corner Screen

Encompassed within the process of changing premises, SWIFT service connectivity was changed from dedicated access to Internet access, as it is cheaper and offers better performance without compromising security. The performance of the solution in the months following its entry into service confirmed the assumptions that underpinned the change.

In relation to tools to support clearing and settlement, their respective base platform (MiClear) underwent various developments to adapt to the growing needs of registration, clearing, settlement and risk management of derivative products.

7. Associations

During 2011, as a result of the profound changes to EU legislation, OMIClear's participation in international was strengthened, particularly in EACH – European Association of Central Counterparty Clearing Houses, a non-profit association in operation for 20 years that brings together all major European clearing houses. At the end of 2011, EACH had 23 members.

At a more operational level, in 2011, OMIClear maintained its participation in GPUS – Portuguese SWIFT Users Group. The function of this group is to represent national interests within the SWIFT community, as well as disseminating with participating institutions the various developments related to SWIFT communications and their impact on the TARGET2 payment system.

8. Outlook for 2012

The year 2012 will be a year of preparation and transition to a new paradigm.

Firstly, a new external paradigm, mainly dictated by the new European regulations on the activities of CCPs. There are foreseeable impacts of various natures and scopes:

- From the outset, the adoption of an European Regulation model, which ensures homogeneity and immediate applicability.
- More relevant still is the fact that the activity actually stops being exercised on a national basis, becoming fully European, not only due to the European recognition/passport, but, above all, because a new registration process is required involving the direct intervention of authorities from other states and European authorities, which is relatively innovative. The relative subordination of national authorities, the last topic to be agreed in the negotiation of the regulatory package, has a significance that clearly goes beyond formal boundaries.
- Rules governing the provision of service will undergo a major transformation, since the controlled self-regulation that existed within the industry will be severely limited and its impact will extend to competitiveness, since there will be greater homogeneity in the service, something which we anticipate will not favour segmentation. As an immediate impact, it will be necessary to strengthen OMIClear's capital.
- In the same vein, the obligation to clear a wide range of OTC derivatives will increase the attractiveness of the business, motivating a new design of competitive activity in the European market. This is to conclude that the greater potential market will certainly be offset by greater competition in the sector, even with the entry of new players, similar to what happened some years ago with alternative stock exchange platforms.
- This fiercer competition will not be limited to the provision of services, and will certainly extend to business dynamics themselves – judging by LSE's recent proposal to purchase a majority stake in LCH_Clearnet.

Also on an external level, although several of the OMI companies already perform activities in the natural gas sector, it may be an area to which it may make sense to extend the provision of more structured services, which is something the market agents complain about. The trend towards an integrated energy supply will only make synergies with the electricity sector more evident.

At another level, OMIClear will be faced with a new internal paradigm due to the group to which it belongs. Rather than completing the formal process of establishing the OMI, it will have to be embodied, and may undertake clearing and settlement activities in a dual role.

In a limited scope, these functions are performed in various areas of the business group, with room to optimise overall performance, not only in relation to what exists, but also to the new challenges facing the energy and finance sectors today. There is, in this respect, plenty of room for growth, particularly in the area of information management.

In a broader context, a well-performed optimisation process will serve as a paradigm for other functions within OMI group.

The year 2012 will thus be a crucial year of preparation for the coming years, the work of operational and regulatory adaptation taking its first steps in late 2011.

9. Proposal for the Investment of Profits

The Board of Directors, pursuant to and for the purposes of Article 25 of the Articles of Association of the Company, considering: (i) paragraph 2 of Article 5 of CMVM Regulation no. 4/2007, which stipulates that dividends should not be distributed until the funds themselves reach twice the minimum share capital required of management entities, or where, by virtue of such distribution, they fall below this limit; (ii) OMIClear's equity at 31 December 2011 is 3 103 844 Euros and (iii) share capital is 3 000 000 Euros, decided to propose that the Net Profit for the year 2011, in an amount of 50 399 Euros, be applied as follows:

To Legal Reserve	5 039.90 Euros
To Retained Earnings	45 359.10 Euros

Lisbon, 20 March 2012

The Board of Directors,



José Carvalho Netto



Paulo Sena Esteves



Jorge Simão

10. Financial Statements at 31 December 2011

Balance Sheet

		Expressed in Euros	
	Note	31-12-2011	31-12-2010
Assets			
Non-current			
Tangible fixed assets	5	198.895	328.430
Other receivables	8	-	168.560
Deferred tax assets	6	122.424	187.579
		321.319	684.568
Current			
Clients		1.080	2.324
State and other public entities	7	203.113	54.218
Other receivables	8	226.884	303.775
Deferred tax assets	6	47.790	-
Deferrals		5.012	11.747
Guarantees Deposits	19	143.884.552	74.234.134
Cash and Bank Deposits	4	3.577.370	2.531.842
		147.945.801	77.138.040
Total Assets		148.267.121	77.822.608
Equity			
Capital and reserves attributable to shareholders			
Share Capital	9	3.000.000	3.000.000
Legal Reserves	10	4.030	3.457
Retained Earnings	10	49.414	44.254
		3.053.444	3.047.711
Net profit for year	10	50.399	5.733
Total Equity		3.103.844	3.053.444
Liabilities			
Non-current			
Deferred tax liabilities	6	-	42.140
Other payables	11	-	191.160
		0	233.300
Current			
Suppliers	11	113.869	101.653
State and other public entities	7	11.664	13.243
Deferred tax liabilities	6	42.140	-
Other payables	11	1.111.052	186.833
Guarantees Deposits	19	143.884.552	74.234.134
		145.163.277	74.535.864
Total Liabilities		145.163.277	74.769.164
Total Equity and Liabilities		148.267.121	77.822.608

- -

Income Statement

	Note	Expressed in Euros	
		31-12-2011	31-12-2010
Sales and Services Rendered	12	1.119.022	1.055.976
External supplies and services	13	(809.874)	(589.560)
Staff Costs	14	(370.228)	(423.848)
Other income and gains		21.216	12.220
Other expenses and losses	15	(108.293)	(48.790)
Profit before depreciations, financial costs and taxes		(148.158)	5.999
Expenses/reversions from depreciations		(139.552)	(101.559)
Operating Profit (before financial and tax losses)		(287.710)	(95.561)
Interest and similar earnings	16	358.842	114.517
Interest and similar losses	16	(1.449)	(816)
Profits before taxes		69.683	18.140
Income Tax	17	(19.284)	(12.406)
Net profit for the financial year		50.399	5.733

Statement of Changes in Equity

	Shareholder's equity				Total
	Share Capital	Legal Reserve	Retained Earnings	Net Profit	
At 1 January 2010	3.000.000	2.688	37.335	7.689	3.047.711
Total profit for the year	0	0	7.689	5.733	13.422
Dividend distribution	0	0	0	0	0
Increase due to profit application	0	769	-769	-7.689	-7.689
At 31 December 2010	3.000.000	3.457	44.254	5.733	3.053.444

	Shareholder's equity				Total
	Share Capital	Legal Reserve	Retained Earnings	Net Profit	
At 1 January 2011	3.000.000	3.457	44.254	5.733	3.053.444
Total profit for the year	0	0	5.733	50.399	56.133
Dividend distribution	0	0	0	0	0
Increase due to profit application	0	573	-573	-5.733	-5.733
At 31 December 2011	3.000.000	4.030	49.414	50.399	3.103.844

Cash Flow Statement as of 31 December 2011

	Expressed in Euros		Expressed in Euros	
	31-12-2011		31-12-2010	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from clients	80.746.345		29.093.843	
Cash paid to suppliers	(79.618.106)		(29.758.699)	
Cash paid to personnel	(374.713)		(387.743)	
Operational Cash Flow	753.526		(1.052.599)	
Income tax paid / received	(56.139)		-	
Other amounts received / paid	19.793		113.219	
Net cash from operations (1)	717.180		(939.380)	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payments relating to:				
Investments	-		(5.000)	
Tangible fixed assets	(41.341)		(60.611)	
Intangible assets	-	(41.341)	-	(65.611)
Accounts received from:				
Interest and similar income	354.476		94.333	
Dividends	-	354.476	-	94.333
Net cash used in investing (2)	313.135		28.707	
CASH FLOWS FROM FINANCING ACTIVITIES:				
Accounts received from:				
Loans	-		-	
Interest and similar income	15.949	15.949	-	-
Payments made to:				
Loans	-		-	
Interest and similar costs	(736)		-	
Dividends	-	(736)	-	-
Net cash used in financing (3)	15.213		-	
Variation in cash and equivalents (4)=(1)+(2)+(3)	1.045.528		(910.672)	
Effect of exchange differences				
Cash and equivalents at the beginning of the year	2.531.842		3.442.514	
Cash and equivalents at the end of the year	3.577.370		2.531.842	
BREAKDOWN OF CASH AND CASH EQUIVALENTS				
Cash	600		600	
Bank deposits and equivalent				
Bank Deposits - Short Term	576.770		2.531.242	
Bank deposits - Long Term	3.000.000			
Other assets				
Cash available in the Balance Sheet	3.577.370		2.531.842	

1) The amount of cash receipts from clients of 79,529,131 Euros refers to the guarantee deposits of members.

2) The amount of payments to suppliers of 79,529,131 Euros refers to returns of the guarantee deposits to members.

Appendix to the Individual Financial Statements

1. General Information

OMIClear – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C.C., S.A., with headquarters in Avenida Casal Ribeiro, 14 – 8 Floor, in Lisbon, was established under the article 488, paragraph 1 of the Portuguese Commercial Companies Code and, the respective public deed signed on 6 April 2004.

The company started its activity on 7 April 2004, with the corporate purpose being the management of a clearing house and settlement system, as well as performing the role of central counterparty for spot and forward transactions, specifically futures, forwards, swaps and options, being the underlying asset electricity or other related energy products or equivalents, whether actual or notional, electricity indexes, energy commodities or other equivalent assets, whether settled by delivery or settled financially.

The company may also engage in activities which are subsidiary or accessory to those that constitute its main purpose, provided that they do not constitute financial intermediation, namely:

- a) Managing account entry systems and statement of net positions;
- b) Provisioning to members of systems managed by itself of services deemed necessary for such members to intervene in markets or systems managed by a counterpart entity from another State;
- c) Provisioning of consultancy services related to the systems it manages;
- d) Participating in research, development, distribution and commercialisation of market information;
- e) Development, management and commercialisation of computer hardware and software, and telecommunication networks for dealing and transferring orders or data.

The company may also hold interests in other companies with the same corporate purpose or one complementary to its own, even if governed by special laws, as well as in other complementary business groups.

OMIClear's share capital is 3 000 000 Euros, represented by 300 000 shares with a face value of 10 Euros each, which, at 31 December 2011, were 100% owned by OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A.

On 22 November 2010, OMIClear established a branch in Spain with the NIF W0106378C. The branch in Spain is named "OMIClear – Sociedade de Compensação de Mercados de Energia, Sociedade Gestora de Câmara de Compensação com assunção de Contraparte Central (SGCCCC), S.A., Sucursal en España" and has its headquarters in Calle Ribera de Loira 46, 28046 Madrid, Spain.

The activities described below constitute the purpose of the Branch, which partially coincide with the corporate purpose of the parent company:

- (i) Management of a clearing house and settlement system, as well as performing the role of central counterparty for spot and forward transactions, specifically futures, forwards, swaps and options, whose underlying asset is electricity or other related energy products or equivalents, whether actual or notional, electricity indices, energy commodities or other equivalent assets, whether settled by delivery or settled financially;
- (ii) Carrying out activities supplementary or additional to those that constitute its main purpose, provided that they do not constitute financial intermediation, namely: a) managing account entry systems and statement of net positions, b) provisioning to members of the systems managed by itself the services deemed necessary for the intervention of these members in markets or systems managed by a counterpart entity from another State, c) provisioning of consulting services related to the systems managed by it, d) participating in research, development, distribution and commercialisation of market information, and e) development, management and commercialisation of computer hardware and software, and telecommunication networks for the dealing and transmission of orders or data;
- (iii) Holding interests in other companies with the same purpose or one complementary to its own, even if governed by special laws, as well as in other complementary business groups.
- (iv) Providing supplies and other forms of loan and may provide ancillary services to companies in which it holds an interest.

The Branch was initially endowed with a sum of money amounting to 5,000 Euros (five thousand Euros), an amount that was transferred by OMIClear to a bank account opened on behalf of the Branch in a credit institution domiciled in Spain. The Branch will exist for an indefinite term, which may not exceed the duration of OMIClear. The permanent representatives of the Branch are also the Board of Directors of OMIClear:

- (i) José Isidoro d'Oliveira Carvalho Netto;
- (ii) Paulo Martins de Sena Esteves;
- (iii) Jorge Fernando da Silva Simão.

These financial statements were approved by the Board of Directors at its meeting on 20 March 2012. It is the opinion of the Board of Directors that these financial statements honestly and faithfully reflect OMIClear'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 second set of financial statements prepared by the Company in accordance with accounting and financial reporting standards (IAS) issued and in force from 1 January 2009.

OMIClear'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

OMIClear has adopted the IAS issued and in force since 1 January 2010, applying these rules retrospectively for all periods presented. The transition date was 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 and Associated Entities

Subsidiaries are all entities (including special purpose entities) over which OMIClear 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 OMIClear exercises control over an entity.

Holdings in subsidiaries or associated entities 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 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:

	Years
Administrative equipment	3 to 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. 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.

3.4. Share Capital

Ordinary shares are classified as equity.

3.5. 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, in the current year, 2011, the company ceased to belong to 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.

3.6. 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.

Loans and receivables include financial assets not derived from fixed or determinable payments not quoted in an active market.

Loans and receivables are classified on the balance sheet as "Other receivables" and are recognised at cost less any impairment loss. Adjustment for impairment of receivables is made where there is objective evidence that the companies will not be able to receive the amounts due under the original terms of the transactions that gave rise to them.

Financial assets are derecognised when the rights to receive cash flows generated by these investments expire or are transferred, along with all risks and rewards of ownership.

3.7. Novation of Transactions

OMIClear acts as a clearing house for the Electricity Derivatives Market managed by OMIP. OMIClear performs the functions necessary for regular market transactions to be properly cleared and settled, specifically:

- i) Admission of participants to the registration, clearing and settlement of operations;
- ii) Support for the registration of transactions and respective clearing and settlement;
- iii) Taking the position of Central Counterparty in the operations registered;
- iv) Definition of the calculation formula and, consequently, the calculation and management of guarantees to be provided by participants for the registration of operations;
- v) Control of the risk assumed by the holders of registered positions.

OMIClear assumes the position of Central Counterparty for all operations registered, ensuring that the obligations of both parties are fulfilled. Once the operation has been registered, OMIClear manages the resulting positions through its neutrality, acting as the buyer for the seller and vice versa.

The derivatives are determined at fair value at the transaction date, which is zero. Changes in the fair value of derivatives after the date of the operation are adjusted daily through deposits, making the fair value zero again. The guarantee deposits received and debts to participants are presented in the balance sheet in net terms, making their value zero. (See detail in note 19).

3.8. Restricted Deposits

OMIClear receives cash deposits from participants and members to guarantee the execution of futures contracts, which are deposited in a separate bank account on behalf of the company. However, the use of these deposits is restricted, whereby they may only be used when a participant in a futures contract defaults, OMIClear being obliged to assume its position before the other counterparty. Restricted deposits are recorded as assets and the corresponding liability to the participant. These deposits are refunded when the member terminates its participation in the market.

3.9. 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; or
- (b) At fair value with the changes in fair value being recognised in the income statement.

OMIClear 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.

3.10. Revenue

Revenue comprises the fair value of services, net of taxes and discounts. Services are recognised in the period to which they relate, as recommended by the principle of accrual accounting.

3.11. Tariff Deviations

Since the SNC omits regulated activities and the registration of tariff adjustments, OMIClear has established a policy for recognising and measuring tariff adjustments as set out in IAS8 – ‘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, to 2010, at each reporting date, OMIClear estimated, 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 was adjusted with the approval of 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 adjustment for the years 2009 and 2010 would only be accepted in the year 2012.

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.

3.12. Principle of Periodicity

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 periodicity. The differences between the amounts received and paid and corresponding income and expenses are recorded as accruals and deferrals under the captions Accounts Receivable and Accounts Payable.

4. Cash Flows

4.1. Cash and equivalents that are not available for use

OMIClear has no cash or cash equivalents balance with restrictions on use for the periods presented.

4.2. Breakdown of the values shown under cash

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	600	600
Bank deposits	<u>3.576.770</u>	<u>2.531.242</u>
Cash and equivalents	<u>3.577.370</u>	<u>2.531.842</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 is as follows:

	<u>31-12-2011</u>	<u>31-12-2010</u>
Cash		
- Cash	<u>600</u>	<u>600</u>
	600	600
Bank deposits		
- Bank Deposits	576.770	2.531.242
- Term Deposits	<u>3.000.000</u>	<u>-</u>
	<u>3.576.770</u>	<u>2.531.242</u>
Cash and equivalents (assets)	<u>3.577.370</u>	<u>2.531.842</u>

5. Tangible Fixed Assets

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

Activity in tangible fixed assets – 2010

	<u>Furnishings and Fixings</u>	<u>Assets in course</u>	<u>Total</u>
At 1 January 2010			
Start-up costs	1.493.854	158.900	1.652.754
Total Depreciations	(1.336.760)	-	(1.336.760)
Net value	157.094	158.900	315.994
31 December 2010			
Additions	267.895,40	(158.900)	108.995
Depreciations - period	(101.559)	-	(101.559)
Net value	323.430	-	323.430
31 December 2010			
Start-up costs	1.761.749	-	1.761.749
Total Depreciations	(1.438.319)	-	(1.438.319)
Net value	323.430	-	323.430

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>Administrative equipment</u>	<u>Total</u>
1 January 2011		
Acquisition cost	1.761.749	1.761.749
Accumulated depreciation	(1.438.319)	(1.438.319)
Net value	323.430	323.430
31 December 2011		
Additions	10.017	10.017
Depreciation - year	(139.552)	(139.552)
Net value	193.895	193.895
31 December 2011		
Acquisition cost	1.771.766	1.771.766
Accumulated depreciation	(1.577.871)	(1.577.871)
Net value	193.895	193.895

At 31 December 2011, tangible fixed assets relate to administrative equipment, mostly software used in the management of the transactions/contracts executed.

6. 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 Deviations</u>	<u>Tax Loss</u>	<u>Total</u>
At 1 January 2010	157.683		157.683
Period ended at December 31			
Reversal by results	(109.893)	-	(109.893)
Constitution by results	-	139.789	139.789
Movement of the Period	(109.893)	139.789	29.896
At 31 December 2010	47.790	139.789	187.579

	<u>Tariff Deviations</u>	<u>Tax Loss</u>	<u>Total</u>
At 1 January 2011	47.790	139.789	187.579
Reversal by results	-	(17.365)	(17.365)
Movement of the Period	-	(17.365)	(17.365)
At 31 December 2011	47.790	122.424	170.214

Tax losses carried forward: (Tax Losses Reportable)
- year 2010 489.697,14

Deferred Tax Liabilities

	<u>Tariff Deviations</u>
At 1 January 2010	-
Period ended at December 31	
Constitution/reversion by capital	-
Constitution by results	42.140
Reversal by results	-
Movement of the Period	42.140
At 31 December 2010	42.140
	<u>Tariff Adjustments</u>
At 1 January 2011	42.140
Movement of the Period	-
At 31 December 2011	42.140

7. 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	78.545		24.326	
Withholding tax		4.659		5.307
Value added tax - VAT	124.567	-	29.527	-
Social security contributions	-	7.005	-	7.936
VAT other markets	-	-	365	-
	203.113	11.664	54.218	13.243

Income tax details

	2011	2010
Payments on account		
Withholding tax	80.464	24.488
Estimate income tax	(1.919)	(162)
Total	78.545	24.326

8. 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	-	-	-	-	-
OMIP, SGPS	3.791	3.791	-	-	-
OMIP - Operador do Mercado Ibérico de Energia	50.167	50.167	-	287.900	287.900
Others	4.366	4.366	15.875	-	15.875
Income accruals					
Income accruals - tariff deviations	168.560	168.560	-	168.560	168.560
Other accounts receivable	226.884	226.884	15.875	456.460	472.335

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.

9. Share Capital

At 31 December 2011, OMIClear's share capital is fully subscribed and paid-up, being represented by 300,000 shares with a face value of 10 Euros each.

10. Other Reserves and Retained Earnings

The captions "Other reserves" and "Retained earnings" recorded the following activity during the period ended 31 December 2011.

	<u>Legal reserves</u>	<u>Retained earnings</u>	<u>Net Profit</u>	<u>Total</u>
1 January 2011	3.457	44.254	5.733	53.444
Net profit for year	-	-	50.399	-
Total earnings	3.457	44.254	56.133	53.444
Transfer to other reserves	573	5.160	(5.733)	-
At 31 December 2011	4.030	49.414	50.399	103.844

Transfer to other reserves was conducted in accordance with the approval of the application of net profit for the year 2010 by the General Meeting of 14 March 2011.

11. Other Payables

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

	<u>31-12-2011</u>		<u>31-12-2010</u>		
	<u>Current</u>	<u>Total</u>	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
Suppliers	113.869	113.869	101.653	-	101.653
Total Suppliers	113.869	113.869	101.653	-	101.653
Other Creditors					
Suppliers of investment	-		29.020		
REN, SGPS, SA	(108.093)				
REN - Rede Eléctrica Nacional, SA	59.606				
OMIP - Operador do Mercado Ibérico de Energia	767.869	767.869			
Other Creditors	67.361	67.361	84.666	-	84.666
Creditors for accrued expenses					
Holiday pay and Subsidies	33.233	33.233	43.107	-	43.107
Performance bonus	-		21.214		
Tariff deviations	191.160	191.160		191.160	191.160
Others	99.916	99.916	8.827	-	8.827
Total other payables	1.111.052	1.159.539	186.833	191.160	327.760

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.

12. Sales and Services Rendered

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

	<u>31-12-2011</u>	<u>31-12-2010</u>
Tariff for Global Management of the System	-	456.460
Other Services	1.119.022	599.516
	<hr/>	<hr/>
Sales and Services Rendered	<u>1.119.022</u>	<u>1.055.976</u>

13. 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	173.031	440.103
Fees	3.716	28.351
Maintenance and Repairs	11.119	-
Common services costs	531.717	72.723
Training	3.375	2.681
Travel and accommodation	18.163	4.250
Communication	44.480	35.027
Rental costs	10.408	-
Representation Expenses	8.232	-
Others (below € 5,000)	5.636	6.424
	<hr/>	<hr/>
External supplies and services	<u>809.874</u>	<u>589.560</u>

The most important caption of supplies and services is common costs and services, which includes the compensation of corporate boards.

14. Staff Costs

Staff costs incurred in the year 2011 were as follows:

	<u>31-12-2011</u>	<u>31-12-2010</u>
Charges for salaries	293.757	346.419
Social activities costs	68.795	71.038
Other costs	7.677	6.391
	<hr/>	<hr/>
Staff costs	<u>370.228</u>	<u>423.848</u>

The average number of employees in 2011 was 9 (it was 10 in 2010).

15. Other Expenses and Losses

The detail of Other expenses and losses is as follows:

Breakdown of other costs	31-12-2011	31/12/2010
Taxes	26.447	16.539
Costs of market operations	78.587	30.079
Corrections to prior years	-	-
Others	3.259	2.173
Other expenses and losses	108.293	48.790

Expenses recognised under market operations in December 2011 and 2010 resulted from fixed fees charged by Market Makers.

16. Financial Income and Expenses

The detail of Financial Income and Expenses is as follows:

	31-12-2011	31-12-2010
Interest and similar income		
Interest earned on deposits	358.842	114.502
Other interest and similar income	-	15
	358.842	114.517
Interest and similar expenses		
Interest expenses	(1)	(476)
Other financial costs	(1.448)	(340)
	(1.449)	(816)
Financial income and expenses	357.393	113.701

17. Tax for the Year

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

	31-12-2011	31-12-2010
Current income tax	1.919	162
Deferred income tax	17.365	12.244
Income tax	19.284	12.406

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

	31-12-2011	31/12/2010
Profits before tax	69.683	18.140
Income Tax Rate	26,5%	25,0%
	18.466	4.535
Non-deductible expenses	526	375
Income not taxable	(750)	(5.239)
Deferred Taxes on losses generated	-	-
Deferred tax effect correction		
Separate taxation	877	-
	19.119	(329)
Current income tax	1.919	162
Deferred income tax	17.365	12.244
Income tax	19.284	12.406
Effective tax rate	27,67%	68,39%

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

	31-12-2011	31-12-2010
Income Tax Rate	25,00%	25,00%
Municipal surcharge	1,50%	0,00%
	26,50%	25,00%

18. Transactions and Related Entities

In 2011, OMIClear was 100% owned by OMIP – Operador do Mercado Ibérico de Energia, (Polo Português) S.G.M.R., S.A., which, in turn, underwent several changes in its shareholder structure. Thus, the list of entities related to OMIClear during 2011 was as follows:

Related entities

Shareholders

OMIP - Operador do Mercado Ibérico (Portugal), SGPS, SA

Related entities

REN - Redes Energéticas Nacionais, SGPS, SA

REN - Rede Eléctrica Nacional, SA

REN Gasodutos, SA

REN Armazenagem, SA

Rentelcom - Comunicações, SA

REN Serviços, SA

OMIP - Operador do Mercado Ibérico (Portugal), SGPS, SA

OMIP - Operador do Mercado Ibérico (Polo Português) SGMR, 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, Sucursal en España

18.1. Costs – Related Entities

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

	<u>31-12-2011</u>	<u>31/12/2010</u>
Purchases of Services		
REN - Rede Eléctrica Nacional, SA	49.546	62.223
REN Serviços, SA	<u>10.500</u>	<u>10.500</u>
	<u>60.046</u>	<u>72.723</u>

18.2. Balances with related parties – Group Companies

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

	<u>31-12-2011</u>	<u>31/12/2010</u>
Clients and other receivables		
OMIP, SA	50.167	-
OMIP, SGPS	3.791	-
	<u>53.959</u>	<u>-</u>
	<u>31-12-2011</u>	<u>31/12/2010</u>
Suppliers and other payables		
REN - Redes Energéticas Nacionais, SGPS, SA	108.093	108.093
REN - Rede Eléctrica Nacional, SA	(59.606)	(17.634)
REN SERVIÇOS, SA	(12.098)	(2.360)
OMIP	(767.869)	(108.331)
	<u>(731.481)</u>	<u>(20.231)</u>

19. Guarantees

Cash guarantees are recorded under assets and liabilities captions.

At 31 December 2011, the amounts recognised in the balance sheet are as follows:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Guarantees deposits from the participants	143.884.552	74.234.134
Sums payable to the participants	<u>(143.884.552)</u>	<u>(74.234.134)</u>
Total	<u>-</u>	<u>-</u>

In addition, to the guarantees deposits, there are also lines of credit and bank guarantees provided with OMIClear, at 31 December 2011:

	<u>31-12-2011</u>	<u>31/12/2010</u>
Credit Lines	111.200.065	134.700.065
Bank Guarantees	91.500.000	72.300.000
Securities	<u>-</u>	<u>7.673.137</u>
Total	<u>202.700.065</u>	<u>214.673.202</u>

20. Contingencies

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

Lisbon, 20 March 2012



The Certified Accountant
nº 30375
Maria Teresa Rodrigues Martins



The Board of Directors
José Isidoro d' Oliveira Carvalho Netto - Presidente
Paulo Martins de Sena Esteves
Jorge Fernando da Silva Simão

Auditor's Report

(Free Translation from the original in Portuguese)

Introduction

1 We have audited the financial statements of OMIClear – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C., S.A., comprising the balance sheet as at December 31, 2011, (which shows total assets of 148.267.121 euros and total shareholder's equity of 3.103.844 euros, including a net profit of 50.399 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 OMIClear – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C., 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 Anchietá, 21 – 3º Dto.
1200-023 Lisboa

CERTIFICAÇÃO LEGAL DAS CONTAS

INTRODUÇÃO

1. Examinei as demonstrações financeiras anexas da OMICLEAR – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C., S.A., as quais compreendem o balanço em 31 de Dezembro de 2011 (que evidencia um total de balanço de € 148.267.121 (2010: € 77.822.608) e um total de capital próprio de € 3.103.844 (2010: € 3.053.444), incluindo um resultado líquido de € 50.399 (2010: € 5.733)), 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 inclui:
 - 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.

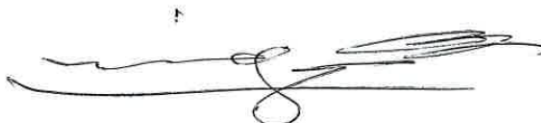
OPINIÃO

7. Na minha opinião, as demonstrações financeiras referidas apresentam, de forma verdadeira e apropriada em todos os aspectos materialmente relevantes, a posição financeira da OMICLEAR – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C., 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 nº 114)

Luís Borges de Assunção
Revisor Oficial de Contas
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RELATÓRIO E PARECER DO FISCAL ÚNICO

No cumprimento das disposições legais e estatutárias, vem o Fiscal Único da OMICLEAR – Sociedade de Compensação de Mercados de Energia S.G.C.C.C.C., 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)