



FINANCIAL STATEMENTS 2010

[TRANSLATION]

OMICLEAR – FINANCIAL STATEMENTS 2010

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

Financial Statements 2010

The text and tables bellow represent the main figures of the official Financial Statements of OMIClear as of December 31st. 2010. The full and audited report is available in Portuguese and can be requested to clearing@omiclear.pt.

Balance Sheet as of 31 December 2010

		Expressed in Euros	
	Note	2010-12-31	31-12-2009
Assets			
Non-current			
Tangible fixed assets	5	328.429,78	315.994
Other debtors	8	168.559,60	-
Deferred tax assets	6	187.578,91	157.683
		684.568,29	473.677
Current			
Clients		2.324,36	638
State and other public entities	7	54.217,55	39.289
Shares/Partners	9	0,00	102.854
Other debtors	8	303.775,08	60.330
Deferrals		11.747,03	3.029
Guarantees Deposits	19	74.234.133,72	102.636.627
Cash and Bank Deposits	4	2.531.842,03	3.442.514
		77.138.039,77	106.285.281
Total Assets		77.822.608,06	106.758.958
Equity			
Capital and reserves attributable to shareholders			
Share capital	10	3.000.000,00	3.000.000
Legal Reserve	11	3.456,62	2.688
Retained earnings	11	44.254,43	37.335
		3.047.711,05	3.040.023
Resultado líquido do periodo	11	5.733,35	7.689
		3.053.444,40	3.047.712
Net Profit for year		0,00	-
Total Equity		3.053.444,40	3.047.712
Liabilities			
Non-current			
Deferred tax liabilities	6	42.139,90	-
Other creditors	12	191.160,15	191.160
		233.300,05	191.160
Current			
Suppliers	12	101.653,13	320.042
State and other public entities	7	13.243,43	11.562
Other creditors	12	186.833,33	551.855
Guarantees Deposits	19	74.234.133,72	102.636.627
Deferrals		0,00	-
		74.535.863,61	103.520.086
Total Liabilities		74.769.163,66	103.711.246
Total Equity and Liabilities		77.822.608,06	106.758.958

Income Statement as of 31 December 2010

	Note	Expressed in Euros	
		2010-12-31	31-12-2009
Sales and Services rendered	12	1.055.976	1.395.217
External supplies and services	13	-589.560	-548.837
Staff Costs	14	-423.848	-340.559
Other income and gains		12.220	1.637
Other expenses and losses	15	-48.790	-405.336
Profit before depreciations, financial costs and taxes		5.999	102.122
Expenses/ reversions from depreciations		-101.559	-111.338
Operating Profit (before financial and tax losses)		-95.561	-9.216
Interest and similar earnings	16	114.517	37.268
Interest and similar losses	16	-816	-17.592
Profit before taxes		18.140	10.461
Income Tax	17	-12.406	-2.772
Net profit for the financial year		5.733	7.689

Changes in Shareholder's Equity

	Shareholder's equity				
	Share Capital	Legal Reserve	Retained earnings	Net Profit	Total
At 1 January 2009	3.000.000	1.315	24.976	13.732	3.040.023
Total Profit for the year	-	-	-	7.689	7.689
Dividend Distribution	-	-	-	-	-
Increase due to profit application	-	1.373	12.359	(13.732)	-
At 31 January 2009	3.000.000	2.688	37.335	7.689	3.047.712

	Shareholder's equity				
	Share Capital	Legal Reserve	Retained earnings	Net Profit	Total
At 1 January 2010	3.000.000	2.688	37.335	7.689	3.047.711,05
Total Profit for the year	-	-	7.689	5.733	13.422,02
Dividend Distribution	-	-	-	-	0,00
Increase due to profit application	-	769	(769)	(7.689)	-7.688,67
At 31 January 2010	3.000.000	3.457	44.254	5.733	3.053.444,40

Cash Flow Statement as of 31 December 2010

	December 2010	December 2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash receipts from clients	29.093.843	13.600.956
Cash paid to suppliers	(29.758.699)	(7.033.821)
Cash paid to staff	(387.743)	(342.018)
Flows generated by operations	(1.052.599)	6.225.117
Income tax paid / received	-	-
Other receipts / payments	113.219	(4.435.554)
Net cash from operational activities (1)	(939.380)	1.789.563
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments relating to:		
Investments	(5.000)	-
Tangible fixed assets	(60.611)	-
Intangible assets	-	-
Receipts relating to:		
Interests and similar income	94.333	-
Dividends	-	-
Net cash from investing activities (2)	28.707	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Receipts relating to:		
Loans obtained	-	567.468
Interests and similar income	-	30.903
Payments relating to:		
Loans obtained	-	(2.795.423)
Interests and similar costs	-	(20.140)
Dividends	-	-
Net cash from financing activities (3)	(2.217.192)	(2.217.192)
Variation in cash and equivalents (4)=(1)+(2)+(3)	(910.672)	(427.629)
Effect of exchange differences		
Cash and equivalents at the beginning of the year	3.442.514	3.870.143
Cash and equivalents at the end of the year	2.531.842	3.442.514
DISCRIMINATION OF COMPONENTS FROM CASH AND WITHOUT EQUIVALENTS		
Cash	600	-
Bank deposits or equivalent		
Bank Deposits - Short Term		
Bank Deposits - Long Term	2.531.242	3.442.514
Other Assets		
Availability in the balance	2.531.842	3.442.514

Appendix to the Individual Financial Statements

1. General Information

OMIClear – Sociedade de Compensação de Mercados de Energia, S.G.C.C.C., S.A., with headquarters on Avenida Estados Unidos da América, N. 55 – 12th floor in Lisbon, was constituted under the article 488, no. 1, of the Portuguese Commercial Companies Code, while the public deed was signed on the 6th of April 2004.

The society started its activity on the 7th April 2004, with the corporate purpose of clearing long term transactions, including futures or options, whose underlying assets are in electricity, related energy based commodities or other equivalents, real or financial, electricity indexes, whether physical delivery, whether financial settlement as well as the assumption of the position of central counterpart in such operations, carried out in the market, regulated or unregulated, domestic or foreign, or out of the market.

The society can also carry out other activities that are incidental or subsidiaries of those which constitute its main purpose, as long as they do not constitute any sort of financial intermediation activity.

The society may participate in other societies with the same or complementary object, even if regulated by special laws, as well as complementary groups of societies.

The society has constituted a branch office in Spain on the 22nd of November 2010, with VAT W0106378C, as follows:

- a) The branch office will develop the following activities:
 - (i) Management of the clearing house and settlement systems, as well as the assumption of the central counterpart for spot and forward transactions, namely, futures, forwards, swaps and options, whose underlying assets are in electricity or other related energy based commodities or other equivalents, with physical delivery or financial settlement;
 - (ii) The branch can also carry out other activities that are incidental or subsidiaries of those which constitute its main purpose, as long as they do not constitute any sort of financial intermediation activity, namely: a) manage annotations systems into account and clearance of net positions, b) provide to members of the systems the services needed for the intervention of the se members in markets or systems managed by similar entity of another State, c) service render of consulting related to self-managed systems, d) participation in studies, preparation, distribution and commercialization of information on markets, and e) development, management and commercialization of computer hardware and software, as well as telematics networks destined to trading and transmission of orders or data;
 - (iii) The branch may participate in other societies with the same or complementary object, even if regulated by special laws, as well as complementary groups of societies.
 - (iv) The branch office can provide supplies and other forms of loan and can concede accessory benefits to its subsidiaries.

The activities described above in paragraphs (i) to (iv) are coincident with the object of the society, and is therefore compatible with it.

- a) The branch has been constituted with a share capital of 5 000 Euros (five thousand Euros), this amount was wire transferred by the society to the bank account opened on behalf of the branch with a credit institution with headquarters in Spain.
- b) The branch will last indefinitely, and cannot exceed the duration of the main society activity.
- c) The branch's permanent representatives are:
 - (i) José Isidoro d'Oliveira Carvalho Netto;
 - (ii) Paulo Martins de Sena Esteves;
 - (iii) Jorge Fernando da Silva simão;

OMIClear's share capital is 3 000 000 Euros, represented by 300 000 stocks with a nominal value of 10 Euros each, which, on the 31st December 2010, was owned in 100% by OMIP – Operador do Mercado Ibérico de Energia (Pólo Português), S.G.M.R., S.A..

It is the opinion of the Board of Administration that these financial statements reflect truly and appropriately the activities of OMIClear, as well as its financial performance and cash flows position.

2. Accounting References for Income Statement Preparation

2.1. Basis

These financial statements, prepared in line with the historical cost convention, are the first individual financial statements drawn up by the Company in accordance with the Accounting and Financial Report Rules (NCRF), issued and in force or issued and adopted at 1st January 2009.

OMIClear's financial statements were prepared in line with the accounting principles generally accepted in Portugal (POC) until 31st December 2009.

2.2. Transition to SNC Impact

OMIClear adopted the "NCRF", issued and in force or issued at 1st January 2010, applying these rules retrospectively to all periods presented. The transition date is 1st January 2009 and the company prepared its opening balance on that date.

No effect was seen in the company's equity from this transition. It only resulted in changes to the name of accounts.

3. Accounting Policies

The main accounting policies applied in the preparation of these financial statements are those described below. These policies were consistently applied to all years presented, except if otherwise indicated.

3.1. Financial Stakes - Affiliates

Affiliates are all entities (including those with special objectives) over which OMIClear has power to decide on financial or operational policies, normally associated with direct or indirect control, of more than half the voting rights. The existence and effect of the potential voting rights that are currently exercisable or convertible are considered when it is assessed that OMIClear holds control over that entity.

The stakes in affiliates are valued using the equity method. According to this method, the portion of the profits/losses from subsidiaries and associate companies, proportional to the stakes held, are included in the financial statements. The share of their net equity, taking into account any implicit increases arising from adjustments to fair value and goodwill, is shown in the balance sheet. These values are calculated using the respective subsidiaries and associates companies' approved financial statements, or, if those are missing, based on the best estimates possible, which are based on the same financial year as the Company.

3.2. Tangible fixed assets

The tangible assets are valued at cost deduced of depreciation and eventual losses for accumulated impairment. This cost includes an estimated cost at the date of transition to NCRF, and purchasing costs for assets obtained after this date.

The acquisition cost includes the asset's price of purchase, the expenses directly imputable to its acquisition and the costs charged with preparing the asset to begin working.

The subsequent costs incurred with renovations and big repairs that increase its working life are acknowledged in the asset's cost.

Costs with day to day repairs and maintenance are recorded as an expense of the period in which they are incurred.

The tangible fixed assets are depreciated systematically based on constant quotas method, for their estimated working life.

The estimated working life of the most significant tangible fixed assets are as follows:

	<u>Years</u>
Furnishings and Fixings	From 3 to 10 years

The assets' working lives are revised yearly for each asset, so that the depreciation applied is in line with the consumption patterns of the assets. Changes to the working lives are treated as a change to the accounting estimate and are applied prospectively.

The profits and losses of the assets are calculated via the difference between the asset's execution value and its accounting value: These are recorded in the financial statement.

3.3 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits, other short term investments of high liquidity and with initial maturities of up to 3 months and bank overdrafts. Bank overdrafts are

presented in the Balance Sheet, in current liabilities in the item “Financing obtained” and are considered in the drawing up of cash flows statement such as cash and cash equivalents.

3.4 Share Capital

Ordinary shares are classified as equity.

The costs directly attributed to the issue of new shares or options are presented in equity as a deduction, tax deducted, to the amount issued.

3.5 Income tax

The income tax during this period includes current taxes and deferred taxes. The income tax is registered in the financial statements except when relating to items that are recorded directly in equity. The value of current tax to be paid is calculated based on the profits/losses before tax, adjusted according to the fiscal rules.

During 2008, the Company became integrated under the scope of IRC within the fiscal consolidation of the REN Group. As a result the movements relating to payments are recorded in the REN – National Energy Grids, SGPS, S.A. balance sheet under item “Income tax”.

However during the year 2010, the company no longer belonged to the REN Group fiscal group, but as this fact only occurred on 22nd December 2010, the payments were recorded in the REN - Redes Energéticas Nacionais, SGPS, S.A. balance sheet under item “Income tax”.

Deferred taxes are recorded using the liabilities method based on the balance sheet, taking into account the temporal differences resulting from the difference in the assets and liabilities tax basis and their values in the financial statements.

The deferred taxes are calculated based on the tax rate in force or officially communicated at the date of the balance sheet and that is thought will be applicable at the execution or payment of the deferred taxes.

The asset deferred taxes are recorded as long as it is probable that future taxable profits are available to be used for the temporal difference. The liability deferred taxes are recorded for all taxable temporal differences except in relation to: i) initial recording of goodwill; or ii) the initial recording of assets and liabilities, that do not result from the concentration of activities and that at the transaction date do not affect the accounting or fiscal result. However, taxable temporal differences relating to shares in affiliates should not be recorded: i) the parent company is able to control the temporal difference reversion period; and ii) it is probable that the temporal difference will not be reverted in the near future.

3.6 Financial Assets

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

Loans conceded and receivables include non-derivative financial assets with fixed or determinable payments not listed in an active market.

Loans conceded and receivables are classified on the balance sheet as “Other receivables” and recognized at cost less any loss of impairment. Adjustments by impairments are made every time there is objective evidence that the companies will not have the ability to receive the amounts in debt due under the initial conditions that gave origin to it.

Financial assets are derecognized whenever the rights to receive the cash flows originated by those investments expired or transferred, as well as all risks and benefits of ownership.

3.7 Novation of Transactions

OMIClear operates as the central counterpart of the Derivatives Electricity Market from OMIP. OMIClear performs the necessary functions for the regular transactions to be properly cleared and settled, namely:

- i) Admission of participants in registration, compensation and settlement of operations;
- ii) Support registration transactions and correspondent compensation and settlement;
- iii) Assumes the position of central counterpart in all registered operations;
- iv) Defines the calculation formula, and consequently, defines the calculation and management of guarantees provided by participants in order to register positions;
- v) Control of risk assumed by the position registered holders.

OMIClear assumes the position of central counterpart in all operations registered, ensuring compliance of both parties' obligations. After verifying the registration of the operation, OMIClear manages the resulting positions with neutrality, acting as the buyer to the seller and vice-versa.

Derivatives are determined by its market value at the date of transaction, which is zero. Changes on the market value are daily adjusted, through deposits, becoming its market value null. Guarantee deposits received and the debt to participants are presented in the balance sheet with its net value and making it null (see detail on note 20).

3.8 Restricted Deposits

OMIClear receives cash deposits from participants to ensure compliance of future contracts, which are deposited on a separate bank account on behalf of the company. However, the use of these deposits is restricted, and may only be used when a participant fails its obligations, being OMIClear forced to assume its position to the other counterpart. Restricted deposits are carried as assets as well as its corresponding liability towards the participant. These deposits are reimbursed when the participant complete the negotiations of future contracts in OMIP.

3.9 Financial Liabilities

The Board of Directors determines the classification of financial liabilities, on the initial acknowledgement date according to NCRF 27 – Financial instruments.

The financial liabilities can be classified / measured as:

- (a) At cost or depreciated cost less any loss due to impairment;
- (b) At fair value with changes to fair value being recorded in the financial statements.

OMIClear classifies and measures at cost or depreciated cost the financial liabilities i) that concerning term are spot or have a set maturity; ii) the remuneration of which is a fixed amount, a fixed interest rate or variable rate corresponding to a market index; and iii) that do not have any contractual clause which may result in a change to the responsibility for the repayment of the nominal value and the accumulated interest to be paid.

For liabilities recorded at depreciated cost, the interest obtained, to be recorded in each period, is calculated according to the effective interest rate method, which means at the rate which exactly discounts the receipt of future cash estimated during the life expectancy of the financial instrument.

Financial liabilities that are registered at cost or depreciated cost are those that constitute loans obtained, payables (suppliers, other creditors, etc.) and equity instruments as well as any

associated derivatives contracts, which are not traded on an active market, the value of which cannot be determined in a reliable way.

Only when a financial liability (or part of a financial liability) is extinguished should an entity no longer record it, that is when the obligation established in the contract is paid, cancelled or expires.

3.10 Income

Income is the fair value, received or to be received for the rendering of service, tax and discounts deducted.

The rendering of services is recorded during the period they occur, just as stated in the financial year specialisation accounting principle.

3.11 Tariff Deviations

As the SNC omits information relative to regulated activities and the recording of tariff discrepancies, OMIClear defined a policy for recognizing and measuring tariff discrepancies as foreseen in NCRF 4 – ‘Alterations to accounting policies, estimations and errors’ with reference to the international rule SFAS 71 – Rate regulated activities. SFAS 71 states that: “an entity should record: a) a regulatory asset by its right to recover specific costs incurred previously and obtaining a specific return; or b) a regulatory liability by its obligation to return amounts received previously and to pay a specific remuneration, when it has the right to increase or reduce future tariffs” according to the recuperation mechanisms applied by the regulator.

Therefore, at each report date, , OMIClear estimates the discrepancies between the real and estimated costs in order to accept operational costs and calculate income allowed, in accordance with the criteria defined by the ERSE tariff regulation. This correction is adjusted after ERSE’s approval the following year (year n+1), to incorporate tariffs for the following year (n+2). During the year 2010, the regulator defined, exceptionally, that the adjustments for 2009 and 2010 would only be made in 2012.

3.12 Financial Year Specialisation

Other income and costs are recorded in the year to which they relate independent of the moment of the payment or receipt, in line with the accounting principle of financial year specialisation. The difference between the amounts received and paid and the corresponding gains and expenses are recorded as accruals and deferrals in the items receivables and payables.

4. Cash Flow - Breakdown of the Values recorded in Cash

4.1 Cash and its equivalents that not available for use

OMIClear does not have any balance for the item cash and equivalents with restricted use for the years presented,

4.1 Breakdown of the values recorded in cash item are as follows

As at 31st December 2010, the details of cash and cash equivalents present the following values:

	<u>31-12-2010</u>	<u>31-12-2009</u>
Cash	600	
Bank Deposits	<u>2.531.242</u>	<u>3.442.514</u>
Cash and cash equivalents	<u>2.531.842</u>	<u>3.442.514</u>

The breakdown of the amount considered as final balance in the item “Cash and cash equivalents” for the purpose of the cash flow statement for the year ending as at 31 December 2010 is as follows:

	<u>31-12-2010</u>	<u>31-12-2009</u>
Cash		
- Cash	<u>600</u>	<u>-</u>
	600	-
Bank Deposits		
- Bank Deposits	2.531.242	3.442.514
- Deposits - Long Term	<u>-</u>	<u>-</u>
	<u>2.531.242</u>	<u>3.442.514</u>
Cash and cash equivalents (assets)	<u>2.531.842</u>	<u>3.442.514</u>
Cash equivalents (liabilities)	<u>-</u>	<u>-</u>

5. Fixed Tangible Assets

The movement in fixed tangible assets for the period ending at 31st December 2009 is as follows:

	Furnishings and Fixings	Others	Assets in course	Total
At 1 January de 2009				
Start-up costs	1.344.905	530	-	1.345.435
Total depreciations	<u>(1.225.251)</u>	<u>(171)</u>	<u>-</u>	<u>(1.225.422)</u>
Net Value	119.654	359	-	120.013
At 31 December 2009				
Additions	148.418	-	158.900	307.318
Disposals	530	(530)	-	-
Depreciations - period	(111.509)	-	-	(111.509)
Depreciations - disposals	-	171	-	171
Net Value	37.439	(359)	158.900	195.980
At 31 December 2009				
Start-up costs	1.493.854	-	158.900	1.652.754
Total depreciations	<u>(1.336.760)</u>	<u>-</u>	<u>-</u>	<u>(1.336.760)</u>
Net Value	157.094	-	158.900	315.994

The movement in fixed tangible assets for the period ending at 31st December 2010 is as follows:

	Furnishings and Fixings	Others	Assets in course	Total
At 1 January de 2010				
Start-up costs	1.493.853,59	0,00	158.900,40	1.652.753,99
Total depreciations	<u>-1.336.759,89</u>	<u>0,00</u>	<u>0,00</u>	<u>-1.336.759,89</u>
Net Value	157.093,70	0,00	158.900,40	315.994,10
At 31 December 2010				
Additions	267.895,40	0,00	-158.900,40	108.995,00
Depreciations - period	<u>-101.559,32</u>	<u>0,00</u>	<u>0,00</u>	<u>-101.559,32</u>
Net Value	323.429,78		0,00	323.429,78
At 31 December 2010				
Start-up costs	1.761.748,99	0,00	0,00	1.761.748,99
Total depreciations	<u>-1.438.319,21</u>	<u>0,00</u>	<u>0,00</u>	<u>-1.438.319,21</u>
Net Value	323.429,78	0,00	0,00	323.429,78

On 31st December 2010, tangible assets refer to administrative equipments which include mainly software used to the management of transactions/contracts of the market.

6. Assets and Liabilities by Deferred Taxes

The movements that occurred in the assets and liabilities by deferred taxes items for years presented are as follows.

Deferred Taxes in Assets

	Tariff Deviations	Tax Loss	Total
At 1 January 2009	255.856,78		255.856,78
Period ended at December 31			
Constitution/Reversion by Capital	0,00		0,00
Reversal by Results	-98.173,45		-98.173,45
Constitution by Results	0,00		0,00
Movement of the Period	-98.173,45		-98.173,45
At 31 December 2009	157.683,33		157.683,33

	Tariff Deviations	Tax Loss	Total
At 1 January 2010	157.683,33		157.683,33
Period ended at December 31			
Constitution/Reversion by Capital	-109.893,29		-109.893,29
Reversal by Results	0,00		0,00
Constitution by Results	0,00	139.788,87	139.788,87
Movement of the Period	-109.893,29	139.788,87	29.895,58
At 31 December 2010	47.790,04	139.788,87	187.578,91

Tax Losses Reportable	
- Year 2010	559.155,47

Deferred Taxes in Liabilities

	<u>Tariff Deviations</u>
At 1 de January de 2009	-
Period ended at December 31	
Constitution/Reversion by Capital	-
Reversal by Results	-
Constitution by Results	-
Activity of the Period	-
At 31 de December de 2009	-
	<u>Tariff Deviations</u>
At 1 de January de 2010	-
Period ended at December 31	
Constitution/Reversion by Capital	-
Reversal by Results	42.140
Constitution by Results	-
Activity of the Period	<u>42.140</u>
At 31 de December de 2010	<u>42.140</u>

7. State and other Public Entities

In the year ending at 31st December 2010, the details of the State item are as follows:

	<u>31-12-2010</u>		<u>31-12-2009</u>	
	<u>Asset</u>	<u>Liabilities</u>	<u>Asset</u>	<u>Liabilities</u>
Income Tax	24.326		-	4.154
Income Tax - Retentions		5.307		
Value Added Tax - VAT	29.527	-	38.924	-
Social Security contribution	-	7.936	-	7.408
VAT Other markets	365	-	365	-
	<u>54.218</u>	<u>13.243</u>	<u>39.289</u>	<u>11.562</u>

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

Income Tax Details

	<u>2010</u>	<u>2009</u>
Withholding Tax	24.488	
Estimate Income Tax	(162)	-
Total	<u>24.326</u>	<u>-</u>

8. Other Receivables

As at 31st December 2010, the breakdown of Other Receivables is as follows:

	31-12-2010			31-12-2009		
	Current	Non-Current	Total	Current	Non-Current	Total
Other Debtors						
REN - Rede Eléctrica Nacional, S.A	-	-	-	60.000	-	60.000
OMIP - Operador do Mercado Ibérico de Energia	-	287.900	287.900	330	-	330
Others	15.875		15.875			
Income accruals						
Income accruals - Tariff deviations	-	168.560	168.560	-	-	-
Other accounts receivable	15.875	456.460	472.335	60.330	-	60.330

Non-current income accruals refer to the tariff deviation generated in 2010.

As stated in Energy and Innovation Secretary of State Ruling nº17041/2010, the economic sustainability of OMIP and OMIClear, ceased on 31st December de 2010.

As such, the net amounts (that is, OMIP and OMIClear's assets and liabilities net balance) of tariff discrepancies calculated in 2009 and 2010 will be recovered via tariff in n+2 as foreseen in tariff Regulation, that is, 2012.

9. Share Capital

At 31 December 2010, OMIClear's share capital is totally paid up, represented by 300.000 shares with a nominal value of 10 Euros each.

10. Other Reserves and Accumulated Earnings

At 31st December 2010, Other Reserves and Accumulated Results resulted in the following movements:

	Legal Reserve	Retained earnings	Net Profit	Total
At 1 January 2010	2.688	37.335	7.689	47.711
Net Profit for year	-	-	5.733	-
Total of earnings in the exercise	2.688	37.335	13.422	47.711
Transfer to other reserves	769	6.920	(7.689)	(0)
At 31 de December 2010	3.457	44.254	5.733	53.444

Transfer to other reserves was made accordingly to the approval of the net profit application in 2009, by the Corporate Boards' meeting of 24th February 2010.

11. Suppliers and Other Payables

The breakdown of the Suppliers and Other Payables item as at 31st December 2010 is as follows:

	31-12-2010			31-12-2009		
	Current	Non-Current	Total	Current	Non-Current	Total
Suppliers	101.653	-	101.653	320.042	-	320.042
Total Suppliers	101.653	-	101.653	320.042	-	320.042
Other creditors						
OMIP	-	-	-	60.279	-	60.279
Suppliers of investment	29.020					
Other creditors	84.666	-	84.666	50.721	-	50.721
Creditors for accrued expenses						
Holiday pay and subsidies	43.107	-	43.107	36.984	-	36.984
Performance Bonus	21.214					
Tariff deviations		191.160	191.160	403.871	191.160	595.031
Others	8.827	-	8.827	-	-	-
Total Others Creditors	186.833	191.160	327.760	551.855	191.160	743.015

The increase in non-current spending is related to the tariff deviation generated in 2009. Accordingly to the order No. 17041/2010 issued by the Office of the Secretary of State for Energy and Innovation, the sustaining economic model of OMIP and OMIClear, expired on December 31st, 2010.

As such, the net amounts (ie, the net balance of assets and liabilities of OMIP and OMIClear) of tariff deviations calculated in 2009 and 2010 will be recovered through tariff in y+2 as preconized in the Tariff Code, in other words, 2012.

12. Sales and Services rendered

As at 31st December 2010 and 2009, the breakdown of the income from services rendered is as follows:

	<u>31-12-2010</u>	<u>31-12-2009</u>
Tariff for global management of the system	456.460	389.653
Other services	599.516	1.005.564
Sales and Services Rendered	<u>1.055.976</u>	<u>1.395.217</u>

The decrease verified on the secondary services is mainly due to the fact that in the first half of 2011, a promotion has been applied, whereas members were not charged for the variable commissions on the transactions performed.

13. Supplies and Contractors

As of 31st December 2010 and 2009, the costs incurred with supplies and contractors were as follows:

	<u>31-12-2010</u>	<u>31-12-2009</u>
Costs with Specialized Work	440.103	426.831
Fees	28.351	
Common services costs	72.723	72.723
Training	2.681	5.492
Travel and accommodation	4.250	6.255
Communication	35.027	34.684
Others (below a 5.000 €)	6.424	2.851
External supplies and services	<u>589.560</u>	<u>548.837</u>

The most relevant item of external supplies and services is costs with specialized work, which mainly includes computer services and maintenance provided by the company Logica and a contracted service to develop the clearing system. It is also included the cost of the assessments made to OMIP and OMIClear in the amount of 37 500.00 Euros.

14. Staff Costs

As at 31st December 2010 and 2009, staff costs were as follows:

	<u>31-12-2010</u>	<u>31-12-2009</u>
Charges for salaries	346.419	276.029
Social activities costs	71.038	64.147
Other costs	6.391	384
Staff Costs	<u>423.848</u>	<u>340.559</u>

The average number of employees in 2010 was 10 (2009:9).

15. Other Costs and Losses

The breakdown of Other Costs and Losses is as follows:

Other Costs Details

	<u>31-12-2010</u>	<u>31-12-2009</u>
Tax	16.539	18.912
Costs of market operations	30.079	215.434
Corrections for previous years	-	170.731
Others	<u>2.173</u>	<u>259</u>
Other Expenses and Losses	<u>48.790</u>	<u>405.336</u>

The expenses recognized with the market operations on December 2010 and 2009 resulted from fixed commissions charged by Market Makers.

The fixed commissions with the Market Makers were renegotiated, which led to the downturn verified.

16. Financial Income and Expenses

The Financial Expenses and Income breakdown is as follows:

	<u>31-12-2010</u>	<u>31-12-2009</u>
Interest and similar income		
Interest income from Bank Deposits	114.502	37.263
Interest and similar earnings	<u>15</u>	<u>5</u>
	<u>114.517</u>	<u>37.268</u>
Interest and similar expenses		
Interest expenses	(476)	(13.512)
Others	<u>(340)</u>	<u>(4.080)</u>
	<u>(816)</u>	<u>(17.592)</u>
 Financial income and expenses	 <u>113.701</u>	 <u>19.676</u>

17. Year's Tax

The breakdown of the year's tax shown in the financial statements is as follows;

	<u>31-12-2010</u>	<u>31-12-2009</u>
Current Income Tax	162	(95.401)
Deferred Income Tax	<u>12.244</u>	<u>98.173</u>
Income Tax	<u>12.406</u>	<u>2.772</u>

The tax rate used to value the taxing differences at the balance sheet date of the year ending 31 December 2010 was 25% (2009: 25%).

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

	31-12-2010	31-12-2009
Profit before taxes	18.140	10.461
Income Tax	25,0%	25,0%
	<u>4.535</u>	<u>2.615</u>
Non-deductible expenses	375	-
Income not taxable	(5.239)	-
Deferred Taxes on losses generated	-	-
Deferred tax effect correction	-	-
Separate taxation	-	-
	<u>(329)</u>	<u>2.615</u>
Current Income Tax	162	(95.401)
Deferred Income Tax	12.244	98.173
Income Tax	<u>12.406</u>	<u>2.772</u>
Effective Income Tax	68,39%	26,50%

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

	31-12-2010	31-12-2009
Income Tax	25,00%	25,00%
Municipal Surcharge	0,00%	0,00%
	<u>25,00%</u>	<u>25,00%</u>

18. Transactions with related entities

At 31st December 2010, OMIClear was held 100% by OMIP – Operador do Mercado Ibérico de Energia, (Polo Português) S.G.M.R., S.A.

The list of related entities is the following:

Group Companies

OMIP - Operador do Mercado Ibérico (Portugal), SGPS, SA
OMIP - Operador do Mercado Ibérico de Energia (Pólo Português), SGMR, SA
REN -Redes Energéticas Nacionais, SGPS, SA
REN - Rede Eléctrica Nacional, SA
REN Trading, SA
REN Gasodutos, SA
REN Armazenagem, SA
REN Atlântico, Terminal de GNL, SA
Rentelecom - Comunicações, SA
REN Serviços, SA
Enondas, Energia das Ondas, SA

18.1 Income – Group Companies

During the year the Company executed the following transactions with related parties:

	<u>31-12-2010</u>	<u>31-12-2009</u>
Purchase of Services		
REN - Rede Eléctrica Nacional, S.A	62.223	62.223
REN Serviços, S.A	<u>10.500</u>	<u>10.500</u>
	<u>72.723</u>	<u>72.723</u>

18.2 Balances with related parties – Group Companies

At 31st December 2010, the balances resulting from transactions carried out with related parties are:

	<u>31-12-2010</u>	<u>31-12-2009</u>
Trade Debtors and other receivables		
REN - Rede Eléctrica Nacional, S.A	-	60.000
REN Gasodutos, S.A	-	-
REN Armazenagem, S.A	-	-
OMIP, SA	<u>-</u>	<u>237</u>
	<u>-</u>	<u>60.237</u>
 Trade Creditors and other payables		
REN - Redes Energéticas Nacionais, SGPS, S.A	108.093	33.259
REN - Rede Eléctrica Nacional, S.A	(17.634)	(17.547)
RENTELECOM	-	(571)
REN SERVIÇOS, S.A.	(2.360)	(2.100)
OMIP	<u>(108.331)</u>	<u>(60.279)</u>
	<u>(20.231)</u>	<u>(47.238)</u>

19. Bank Guarantees

The Cash Guarantees are registered on the assets and liabilities.
At 31st December 2010, the values recognized on the balance are as following:

	31-12-2010	31-12-2009
Debtors for guarantees	74.234.134	102.636.627
Creditors for guarantees	<u>(74.234.134)</u>	<u>(102.636.627)</u>
Total	<u>-</u>	<u>-</u>

Appart from guarantee deposits, there are also other securities, credit lines and bank guarantees provided to OMIClear on 31st December 2010:

	31-12-2010	31-12-2009
Credit Lines	134.700.065	125.587.023
Bank guarantees	72.300.000	50.000.000
Securities	<u>7.673.137</u>	<u>-</u>
Total	<u>214.673.202</u>	<u>175.587.023</u>

20. Contingencies

At 31st December 2010 there is no knowledge of any existing contingencies or commitments undertaken

Lisbon, 28th February de 2011

The Certified Accountant

Nº 30375
Maria Teresa Rodrigues Martins

The Board of Directors

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