EDP Renováveis, S.A.

Unaudited Condensed Consolidated Financial Statements

30 June 2009

EDP Renováveis, S.A.

Unaudited Condensed Consolidated Income Statement
for the six months period ended 30 June 2009 and 30 June 2008

	Notes	2009	2008
		(Thousands of Euros)	(Thousands of Euros)
Revenue	6	313,916	258,466
Cost of consumed electricity	6	-658	-337
Changes in inventories and cost of raw materials and consumables used	6	-4,001	-1,488
		309,257	256,641
Other operating income / (expenses)			
Other operating income	7	67,697	44,360
Supplies and services	8	-67,641	-45,830
Personnel costs	9	-20,331	-16,573
Employee benefits expenses	9	-	-486
Other operating expenses	10	-18,156	-11,369
		-38,431	-29,898
		270,826	226,743
Provisions		208	-817
Depreciation and amortisation expense	11	-143,010	-93,626
Amortisation of deferred income / Government grants	11	407	351
		128,431	132,651
Gains / (losses) from the sale of financial assets	12	268	2,363
Other financial income	13	18,961	19,026
Other financial expenses	13	-63,114	-81,428
Share of profit of associates		1,751	2,240
Profit before tax		86,297	74,852
Income tax expense	14	-20,560	-20,373
Profit after tax		65,737	54,479
Profit for the period		65,737	54,479
Attributable to:			
Equity holders of EDP Renováveis	27	65,578	49,570
Minority interest	29	159	4,909
Profit for the period		65,737	54,479
Earnings per share basic and diluted - Euros	27	**0.08**	**0.14**

EDP Renováveis, S.A.

Unaudited Condensed Consolidated Statement of Financial Position
as at 30 June 2009 and 31 December 2008

	Notes	2009	2008
		(Thousands of Euros)	(Thousands of Euros)
Assets			
Property, plant and equipment	15	7,769,943	7,052,783
Intangible assets	16	21,113	22,408
Goodwill	17	1,377,557	1,372,388
Investments in associates	18	42,336	40,782
Available for sale investments	19	12,672	12,501
Deferred tax assets	20	25,860	21,834
Debtors and other assets	23	153,494	141,540
Total Non-Current Assets		9,402,975	8,664,236
Inventories	21	9,932	12,377
Trade receivables	22	76,885	82,598
Debtors and other assets	23	134,263	195,813
Tax receivable	24	165,869	175,093
Financial assets at fair value through profit or loss	25	36,243	35,774
Cash and cash equivalents	26	289,452	229,680
Assets held for sale		970	985
Total Current Assets		713,614	732,320
Total Assets		10,116,589	9,396,556
Equity			
Share capital	27	4,361,541	4,361,541
Share premium	27	552,035	552,035
Reserves and retained earnings	28	191,524	89,419
Retained earnings			
Consolidated net profit attributable to equity holders of the parent		65,578	104,364
Total equity attributable to equity holders of the parent		5,170,678	5,107,359
Minority interest	29	98,706	82,751
Total Equity		5,269,384	5,190,110
Liabilities			
Medium / Long term financial debt	30	2,200,259	1,376,108
Employee benefits	31	52	1,162
Provisions	32	56,190	49,698
Deferred tax liabilities	20	305,520	303,331
Trade and other payables	33	1,669,939	1,695,387
Total Non-Current Liabilities		4,231,960	3,425,686
Short term financial debt	30	97,927	86,165
Trade and other payables	33	457,477	648,334
Tax payable	34	59,841	46,261
Total Current Liabilities		615,245	780,760
Total Liabilities		4,847,205	4,206,446
Total Equity and Liabilities		10,116,589	9,396,556

The following notes form an integral part of these Condensed Consolidated Financial Statements

EDP Renováveis, S.A.

Unaudited Condensed Statement of Changes in Consolidated Equity
as at 30 June 2009 and 31 December 2008

(Thousands of Euros)

	Total Equity	Share Capital	Share Premium	Reserves and retained earnings	Hedging reserve	Fair value reserve	Equity attributable to equity holders of EDP Renováveis	Minority Interests
Balance as at 1 January 2008	**2,245,721**	**18,873**	**1,882,338**	**119,371**	**11,566**	**-**	**2,032,148**	**213,573**
Comprehensive income for the period								
Fair value reserve (cash flow hedge) net of taxes	5,447	-	-	-	4,866	-	4,866	581
Exchange differences arising on consolidation	-1,176	-	-	-1,176	-	-	-1,176	-
Profit for the period	54,479	-	-	49,570	-	-	49,570	4,909
Total comprehensive income for the period	58,750	-	-	48,394	4,866	-	53,260	5,490
Transactions with owners recorded directly in Equity								
Share capital increase in kind	180,208	4,718	175,490	-	-	-	180,208	-
Share capital increase by incorporation of share premium	-	2,057,828	-2,057,828	-	-	-	-	-
Share capital increase by incorporation of loans	1,300,000	1,300,000	-	-	-	-	1,300,000	-
Share capital increase by IPO	1,566,726	980,122	586,604	-	-	-	1,566,726	-
Expenses incurred with the IPO	-46,839	-	-46,839	-	-	-	-46,839	-
Tax effect of expenses incurred with the IPO	14,052	-	14,052	-	-	-	14,052	-
Dividends attributable to minority interests	-584	-	-	-	-	-	-	-584
Reserves arising from the acquisition of 40% of NEO	-58,431	-	-	-58,431	-	-	-58,431	-
Minority interests resulting from the acquisition of 40% of NEO	-118,692	-	-	-	-	-	-	-118,692
Share capital increase in NEO Group companies	3,941	-	-	-	-	-	-	3,941
Minority interests decrease resulting from acquisition of additional 10% of Dessarollos Catalanes del Viento subsidiaries	-3,964	-	-	-	-	-	-	-3,964
Other	11	-	-	587	-	-	587	-576
Balance as at 30 June 2008	**5,140,899**	**4,361,541**	**553,817**	**109,921**	**16,432**	**-**	**5,041,711**	**99,188**
Comprehensive income for the period								
Fair value reserve (cash flow hedge) net of taxes	670	-	-	-	2,237	-	2,237	-1,567
Exchange differences arising on consolidation	3,174	-	-	3,174	-	-	3,174	-
Fair value reserve (available for sale financial assets) net of tax	7,747	-	-	-	-	7,747	7,747	-
Profit for the period	57,739	-	-	54,794	-	-	54,794	2,945
Total comprehensive income for the period	69,330	-	-	57,968	2,237	7,747	67,952	1,378
Transactions with owners recorded directly in Equity								
Share capital increase in kind	-	-	-	-	-	-	-	-
Share capital increase by incorporation of share premium	-	-	-	-	-	-	-	-
Share capital increase by incorporation of loans	-	-	-	-	-	-	-	-
Share capital increase by IPO	-	-	-	-	-	-	-	-
Expenses incurred with the IPO	-2,546	-	-2,546	-	-	-	-2,546	-
Tax effect of expenses incurred with the IPO	764	-	764	-	-	-	764	-
Dividends attributable to minority interests	-2,156	-	-	-	-	-	-	-2,156
Reserves and minority interests arising from the acquisition of 40% of NEO	-27,986	-	-	-	-	-	-	-27,986
Share capital increase in NEO Group companies	7,379	-	-	-	-	-	-	7,379
Minority interests decrease resulting from acquisitions	3,489	-	-	-	-	-	-	3,489
Minority interests arising from acquisition of additional 10% of Dessarollos Catalanes del Viento subsidiaries	1,485	-	-	-	-	-	-	1,485
Other	-548	-	-	-522	-	-	-522	-26
Balance as at 31 December 2008	**5,190,110**	**4,361,541**	**552,035**	**167,367**	**18,669**	**7,747**	**5,107,359**	**82,751**
Comprehensive income for the period								
Exchange differences arising on consolidation	-1,050	-	-	-1,520	-	-	-1,520	470
Fair value reserve (cash flow hedge) net of taxes	-1,302	-	-	-	-727	-	-727	-575
Fair value reserve (available for sale financial assets) net of tax	-	-	-		-	-	-	-
Profit for the period	65,737	-	-	65,578	-	-	65,578	159
Total comprehensive income for the period	63,385	-	-	64,058	-727	-	63,331	54
Transactions with owners recorded directly in Equity								
Share capital increase in EDP Renováveis Brazil	6,836				-	-	-	6,836
Share capital increase in NEO companies	9,073				-	-	-	9,073
Other	-20			-12	-	-	-12	-8
Balance as at 30 June 2009	**5,269,384**	**4,361,541**	**552,035**	**231,413**	**17,942**	**7,747**	**5,170,678**	**98,706**

The following notes form an integral part of these Condensed Consolidated Financial Statements

EDP Renováveis

Unaudited condensed consolidated statement of comprehensive income for the six months period ended at 30 June 2009 and 2008

(Thousands of Euros)

	2009		2008	
	Equity holders of the parent	Minority Interests	Equity holders of the parent	Minority Interests
Profit for the period	65 578	159	49 570	4 909
Exchange differences arising on consolidation	-1,520	470	-1,176	-
Fair value reserve (cash flow hedge)	-2,949	-821	5,715	830
Tax effect from the fair value reserve (cash flow hedge)	2,222	246	-849	-249
Other comprehensive income for the period, net of income tax	-2,247	-105	3,690	581
Total comprehensive income for the period	63,331	54	53,260	5,490

The following notes form an integral part of these Condensed Consolidated Financial Statements

EDP Renováveis, S.A.

Unaudited Condensed Consolidated Cash Flow Statement
for the six months period ended 30 June 2009 and 30 June 2008

(Thousands of Euros)

	Group	
	2009	**2008**
Cash flows from operating activities		
Cash receipts from customers	325,797	259,654
Cash paid to suppliers	-68,655	-53,957
Cash paid to employees	-30,479	-11,494
Concession rents paid	-4,811	-2,140
Other receipts / (payments) relating to operating activities	37,656	-3,501
	259,508	188,562
Income tax received / (paid)	-16,355	-6,348
Net cash flows from operating activities	243,153	182,214
Continuing activities	243,153	182,214
Cash flows from investing activities		
Cash receipts resulting from:		
Proceeds from sale of financial assets	300	15,436
Proceeds from sale of property, plant and equipment	260	4,398
Investments grants received	-	4,795
Interest received	8,891	3,977
Dividends received	175	419
	9,626	29,025
Cash payments resulting from:		
Acquisition of financial assets	-53,558	-67,906
Acquisition of property, plant and equipment	-1,105,534	-750,711
	-1,159,092	-818,617
Net cash flows from investing activities	-1,149,466	-789,592
Continuing activities	-1,149,466	-789,592
Cash flows from financing activities		
Receipts/ (payments) of loans	946,908	-1,225,623
Interest and similar costs	-42,652	-50,800
Increases in capital and share premium	15,755	1,543,231
Receipts/ (payments) from derivative financial instruments	-774	6,884
Receipts from institutional partnership (Horizon)	39,289	168,066
Net cash flows from financing activities	958,526	441,758
Continuing activities	958,526	441,758
Net increase / (decrease) in cash and cash equivalents	52,213	-165,620
Effect of exchange rate fluctuations on cash held	4,300	-13,468
Changes in cash due to business combinations	3,259	-
Cash and cash equivalents at the beginning of the period (*)	229,680	388,492
Cash and cash equivalents at the end of the period (*)	289,452	209,404

(*) See Note 26 to the financial statements for a detailed breakdown of Cash and cash equivalents

1. The business operations of the EDP Renováveis Group

EDP Renováveis, Sociedad Anónima (hereinafter referred to as "EDP Renováveis") was incorporated on 4 December 2007. Its main corporate objective is to engage in activities related to the electricity sector, namely the planning, construction, operation and maintenance of electricity generating power stations, especially hydroelectric, mini-hydroelectric, wind, solar, thermal solar, photovoltaic, biomass and waste plants, among others. The registered offices of the company are located in Oviedo, Spain. On 18 March 2008 EDP Renováveis was converted into a company incorporated by shares (Sociedad Anónima).

In geographical terms the EDP Renováveis Group operates mainly in the Iberian (Spain and Portugal) and American (Brazil and USA) markets in the renewables energy sector.

As at 30 June 2009 the share capital is held 62.02% by EDP S.A. - Sucursal en España ("EDP Branch"), 15.51% by Hidrocantábrico and 22.47% of the share capital is free-float in the Euronext Lisbon.

Changes in regulatory framework

The main changes in regulatory framework disclosed in 31 December 2008 financial statements have been:

Spain

Royal Decree 6/2009 of May 7 was approved and is aimed at eliminating the tariff deficit from 2013 onwards. Among other measures, it introduces a pre-allocation register for new renewable energy capacity for renewable-energy installations to obtain the entittlements set in RD 661/2007. Installations will be registered in chronological order until the government 's target is met (20,155MW) and a new remuneration scheme should be approved for the following projects.

United States of America

American Recovery and Reinvestment Act of 2009 was approved and includes a number of energy related tax and policy provisions to benefit the development of wind energy generation, namely (i) a three year extension of the PTC until 2012 and (ii) an option to elect a 30% Investment Tax Credit ("ITC") that could replace the PTC through the duration of the extension. This ITC allows the companies to receive 30% of the cash invested in projects placed in service or with the beginning of construction in 2009 and 2010.

2. Accounting policies

a) Basis of preparation

The condensed consolidated financial statements presented reflect EDP Renováveis and its subsidiaries results from operations and Group's interest in associated companies for the six months period ended 30 June 2009 and the financial position as at 30 June 2009 and 31 December 2008.

The Board of Directors approved these condensed consolidated financial statements (referred to as "financial statements") on 28 July 2009. The financial statements are presented in thousand of Euros, rounded to the nearest thousand.

In accordance with Regulation (EC) no. 1606/2002 of 19 July 2002, from the European Council and Parliament, the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). IFRS comprise accounting standards issued by the International Accounting Standards Board ('IASB') and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor bodies.

These condensed consolidated financial statements have been prepared in accordance with International Reporting Standards (IFRS) IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and, should be read in conjuction with the Consolidated Financial Statements of the Group as at 31 December 2008.

The condensed consolidated financial statements have been prepared under the historical cost convention, modified by the application of fair value basis for derivative financial instruments, financial assets and liabilities held for trading and available-for-sale, except those for which a reliable measure of fair value is not available. Recognised assets and liabilities that are hedged under hedge accounting are stated at fair value in respect of the risk that is being hedged. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of the condensed consolidated financial statements in accordance with the EU-IFRS requires the Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and of the reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors considered reasonable in accordance with the circumstances. They form the basis for making judgments regarding the values of the assets and liabilities whose valuation is not apparent from other sources. Actual results may differ from these estimates. The areas involving the highest degree of judgment or complexity, or for which the assumptions and estimates are considered significant, are disclosed in Note 3 (Critical accounting estimates and judgments in applying accounting policies) .

b) Basis of consolidation

The consolidated condensed consolidated financial statements of EDP Renováveis comprise the assets, liabilities and results of EDP Renováveis and its subsidiaries and the results and net equity from its associated companies attributable to the Group. The accounting policies described below have been consistently applied by all Group companies.

Subsidiaries

Investments in subsidiaries where the Group has control are fully consolidated from the date EDP Renováveis assumed control over the financial and operational activities until the moment that control ceases to exist. Control is presumed to exist when the Group owns more than half of the voting rights. Control also exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of the entity, so as to obtain benefits from its activities, even if its shareholding is less than 50%.

Accumulated losses of a subsidiary attributable to minority interest, which exceed the equity of the subsidiary attributable to the minority interest, are attributed to the Group and charged to the income statement when incurred. If the subsidiary subsequently reports profits, such profits are recognised as profits of the Group until the losses attributable to the minority interest previously recognised by the group have been recovered.

Associates

Investments in associates are accounted for by the equity method since the date on which significant influence is transferred to the Group until the date it ceases. Associates are entities over which the Group has significant influence, but not control, over its financial and operating policies. Generally when the Group holds more than 20% of the voting rights of the investor it is presumed that it has significant influence. If the Group holds, directly or indirectly, less than 20% of the voting rights of the investor it is presumed that the group does not have significant influence, except when such influence can be clearly demonstrated.

The significant influence by EDP Renováveis Group is normally demonstrated by one or more of the following ways:
- Representation on the Board of Directors or equivalent management committee;
- Participation in the policy making processes, including participation in decisions over dividends and other distributions;
- Existence of material transactions between the Group and the investor;
- Interchange of managerial personnel;
- Provision of essential technical information.

The condensed consolidated financial statements include the Group's attributable share of total reserves and results of associated companies accounted under the equity method. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has a legal or constructive obligation of covering those losses or make payments on behalf of the associate.

When the Group's share of losses exceeds its interest in na associate, the Group's carrying amount is reduced to nil and recognition of further losses is descontinued, except to the extent that the Group has a legal or constructive obligation of covering those losses or make payments on behalf of the associate.

Jointly controlled entities

Jointly controlled entities, consolidated under the proportionate consolidation method, are entities over whose activities the Group has joint control along with another company, under a contractual agreement. The condensed consolidated financial statements include the Group's proportionate share of the joint ventures' assets, liabilities, revenue and expenses, from the date the joint control begins until it ceases.

Business Combinations

Following the transition to International Financial Reporting Standards (IFRS), adopted by the EDP Energias de Portugal Group as of 1 January 2004, and as permitted by IFRS 1 — First-time Adoption, the EDP Group opted to maintain the goodwill resulting from the business combinations that occurred prior to the transition date, calculated according to the previous accounting principles applied by the Group. This accounting policy was maintained when the holdings in NEO and Horizon were transferred to EDP Renováveis Group. As such, the goodwill booked on the EDP Renováveis consolidated financial statements remained as it was on the EDP Energias de Portugal Group consolidated annual accounts on the date of the transfer (18 December 2007).

Business combinations occurring are recorded using the purchase method. According to this method, the acquisition cost is equivalent to the fair value of assets transferred and liabilities incurred or assumed on the purchase date, plus any costs directly attributable to the acquisition. The total amount of positive goodwill resulting from acquisitions is recognised as an asset and recorded at cost, not being subject to depreciation.

Goodwill arising on the acquisition of holdings in subsidiaries and associates is defined as the difference between the acquisition cost and the proportion of fair value of the identifiable assets, liabilities and contingent liabilities acquired by the Group.

The Group recognises as a liability the fair value of the liability related to minority interest acquired through written put options celebrated with those minority interest. Any differences between the minority interest acquired and the fair value of the liability, are recognised against goodwill.

Fair value is based on contractual price, that can be fixed or variable. In the case of variable price, responsibility value is discounted against goodwill and the discount unwinding is recognised as results.

The value of goodwill recognised as an asset is assessed annually to identify any impairment, regardless of the existence of any indication of impairment. Impairment losses are recognised in the year's income statement. The recoverable amount is determined based on the future economic benefits of the assets, which are calculated using valuation methods based on discounted cash flows techniques, considering market conditions, time value of money and business risks.

A liability is recognised for contingent consideration as soon as payment becomes probable and the amount can be measured reliably. The purchase price subsequently is adjusted against goodwill or negative goodwill as the estimate of the amount payable is revised.

Negative goodwill arising on an acquisition is recognised directly in the income statement in the period when the business combination occurs.

Investments in foreign operations

The annual accounts of the foreign subsidiaries and associates of the Group are prepared using their functional currency, defined as the currency of the primary economic environment in which they operate. In the consolidation process, the assets and liabilities of foreign subsidiaries are translated into Euros at the official exchange rate prevailing at the balance sheet date.

In relation to the foreign subsidiaries consolidated using the full consolidation, proportional or equity method, the exchange differences arising from the amount expressed in Euros of the opening balance of net assets at the beginning of the year and the translation to Euros of the opening balance of net assets using the year end exchange rate, are booked against reserves.

Goodwill from foreign operations is revaluated using the year end exchange rate, and booked against reserves.

The income and expenses of foreign subsidiaries are translated to Euros, at the approximate exchange rates ruling at the dates of the transactions. Exchange differences arising from the translation of the result for the reporting period from the exchange rate used in the income statement to the exchange rate prevailing at the balance sheet date are recognised in reserves.

On disposal of a foreign operation, exchange differences related thereto and previously booked against reserves are accounted in the income statement.

Balances and transactions eliminated on consolidation

Inter-company balances and transactions, including any unrealised gains and losses on transactions between group companies, are eliminated in preparing the consolidated annual accounts. Unrealised gains and losses arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Common control transactions

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absense of specific guidance, within IFRSs, the EDP Renováveis Group has developed an accounting policy for such transactions, as considered appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated annual accounts using the book values of the acquired company (subgroup). The difference between the carrying amount of the net assets received and the consideration paid, is recognised in equity.

Put options related to minority interests

EU-IFRS currently do not establish specific accounting treatment for commitments related to written put options related with investments in subsidiaries held by minority interests at the date of acquisition of a business combination. Nevertheless, the EDP Renováveis Group records these written put options at the date of acquisition of a business combination or at a subsequent date as an advance acquisition of these interests, recording a financial liability for the present value of the best estimate of the amount payable, irrespective of the estimated probability that the options will be exercised. The difference between this amount and the amount corresponding to the percentage of the interests held in the identifiable net assets acquired is recorded as goodwill. In the event that these written put options are engaged at a date subsequent to the acquisition of the business combination, the same accounting policy would be applied.

In years subsequent to initial recognition, the changes in the liability due to the effect of the financial discount are recognised as a financial expense in the consolidated income statement, and the remaining changes are recognised as an adjustment to the cost of the business combination. Where applicable, dividends paid to minority shareholders up to the date the options are exercised are also recorded as adjustments to the cost of the business combination. In the event that the options are not exercised, the transaction would be recorded as a sale of interests to minority shareholders.

c) Foreign currency transactions

Foreign currency transactions are translated at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the foreign exchange rates ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate ruling at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Euros at the foreign exchange rates ruling at the date the fair value was determined.

d) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised on the trade date at fair value. Subsequently, the fair value of derivative financial instruments is re-measured on a regular basis, being the gains or losses on re-measurement recognised directly in the income statement, except for derivatives designated as hedging instruments. The recognition of the resulting gains or losses on re-measurement of the derivatives designated as hedging instruments depends on the nature of the risk being hedged and of the hedge model used.

The fair value of derivatives correspond to their quoted market prices, if available, or, in the absence of a market, are determined by external entities through the use of valuation techniques, including discounted cash flows models and option pricing models, as appropriate.

Hedge accounting

The Group uses financial instruments to hedge interest and foreign exchange risks resulting from its operational and financing activities. The derivate financial instruments that do not qualify for hedge accounting are recorded as for trading.

The derivatives that are designated as hedging instruments are recorded at fair value, being the gains and losses recognised in accordance with the hedge accounting model adopted by the Group. Hedge accounting is used when:

(i) At the inception of the hedge, the hedge relationship is identified and documented;
(ii) The hedge is expected to be highly effective;
(iii) The effectiveness of the hedge can be reliably measured;
(iv) The hedge is revalued on a on-going basis and is considered to be highly effective over the reporting period; and
(v) The forecast transactions hedged are highly probable and represent a risk to changes in cash flows that could affect the income statement.

Fair value hedge

Changes in the fair value of the derivative financial instruments that are designated as hedging instruments are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the risk being hedged. If the hedge no longer meets the criteria for hedge accounting, the accumulated gains or losses concerning the fair value of the risk being hedged are amortised over the period to maturity.

Cash flow hedge

The effective portion of the changes in the fair value of the derivative financial instruments that are designated as hedging instruments in a cash flow hedge model is recognised in equity. The gains or losses relating to the ineffective portion of the hedging relationship are recognised in the income statement in the moment they occur.

The cumulative gains or losses recognised in equity are also reclassified to the income statement over the periods in which the hedged item will affect the income statement. When the forecast transaction hedge results in the recognition of a non-financial asset or liability, the gains or losses recorded in equity are included in the acquisition cost of the asset or liability.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss recognised in equity at that time stays recognised in equity until the hedged transaction also affects the income statement. When the forecasted transaction is no longer expected to occur, the cumulative gains or losses recognized in equity are recorded in the income statement.

Net investment hedge

The net investment hedge is applied on a consolidated basis to investments in subsidiaries in foreign currencies. The exchange differences recorded against exchange differences arising on consolidation are offset by the exchange differences arising from the foreign currency borrowings used for the acquisition of those subsidiaries. If the hedging instrument is a derivative, the gains or losses arising from fair value changes are also recorded agiainst exchange differences arising on consolidation. The ineffective portion of the hedging relation is recognised in the income statement.

Effectiveness

For a hedge relationship to be classified as such, in accordance with IAS 39, its effectiveness should be demonstrated. Therefore, the Group performs prospective tests at inception and retrospective tests on an on-going basis to demonstrate the effectiveness at each balance sheet date, demonstrating that any changes in the fair value of the hedged item (risk being hedged) are hedged by changes in the fair value of the hedging instrument. Ineffectiveness is recognised in the income statement in the moment it occurs.

e) Other financial assets

The Group classifies its other financial assets at acquisition date in the following categories:

Financial assets at fair value through profit or loss

This category includes: (i) financial assets held for trading, which are those acquired principally for the purpose of being sold in the short term and (ii) financial assets that are designated at fair value through profit or loss at inception.

Available for sale investments

Available for sale investments are non-derivative financial assets (i) intended to be held for an indefinite period of time, or (ii) designated as available for sale at initial recognition.

Initial recognition, measurement and derecognition

Purchases and sales of: (i) financial assets at fair value through profit or loss and (ii) available for sale investments, are recognised on trade date, the date on which the Group commits to purchase or sell the assets.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, in which case these transaction costs are directly recognised in the income statement.

Financial assets are derecognised when (i) the contractual rights to receive their cash flows have expired, (ii) the Group has transferred substantially all risks and rewards of ownership or (iii) although retaining some, but not substantially all of the risks and rewards of ownership, the Group has transferred the control over the assets.

Subsequent measurement

After initial recognition, financial assets at fair value through profit or loss are subsequently carried at fair value and gains and losses arising from changes in their fair value are included in the income statement in the period in which they arise.

Available for sale financial assets are also subsequently carried at fair value, however, gains and losses arising from changes in their fair value are recognised directly in equity, until the financial assets are derecognised or impaired, being the cumulative gains or losses previously recognised in equity recognised in the income statement. Foreign exchange differences arising from equity investments classified as available for sale are also recognised in equity, while foreign exchange differences arising from debt instruments are recognised in the income statement. Interest calculated using the effective interest rate method and dividends, are recognised in the income statement.

The fair values on quoted investments in active markets are based on current bid prices. For unlisted securities the Group determines the fair value through (i) valuation techniques, including the use of recent arm's length transactions or discounted cash flow analysis and (ii) valuation assumptions based on market information.

Financial instruments whose fair value cannot be reliably measured are carried at cost.

Reclassifications between categories

The Group does not reclassify, after initial recognition, a financial instrument into or out of the fair value through profit or loss category.

Impairment

At each balance sheet date, an assessment is performed as to whether there is objective evidence that a financial asset or group of financial assets is impaired, namely when losses may occur in future estimated cash-flows of the financial asset or group of financial assets, and it can be reliably measured.

If there is objective evidence of impairment, the recoverable amount of the financial assets is determined, the impairment losses being recognised through the income statement.

A financial asset or a group of financial assets is impaired if there is objective evidence of loss as a result of one or more events that occurred after their initial recognition, such as: (i) for listed securities, a significant or prolonged decline in the fair value of the security below its cost, and (ii) for unlisted securities, when that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets, that can be reliably estimated.

If there is objective evidence that an impairment loss on available for sale financial assets has been incurred, the cumulative loss recognised in equity, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement, is taken to the income statement.

For debt instruments, if in a subsequent period, the amount of the impairment losses decrease, the previously recognised impairment losses are reversed through the income statement up to the acquisition cost, if the increase is objectively related to an event occurring after the impairment loss was recognised. For equity instruments, the impairment reversal is recognised in equity.

f) Financial liabilities

An instrument is classified as a financial liability when it contains a contractual obligation to transfer cash or another financial asset, independently from its legal form. These financial liabilities are recognised (i) initially at fair value less transaction costs and (ii) subsequently at amortised cost, using the effective interest rate method.

The Group derecognises the whole or part of a financial liability when the obligations included in the contract have been satisfied or the Group is legally released of the fundamental obligation related to this liability either through a legal process or by the creditor.

Where financial instruments are exchanged between the Group and the counterparty, or substantial modifications are made to initially recorded liabilities, the original financial liability is derecognised and a new financial liability is subsequently recognised, provided that these instruments are substantially different.

The Group considers that the terms are substantially different if the current value of cash flows discounted under the new terms, including any commission paid net of any commission received, and using the original effective interest rate to make the discount, differs by at least 10% of the current discounted value of cash flows remaining from the original financial liability.

If the exchange is recognised as a cancellation of the original financial liability, costs or commissions are taken to the consolidated income statement. Otherwise, costs or commissions adjust the book value of the liability and are amortised following the amortised cost method over the remaining term of the modified liability.

The Group recognises the difference between the carrying amount of a financial liability (or part of a financial liability which has been cancelled or transferred to a third party) and the consideration paid, which includes any asset transferred other than cash or the liability assumed, with a debit or credit to the consolidated income statement.

g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of assets are capitalised as part of the cost of the assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. To the extent that funds are borrowed generally, the amount of borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on these assets. The capitalisation rate corresponds to the weighted average of the borrowing costs applicable to the borrowings of the enterprise that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalised during a period does not exceed the amount of borrowing costs incurred during the period.

The capitalisation of borrowing costs commences when expenditures for the asset are being incurred, borrowing costs have been incurred and activities necessary to prepare all or part of the assets for their intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use or sale are completed. Capitalisation of borrowing costs shall be suspended during extended periods in which active development is interrupted.

h) Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of acquisition includes interest on external financing and personnel costs and other internal expenses directly or indirectly related to work in progress accrued solely during the period of construction. The cost of production is capitalised by charging costs attributable to the asset as own work capitalised under other operating income and personnel costs and employee benefit expense in the consolidated income statement.

Subsequent costs are recognised as separate assets only when it is probable that future economic benefits associated with the item will flow to the Group. All repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

The Group assesses assets impairment, whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, the impairment being recognised in the income statement.

The recoverable amount is determined by the highest value between the net selling price and its fair value in use, this being calculated by the present value of estimated future cash-flows obtained from the asset and after its disposal at the end of its economic useful life.

Land is not depreciated. Depreciation on the other assets is calculated using the straight-line method over their estimated useful lives, as follows:

	Number of years
Buildings and other constructions	20 to 33
Plant and machinery	
Wind farm generation	20
Hydroelectric generation	20 to 30
Other plant and machinery	15 to 40
Transport equipment	3 to 10
Office equipment and tools	3 to 10
Other tangible fixed assets	4 to 10

i) Intangible assets

The other intangible assets of the Group are booked at acquisition cost less accumulated amortisation and impairment losses. The Group does not own intangible assets with indefinite lives.

The Group assesses for impairment, whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, the impairment being recognised in the income statement. The recoverable value is determined by the highest amount between its net selling price and its value in use, this being calculated by the present value of the estimated future cash-flows obtained from the asset and sale price at the end of its economic useful life.

Acquisition and development of software

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on the basis of their expected useful lives.

Costs that are directly associated with the development of identifiable specific software applications by the Group, and that will probably generate economic benefits beyond one year, are recognised as intangible assets. These costs include employee costs directly associated with the development of the referred software and are amortised using the straight-line method during their expected useful lives.

Maintenance costs of software are charged to the income statement when incurred.

Industrial property and other rights

The amortisation of industrial property and other rights is calculated using the straight-line method for an expected useful live expected of less than 6 years.

j) Impairment of non financial assets

The carrying amounts of the Group's non-financial assets such as investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is then estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units which are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in circumstances that caused the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k) Leases

The Group classifies its lease agreements as finance leases or operating leases taking into consideration the substance of the transaction rather than its legal form. A lease is classified as a finance lease if it transfers to the lessee substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Operating leases

Lease payments are recognised as an expense and charged to the income statement in the period to which they relate.

l) Inventories

Inventories are stated at the lower of the acquisition cost and net realisable value. The cost of inventories includes purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs.

The cost of inventories is assigned by using the weighted average method.

m) Accounts receivable

Accounts receivable are initially recognised at their fair value and subsequently are measured at amortised cost less impairment losses.

Impairment losses are recorded based on the valuation of estimated losses from non-collection of accounts receivable at the balance sheet date. Impairment losses are recognised in the income statement, and can be reversed if the estimated losses decrease in a later period.

n) Employee benefits

Pensions

Enernova, one of the portuguese companies of EDP Renováveis Group attribute post-retirement plans to their employees under defined benefit plans and defined contribution plans, namely, pension plans that pay complementary old-age, disability and surviving-relative pension complements, as well as early retirement pensions.

Defined benefit plans

In Portugal, the defined benefits plan is financed through a restricted Pension Fund complemented by a specific provision. This Pension Fund covers liabilities for retirement pension complements as well as liabilities for early retirement.

The pension plans of the Group companies in Portugal are classified as defined benefit plans, since the criteria to determine the pension benefit to be received by employees on retirement is predefined and usually depend on factors such as age, years of service and level of salary at the age of retirement.

The liability of the Group with pensions is calculated annually, at the balance sheet date for each plan individually, by qualified actuaries using the projected unit credit method. The discount rate used in this calculation is determined by reference to interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liabilities.

Actuarial gains and losses determined annually and resulting from (i) the differences between financial and actuarial assumptions used and real values obtained and (ii) changes in the actuarial assumptions are recognised against equity, in accordance with the alternative method defined by IAS 19, revised on 16 December 2004.

The increase in past service costs arising from early retirements (retirements before the normal age of retirement) is recognised in the income statement when incurred.

Annually the Group recognises as cost in the income statement the net amount of, (i) the current service cost, (ii) the interest cost, (iii) the estimated return of the fund assets and (iv) the cost arising from early retirements.

The plan assets are recognised according to the conditions established by IFRIC 14 - IAS 19 and the minimum financing requirements defines legally or under a contract.

Defined contribution plans

In Spain and Portugal, some Group Companies have social benefit plans of defined contribution that complement those granted by the social welfare system to the companies employees, under which they pay a contribution to these plans each year, calculated in accordance with the rules established in each plan. The cost related to defined contribution plans is recognised in the results in the period in which the contribution is made.

Other benefits

Medical care and other plans

In Portugal some Group companies provide medical care during the period of retirement and early retirement, through complementary benefits to those provided by the Social Welfare System. These medical care plans are classified as defined benefit plans. The present value of the defined benefit obligation at the balance sheet date is recognised as a defined benefit liability. Measurement and recognition of the liability with healthcare benefits is similar to the measurement and recognition of the pension liability for the defined benefit plans, described above.

Variable remuneration to employees

In accordance with the by-laws of certain Group entities, annually the shareholders approve in the annual general meeting a percentage of profits to be paid to the employees (variable remuneration), following a proposal made by the Board of Directors. Payments to employees are recognised in the income statement in the period to which they relate.

o) Provisions

Provisions are recognised when: (i) the Group has a present legal or constructive obligation, (ii) it is probable that settlement will be required in the future and (iii) a reliable estimate of the obligation can be made.

Dismantling and decommissioning provisions

The Group recognises dismantling and decommissioning provisions for property, plant and equipment when a legal or contractual obligation is setlled to dismantling and decommissioning those assets at the end of their useful life. Consequently, the Group has booked provisions for property, plant and equipment related with wind turbines, for the expected cost of restoring sites and land to its original condition. The provisions correspond to the present value of the expenditure expected to be required to settle the obligation and are recognised as part of the initial cost or an adjustment to the cost of the respective asset, being depreciated on a straight-line basis over the asset useful life.

Decommissioning and dismantling provisions are remeasured on an annual basis based on the best estimate of the settlement amount. The unwinding of the discount at each balance sheet date is charged to the income statement.

The assumptions used in the calculation of the provisions for dismantling and decommissioning presented as at 30 June 2009 have been the same used in Consolidated Financial Statements of the Group as at 31 December 2008. The Management considers that no significant changes have occurred in these assumptions.

p) Recognition of costs and revenue

Costs and revenues are recorded in the year to which they refer regardless of when paid or received, in accordance with the accrual concept. Differences between amounts received and paid and the corresponding revenue and expenditure are recorded under other assets and other liabilities.

Revenue comprises the amounts invoiced on the sale of products or of services rendered, net of value added tax, rebates and discounts, after elimination of intra-group sales.

Revenue from electricity sales is recognised in the period that electricity is generated and transferred to customers.

Differences between estimated and actual amounts, which are normally not significant, are recorded during the subsequent periods.

Financial results include interest payable on borrowings, interest receivable on funds invested, dividend income, foreign exchange gains and losses, gains and losses on financial instruments and changes on fair value of the risk being hedged.

Interest income is recognised in the income statement based on the effective interest note method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Financial results also include impairment losses on available for sale investments.

q) Income tax

Income tax for the year includes current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred taxes arising from the revaluation of cash flow hedge derivatives and financial assets available for sale recognised in shareholders' equity are recognised in the profit and loss in the period the results that originated the deferred taxes are recognized.

Current tax is the tax expected to be paid on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred taxes are calculated in accordance with the liability method based on the balance sheet, considering temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis, using the tax rates enacted or substantively enacted at the balance sheet date for each jurisdiction and that is expected to be applied when the temporary difference is reversed.

Deferred tax liabilities are recognised for all taxable temporary differences except for goodwill not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available to absorb deductible temporary differences for taxation purposes.

r) Earnings per share

Basic earnings per share are calculated by dividing net income available to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, excluding the average number of ordinary shares purchased by the Group and held as treasury stock.

For the diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to assume conversion of all dilutive potential ordinary shares, such as convertible debt and share options granted to employees. Potential or contingent share issuances are treated as dilutive when their conversion to shares would decrease net earnings per share.

s) Non-current assets held for sale and discontinued operations

Non-current assets or disposal groups (groups of assets and related liabilities that include at least a non-current asset) are classified as held for sale when their carrying amounts will be recovered principally through sale and the assets or disposal groups are available for immediate sale and its sale is highly probable.

The Group also classifies as non-current assets held for sale those non-current assets or disposal groups acquired exclusively with a view to its subsequent disposal, that are available for immediate sale and its sale is highly probable.

Immediately before classification as held for sale, the measurement of the non-current assets or all assets and liabilities in a disposal group, is adjusted in accordance with the applicable IFRS. Subsequently, these assets or disposal groups are measured at the lower of their carrying amount at fair value less costs to sell.

t) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include balances with maturity less than three months from the balance sheet date, including cash and deposits with banks.

The Group classified cash flows related to interest and dividends received and paid as investment and financing activities, respectively.

u) Segment reporting

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments.

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

v) Government grants

Government grants are recognised initially as deferred income under non-current liabilities when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised. Grants that compensate the Group for the cost of an asset are recognised in profit or loss on a systematic basis over the useful life of the asset.

Accounting standards and interpretations applied during the six months period ended 30 June 2009

The Group has applied the following standards and interpretations, already endorsed by the European Union:

- IAS 1 (Amended) - "Presentation of financial statements";
- IAS 23 (Amended) - "Borrowing costs";
- IAS 32 (Amended) — "Financial Instruments: Presentation - Puttable financial instruments and obligations arising from liquidation",
- IFRS 2 (Amended) - "Share-based payment: Acquisition conditions";
- IFRS 8 — "Operating Segments";
- IFRIC 11 — "IFRS 2 — Group and Treasury Share Transactions"
- IFRIC 13 "Customer Loyalty Programmes";

No significant impact has occurred from the application of these standards, amendments and interpretations.

3. Critical accounting estimates and judgments in applying accounting policies

The IFRSs set forth a range of accounting treatments and require the Board of Directors to apply judgment and make estimates in deciding which treatment is most appropriate.

The main accounting estimates and judgements used in applying the accounting policies are discussed in this note in order to improve the understanding of how their application affects the Group's reported results and disclosures. A broader description of the accounting policies employed by the Group is disclosed in Note 2 to the Condensed Consolidated Financial Statements.

Considering that in many cases there are alternatives to the accounting treatment adopted by the Executive Board of Directors, the Group's reported results could differ if a different treatment was chosen. The Executive Board of Directors believes that the choices made are appropriate and that the annual accounts are presented fairly, in all material respects, the Group's financial position and results. The alternative outcomes discussed below are presented solely to assist the reader in understanding the annual accounts and are not intended to suggest that other alternatives or estimates would be more appropriate.

Impairment of available for sale investments

The Group determines that available for sale investments are impaired when there has been a significant or prolonged decline in the fair value below its cost.

This determination of what is significant or prolonged requires judgment. In making this judgment, the Group evaluates among other factors, the normal volatility in share price. In addition, valuations are generally obtained through listed market prices or valuation models that may require assumptions or judgment in making estimates of fair value.

Alternative methodologies and the use of different assumptions and estimates could result in a higher level of impairment losses recognised with a consequent impact in the income statement of the Group.

Fair value of derivatives

Fair values are based on listed market prices, if available, otherwise fair value is determined either by dealer prices (both for that transaction or for similar instruments traded) or by pricing models, based on net present value of estimated future cash flows which take into account market conditions for the underlying instruments, time value, yield curves and volatility factors. These pricing models may require assumptions or judgments in estimating fair values.

Consequently, the use of a different model or of different assumptions or judgments in applying a particular model may have produced different financial results for a particular period.

Review of the useful life of assets related to production

The Group regularly reviews the useful life of its electrical generation installations in order to bring it into line with the technical and economic measurements of the installations, taking into consideration their technological capacity and prevailing regulatory restrictions.

Impairment of long term assets

Impairment test are performed whenever there is an indication that the recoverable amount of property, plant, equipment and intangible assets is less than the corresponding net book value of assets.

The recoverable amount of the goodwill from investments in subsidiaries recognised as an asset is reviewed annually, regardless of whether there is any indication of impairment, and goodwill from associates is tested when there is any indication of impairment.

Considering that estimated recoverable amounts related to property, plant and equipment, intangible assets and goodwill are based on the best information available, changes in the estimates and judgments could change the impairment test results which could affects the Group's reported results.

Doubtful debts

Impairment losses related to Doubtful debts are estimated by the Board of Directors based on the estimated recoverable amounts, the date of default, debt write offs and other factors. Certain circumstances and facts may change the estimated impairment losses of Doubtful debts, namely changes in the economic environment, economic sector trends, client's credit risk and increases in the rate of defaults. The evaluation process in determining whether an impairment loss should be recorded in the income statement is subject to numerous estimates and judgment. Changes in the estimates and judgments could change the impairment test results which could affect the Group's reported results.

Revenue recognition

Revenue from electricity sales is recognised when electricity is generated and transferred to customers. Estimates of electricity consumed and not invoiced until the end of the period are recognised based on average consumptions from previous periods and analysis to the electricity suppliance activity.

Alternative estimates could affect the Group's reported revenues and consequently the Group's reported results.

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant interpretations and estimates are required in determining the global amount for income taxes.

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Different interpretations and estimates would result in a different level of income taxes, current and deferred, recognised in the period.

Tax Authorities are entitled to review the EDP Renováveis, and its subsidiaries' determination of its annual taxable earnings, for a determined period that may be extended in case there are tax losses carried forward. Therefore, it is possible that some additional taxes may be assessed, mainly as a result of differences in interpretation of the tax law. However, the Board of Directors of EDP Renováveis, and those of its subsidiaries, are confident that there will be no material tax assessments within the context of the annual accounts.

Pensions and other employee benefits

Determining pension liabilities requires the use of assumptions and estimates, including the use of actuarial projections, estimated returns on investment, discount rates, salaries and social security increases and other factors that could impact the cost and liability of the pension and medical plans. Changes in these assumptions could materially affect these values.

Dismantling and decommissioning provisions

The Board of Directors considers that Group has contractual obligations with the dismantling and decommissioning of property, plant and equipment related to wind electricity generation. For these responsibilities the Group has recorded provisions for the expected cost of restoring sites and land to its original condition. The provisions correspond to the present value of the expenditure expected to be required to settle the obligation.

The Board of Directors considers that no contractual or constructive obligations arise from regulatory and legal requirements of Group's activity that demands the recognition of a provision for dismantling and decommissioning for the remaining electricity generating centres of EDP Renováveis Group.

The use of different assumptions in estimates and judgments referred may have produced different results from those that have been considered.

4. Financial-risk management policies

The businesses of EDP Renováveis Group are exposed to a variety of financial risks, including the effects of changes in market prices, foreign exchange and interest rates. The main financial risks lie essentially in its debt portfolio, arising from interest-rate and the exchange-rate exposures. The unpredictability of the financial markets is analysed on an on-going basis in accordance with the EDP Group's risk management policy. Financial instruments are used to minimize potential adverse effects resulting from the interest rates and foreign exchange rates risks on EDP Renováveis financial performance.

The Board of Directors of EDP Renováveis is responsible for the definition of general risk-management principles and the establishment of exposure limits. The operational management of financial risks of EDP Renováveis Group is outsourced to the Finance Department of EDP - Energias de Portugal, S.A., in accordance with the policies approved by the Board of Directors. The outsourcing service includes identification and evaluation of hedging mechanisms appropriate to each exposure.

All transactions undertaken using derivative financial instruments require the prior approval of the Board of Directors, which defines the parameters of each transaction and approves the formal documents describing their objectives.

The risk management policy implemented by the Group accomodated the adverse environment in capital markets allowing EDP Renováveis to follow its strategy and investment plan without significative changes.

Exchange-rate risk management

EDP Renováveis Group operates internationally and is exposed to the exchange-rate risk resulting, mainly, from investments in subsidiaries whose functional currency is the US Dollar (USD), Poland Zloty (PLN) and Romanian Lei (RON). Currently, the main exposure to the exchange-rate risk is the USD/EUR currency fluctuation risk, which results mainly from the shareholding in Horizon.

EDP Group's Finance Department is responsible for monitoring the evolution of the USD, seeking to mitigate the impact of currency fluctuations on the financial results and/or equity of the Group, using exchange-rate derivatives and/or other hedging structures.

The policy implemented by the EDP Renováveis Group consists of undertaking derivative financial instruments for the purpose of hedging foreign exchange risks with characteristics similar to those of the hedged item. The operations are revalued and monitored throughout their useful lives and, periodically, their effectiveness in controlling and hedging the risk that gave rise to them is evaluated.

Sensivity analysis - Foreign exchange rate

Some operations result in an exposure to exchange rate risk due to the fact that they are accounted for as held for trading, although the actual purpose of these operations is to fix the price in the foreign exchange component related to future acquisitions of turbines.

As a consequence, in relation to Horizon, a depreciation/appreciation of 10% in the Dolar, with reference to 30 June 2009 and 2008, would originate an increase/(decrease) in EDP Renováveis Group income statement, as follows:

	30 Jun 2009 Euro'000		30 Jun 2008 Euro'000	
	+10%	-10%	+10%	-10%
USD / EUR	4,432	-5,416	4,959	-6,061
PLN / EUR	7,316	-8,942	-	-
	11,748	-14,358	4,959	-6,061

This analysis assumes that all other variables, namely interest rates, remain unchangeable.

Interest rate risk management

The Group's operating and financial cash flows are substantially independent from the fluctuation in interest-rate markets.

The purpose of the interest-rate risk management policies is to reduce the financial expenses and the exposure of debt cash flows to market fluctuations. As such, whenever considered necessary and in accordance to the Group's policy, the Group contracts derivative financial instruments to hedge interest rate risks.

In the floating-rate financing context, the Group contracts interest-rate derivative financial instruments to hedge cash flows associated with future interest payments, which have the effect of converting floating-interest rate loans into fixed-interest rate loans.

All these operations are undertaken on liabilities in the Group's debt portfolio and are mainly perfect hedges with a high correlation between changes in fair value of the hedging instrument and changes in fair value of the interest-rate risk or upcoming cash flows.

The EDP Renováveis Group has a portfolio of interest-rate derivatives with maturities between 1 and 13 years. The Financial Department of EDP Group undertakes sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations or up-coming cash flows.

Sensivity analysis - Interest rates

The management of interest rate risk associated to activities developed by the Group is outsourced to the Financial Department of EDP Group, contracting derivative financial instruments to mitigate this risk.

Based on the debt portfolio of the NEO Group and the related derivative financial instruments used to hedge associated interest rate risk, as well as on the shareholder loans received by EDP Renováveis, a change of 100 basis points in the interest rates with reference to 30 June 2009 and 2008 would increase / (decrease) equity and results of EDP Renováveis Group in the following amounts (in thousands of Euros):

	30 Jun 2009			
	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Cash flow hedge derivatives	-	-	11,091	-11,828
Unhedged debt (variable interest rates)	-918	918	-	-
	-918	918	11,091	-11,828

	30 Jun 2008			
	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Cash flow hedge derivatives	-	-	10,370	-10,829
Unhedged debt (variable interest rates)	-4,395	4,395	-	-
	-4,395	4,395	10,370	-10,829

This analysis assumes that all other variables, namely foreign exchange rates, remain unchangeable.

As at 30 June 2009 and 2008, Horizon has no significant exposure to interest rate risks.

Counter-party credit-rate risk management in financial transactions

The EDP Renováveis Group policy in terms of the counterparty risk on financial transactions with companies outside EDP Group is managed by an analysis of the technical capacity, competitiveness, credit rating and exposure to each counter-party. Counterparties in derivatives and financial transactions are restricted to high-quality credit institutions or to the EDP Group.

The EDP Renováveis Group documents financial operations according to international standards. Most derivative financial instruments contracted with credit institutions are engaged under ISDA Master Agreements, to assure a greater flexibility in the transfer of the instruments in the market.

In the specific case of the NEO Group, credit risk is not significant due to the limited average collection period for customer balances and the quality of its debtors. The Group's main customers are operators and distributors in the energy market of their respective countries (OMEL and MEFF in the case of the Spanish market).

The Board of Directors believe that the amount that best represents the Group's exposure to credit risk corresponds to the carrying amount of Trade receivables and Other debtors, net of the impairment losses recognised. The Group believes that the credit quality of these receivables is adequate and that no significant impaired credits exist that have not been recognised as such and provided for.

Liquidity-risk

Liquidity risk is the possibility that the Group will not be able to meet its financial obligations as they fall due. The Group strategy to manage liquidity is to ensure, as far as possible, that it will always have significant liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unaceptable losses or risking damage to the Group's reputation.

The adverse scenario of debt market could make it difficult to cover the financial requirements needed to carry out the Group's activities.

The liquidity policy followed ensures compliance with payment obligations acquired, through maintaining sufficient credit facilities and having access to the EDP Group facilities.

Market price risk

As at 30 June 2009, market price risk affecting the EDP Renovavéis Group is not significant. In the case of Horizon, prices are fixed and mainly determined by power purchase agreements. In the case of NEO the electricity is sold in Spain directly on the daily market at spot prices plus a pre-defined premium (regulated). Nevertheless, NEO has an option of selling the power through regulated tariffs, granting minimum prices. In the remaining countries, prices are mainly determined through regulated tariffs.

Neo has electricity sales swaps that qualifies for hedge accounting (cash flow hedge) that are related to electricity sales for the year 2009 (see note 35).

Capital management

The Group's goal in managing equity, in accordance with the policies established by its main shareholder, is to safeguard the Group's capacity to continue operating as a going concern, grow steadily to meet established growth targets and maintain an optimum equity structure to reduce equity cost.

In order to maintain and adjust its equity structure, the Group could adjust the amount of dividends to be distributed to shareholders.

In conformity with other sector groups, the Group controls its financing structure based on the leverage ratio. This ratio is calculated as net financial borrowings divided by total equity and net borrowings. Net financial borrowings are determined as the sum of financial debt, institutional equity liabilities corrected for non-current deferred revenues, less cash and cash equivalents.

5. Changes in consolidation perimeter: Business combinations, Sale of affiliates and Merge of affiliates

During the six month period ended 30 June 2009, the changes in the consolidation perimeter of the EDP Renováveis Group were:

Companies sold during the period:
- Generaciones Especiales I, S.L, sold its 50% interest in the subsidiary Ibersol E. Solar Ibérica, S.A.

Companies merged during the period:
- Horizon Wind Energy Company LLC was merged into Horizon Wind Energy LLC.

Companies acquired during the period:
- EDPR Group, through its subsidiary EDPR Brasil, S.A. acquired 100% of the share capital of CENAEEL - Central Nacional de Energia Eólica, Lda. ("CENAEEL").
- EDPR Group, through its subsidiary Nuevas Energías de Occidente,S.L. acquired 100% of the share capital of the companies Mardelle, SARL and Vallée du Moulin, SARL and 49% of the share capital of Quinze Mines, SARL.
- EDPR Group, through its subsidiary Neo Catalunia, S.A. acquired 100% of the share capital of the companies Parc Eólic Coll de la Garganta, SL., Parc Eólic Serra Voltorera, SL. y Bon Vent de L'Ebre, SL..
- The companies Wind Energy Northwest IV LLC, Horizon Wyoming Transmission LLC, Meadow Lake Windfarm III LLC, Meadow Lake Windfarm IV LLC, Black Prairie Wind Farm II LLC and Black Prairie Wind Farm III LLC were incorporated during 2009 and are 100% held by Horizon Wind Energy LLC;

Companies incorporated during the period:
- Agrupación Eólica Francia, S.L. was incorporated being 100% held by Nuevas Energias del Occidente, S.A.
- Desarrollos Eólicos de Teruel, S.L.. was incoporated being 51% held by Sinae, S.A..
- Eólica Garcimuñoz, S.L.. was incoporated being 100% held by Desa, S.A..

Other changes
- The interests held by NEO in the share capital of French companies was transferred to the incorporated company Agrupación Eólica Francia, S.L., through a share capital increase in kind.

  * EDPR Group holds, through its subsidiary Horizon, a group of companies legally incorporated in United States of America without share capital and as at 30 June 2009 without any assets, liabilities or operational activity.

On 17 March 2009, EDP Renováveis through its subsidiary EDP Renováveis Brazil agreed to purchase 100% of the share capital of Elebrás Projetos, Ltda.. The conclusion of this operation depends from administrative and contractual authorizations and as a consequence this company has not been included in the consolidation perimeter.

6. Revenue

Revenue is analysed by sector as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Revenue by sector of activity/business:		
Electricity	305,694	246,951
Other	5,660	10,053
	311,354	257,004
Services rendered by sector of activity:		
Other	2,562	1,462
	313,916	258,466
Total Revenue:		
Electricity	305,694	246,951
Other	8,222	11,515
	313,916	258,466

The breakdown of **Revenue** for the Group, by geographic market, is as follows:

	30 Jun 2009				30 Jun 2008			
	Europe	United States	Brazil	Total	Europe	United States	Brazil	Total
Electricity	197,601	106,807	1,286	305,694	186,905	60,046	-	246,951
Other	2,391	3,255	14	5,660	5,654	4,399	-	10,053
	199,992	110,062	1,300	311,354	192,559	64,445	-	257,004

Cost of consumed electricity and **Changes in inventories and cost of raw material and consumables used** is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Cost of consumed electricity	658	337
Changes in inventories and cost of raw material and consumables used:		
Cost of consumables used	-540	6,628
Changes in inventories	4,541	-5,140
	4,659	1,825

7. Other operating income

Other operating income is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Supplementary income	793	788
Gains on fixed assets	17	76
Turbine availability income	6,414	2,474
Income from sale of interests in institutional partnerships - Horizon	46,616	30,926
Amortization of deferred income related to power purchase agreements	9,244	8,777
Other income	4,613	1,319
	67,697	44,360

Income from sale of interests in institutional partnerships - Horizon, includes revenue recognition related to production tax credits (PTC) and tax depreciations, related to projects Vento I and Vento II (see note 33).

The power purchase agreements between Horizon and its customers were valued, at the acquisition date, using discounted cash flow techniques. At that date, these agreements were valued based on market assumptions by approximately 120 million Euros (USD 190.4 million) and recorded as a non-current liability (note 33). This liability is amortised over the period of the agreements against other operating income. As at 30 June 2009, the amortization for the year amounts to 9,244 thousands of Euros.

Turbine availability income refers to compensation received from turbines suppliers when the measured average availability of turbines in activity, is less than 93% in the first six months and/or less than 97% in any of the subsequent periods of six months during the warranty period.

8. Supplies and services

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Supplies and services:		
Water, electricity and fuel	964	791
Tools and office material	949	774
Leases and rents	10,790	8,743
Communications	961	782
Insurance	3,895	2,993
Transportation, travelling and representation	3,752	2,427
Commissions and fees	290	216
Maintenance and repairs	30,487	17,765
Advertising	745	644
Specialised work	13,299	9,495
Other supplies and services	1,509	1,200
	67,641	45,830

9. Personnel costs and employee benefits expense

Personnel costs is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Management remuneration	238	70
Employees' remuneration	20,173	13,848
Social charges on remunerations	2,610	2,218
Employee's variable remuneration	6,497	5,086
Employee's benefits	899	-
Other costs	2,277	1,892
Own work capitalised	-12,363	-6,541
	20,331	16,573

Employee benefits expense is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Costs with pension plan	-7	483
Costs with medical care plan and other benefits	7	3
	-	486

10. Other operating expenses

Other operating expenses are analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Direct operating taxes	7,217	3,566
Indirect taxes	2,407	1,506
Impairment loss on debtors and other assets	-	38
Losses on fixed assets	1,872	509
Operating indemnities	-	2
Lease costs related to the electricity generating centres	2,384	2,163
Donations	235	2,115
Amortizations of Deferred O&M cost	750	-
Turbine availability bonus	452	-
Research and development	468	-
Other costs and losses	2,371	1,470
	18,156	11,369

As discussed in Note 7, the Horizon's assets and liabilities were revalued to reflect fair value as of EDP Group acquisition date. During this process, it was determined that certain of the Horizon's Operation and Maintenance (O&M) and Warranty contracts, which were executed prior to the EDP Group acquisition, were at lower than then current market prices. Accordingly, it was determined that these contracts constituted an asset to the Company and a non-current asset was recorded. This asset is amortized into other operating expense over the life of the associated contract.

11. Depreciation and amortisation expense

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Property, plant and equipment:		
Buildings and other constructions	270	237
Plant and machinery:		
Hydroelectric generation	41	41
Thermoelectric generation	192	230
Wind generation	139,862	90,395
Other	18	11
Transport equipment	39	50
Office equipment	1,238	603
Other	173	154
	141,833	91,721
Other intangible assets:		
Industrial property, other rights and other intangibles	1,177	1,905
	1,177	1,905
	143,010	93,626
Amortisation of deferred income (Government grants):		
Investment grants	-407	-351
	-407	-351
	142,603	93,275

12. Gains / (losses) from the sale of financial assets

Gains / (losses) from the sale of financial assets, for the Group, are analysed as follows:

	30 Jun 2009		30 Jun 2008	
	Disposal %	Value Euro'000	Disposal %	Value Euro'000
Investments in subsidiaries and associates				
Ibersol Solar Ibérica, S.A.	50%	268	-	-
Marquesado del Solar, S.A.	-	-	50%	2,378
Investigación y Desarollo de Energias Renovables, S.L. ("IDER")	-	-	20%	-15
		268		2,363

Generaciones Especiales I, SL, sold its 50% shareholding in IBERSOL Solar Ibérica, SA to Solar Millennium AG, for 300 thousands of Euros, generating an accounting gain of 268 thousands of Euros.

13. Other financial income and financial expenses

Other financial income and financial expenses are analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Other financial income:		
Interest income	3,884	6,108
Derivative financial instruments		
Interest	5,827	11,788
Fair value	4,101	451
Foreign exchange gains	5,149	679
	18,961	19,026
Other financial expenses:		
Interest expense	40,191	41,215
Derivative financial instruments		
Fair value	1,104	5,027
Banking services	370	254
Foreign exchange losses	3,395	3,298
Own work capitalised (financial interests)	-19,029	-8,181
Unwinding	35,853	39,017
Other financial expenses	1,230	798
	63,114	81,428
Financial income / (expenses)	-44,153	-62,402

Derivative financial instruments - Interest, relating to the interest liquidations result from the derivative financial instrument established between EDP Renováveis and EDP Branch (see notes 33 and 35).

Foreign exchange gains (5,149 thousands of Euros) as at 30 June 2009 are essentially related with the appreciation of the Zloty against the Euro.

In acordance with the accounting policy described on note 2g), of the 31 December 2008 consolidated financial statetments the borrowing costs (interest) capitalised in tangible fixed assets in progress as at 30 June 2009 amounted to 19,029 thousands of Euros (8,181 thousands of Euros as at 30 June 2008) and are included under Own work capitalised (financial interest).

Interest expense refers to interest on loans which bear interest at market rates.

Unwinding expenses refers to financial update of provision for wind farms dismantling and commissioning in the amount of 1,598 thousands of Euros (see note 32), financial update of the liability related with put option Genesa and Desa in the amount of 6,276 thousands of Euros (see note 33) and implied return in institutional partnership in US wind farms in the amount of 27,979 thousands of Euros (see note 33).

14. Income tax expense

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Current tax	-19,808	-23,457
Deferred tax	-752	3,084
	-20,560	-20,373

The effective income tax rate as at 30 June 2009 and 2008 is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	30 Jun 2008 Euro'000
Profit before tax	86,297	74,852
Income tax	-20,560	-20,373
Efective Income Tax Rate	23.82%	27.22%

The reconciliation between the nominal and the effective income tax rate for the Group during the period of 6 months ended 30 June 2009 is analysed as follows:

	Group
	30 Jun 2009 Euro'000
Profit before taxes	85,912
Nominal income tax rate	30.00%
Expected income taxes	-25,774
Income taxes for the period	-20,560
Difference	5,214
Tax effect of operations with institutional partnerships	32,955
Depreciation and amortization	-22,378
Unrecognised deferred tax assets related to tax losses generated in the period	-12,758
Production tax credits	8,012
Tax effect of put options	-1,884
Fair value of financial instruments and financial investments	1,290
Financial nvestments in associates	570
Tax differencial	-927
Other	334
	5,214

The income tax rates in the countries in which the EDP Renováveis Group operates are as follows:

		Tax rate	
Country	Subgroup	2009	Subsequent
Spain	NEO	30.00%	30.00%
Portugal	NEO	26.50%	26.50%
France	NEO	33.33%	33.33%
Poland	NEO	19.00%	19.00%
Belgium	NEO	33.99%	33.99%
Romania	NEO	16.00%	16.00%
United States	Horizon	37.63%	37.63%
Brazil	EDPR Brazil	34.00%	34.00%

15. Property, plant and equipment

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Cost:		
Land and natural resources	12,940	11,739
Buildings and other constructions	10,878	10,855
Plant and machinery:		
Hydroelectric generation	2,619	2,619
Thermoelectric cogeneration	6,008	6,008
Wind generation	5,786,580	5,227,721
Other plant and machinery	253	247
Transport equipment	1,081	686
Office equipment and tools	10,926	9,378
Other tangible fixed assets	8,508	7,334
Assets under construction	2,585,801	2,293,879
	8,425,594	7,570,466
Accumulated depreciation:		
Depreciation and amortisation expense for the period	-141,833	-204,639
Accumulated depreciation	-513,818	-313,044
	-655,651	-517,683
Carrying amount	7,769,943	7,052,783

The movement in **Property, plant and equipment** from 31 December 2008 to 30 June 2009, is analysed as follows:

	Balance 1 January Euro'000	Acquisitions Euro'000	Disposals Euro'000	Transfers Euro'000	Exchange Differences Euro'000	Business Combinations/ Regularisations Euro'000	Balance 30 June Euro'000
Cost:							
Land and natural resources	11,739	1,400	-4	127	-322	-	12,940
Buildings and other constructions	10,855	47		-	-24		10,878
Plant and machinery:		-	-	-		-	
Hydroelectric generation	2,619	-	-	-	-	-	2,619
Thermoelectric cogeneration	6,008	-	-	-	-	-	6,008
Wind generation	5,227,721	15,442	-381	589,102	-58,144	12,840	5,786,580
Other plant and machinery	247	-	-	6	-	-	253
Transport equipment	686	433	-13	-	-34	9	1,081
Office equipment and tools	9,378	463	-	1,169	-87	3	10,926
Other	7,334	262	-34	899	-39	86	8,508
Assets under construction	2,293,879	897,665	-2,302	-591,303	-19,354	7,216	2,585,801
	7,570,466	915,712	-2,734	-	-78,004	20,154	8,425,594

	Balance 1 January Euro'000	Charge for the period Euro'000	Impairment Losses / Reverses Euro'000	Disposals Euro'000	Exchange Differences Euro'000	Business Combinations/ Regularisations Euro'000	Balance 30 June Euro'000
Accumulated depreciation and impairment losses							
Buildings and other constructions	1,736	270	-	-	-9	-	1,997
Plant and machinery:							
Hydroelectric generation	1,443	41	-	-	-	-	1,484
Thermoelectric cogeneration	5,817	192	-	-	-	-	6,009
Wind generation	499,925	139,862	-	-8	-5,805	1,808	635,782
Other plant and machinery	214	18	-	-	-	-12	220
Transport equipment	266	39	-	-5	-5	2	297
Office equipment and tools	4,256	1,238	-	-	-56	-127	5,311
Other	4,026	173	-	-28	-21	401	4,551
	517,683	141,833	-	-41	-5,896	2,072	655,651

Plant and Machinery includes the cost of the wind farms under operation.

The movement in **Property, plant and equipment** from 31 December 2007 to 30 June 2008, is analysed as follows:

	Balance 1 January Euro'000	Acquisitions Euro'000	Disposals Euro'000	Transfers Euro'000	Exchange Differences Euro'000	Perimeter Variations/ Regularisations Euro'000	Balance 30 June Euro'000
Cost:							
Land and natural resources	4,589	572	-26	-	-123	-466	4,546
Buildings and other constructions	241,920	43	-	-	-9,939	-221,532	10,492
Plant and machinery:							
Hydroelectric generation	2,619	-	-	-	-	-	2,619
Thermoelectric cogeneration	6,008	-	-	-	-	-	6,008
Wind generation	2,640,479	62,245	-5,401	1,070,815	-75,024	244,802	3,937,916
Other plant and machinery	247	-	-	-	-	-	247
Transport equipment	332	369	-	-	-25	-	676
Office equipment and tools	5,091	1,187	-	577	-106	-8	6,741
Other	27,754	381	-824	91	-491	-20,776	6,135
Assets under construction	2,217,004	710,092	-27	-1,071,483	-70,508	42,592	1,827,670
	5,146,043	774,889	-6,278	-	-156,216	44,612	5,803,050

	Balance 1 January Euro'000	Charge for the period Euro'000	Impairment Losses / Reverses Euro'000	Disposals Euro'000	Exchange Differences Euro'000	Perimeter Variations/ Regularisations Euro'000	Balance 30 June Euro'000
Accumulated depreciation and							
Buildings and other constructions	3,780	237	-	-	-113	-2,438	1,466
Plant and machinery:							
Hydroelectric generation	1,360	41	-	-	-	-	1,401
Thermoelectric cogeneration	5,357	230	-	-	-	-	5,587
Wind generation	286,419	90,395	-	-	-2,695	5,486	379,605
Other plant and machinery	191	11	-	-	-	-	202
Transport equipment	114	50	-	-	-3	-	161
Office equipment and tools	2,822	603	-	-	-20	-16	3,389
Other	6,518	154	-	-	-9	-3,246	3,417
	306,561	91,721	-	-	-2,840	-214	395,228

Assets under construction as at 30 June 2009 and 31 December 2008 are analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Electricity business:		
Horizon Wind Energy Group	979,658	891,131
NEO Group	1,604,594	1,402,388
EDP Renováveis	972	296
EDP Renováveis Brasil	577	64
	2,585,801	2,293,879

Assets under construction as at 30 June 2009 and 31 December 2008 for NEO and Horizon Group are essentially related to wind farms under construction and development.

The EDP Renováveis Group has lease and purchase obligations as disclosed in Note 36 - Commitments below.

16. Intangible assets

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Cost:		
Industrial property, other rights and other intangible assets	33,323	33,521
Intangible assets under development	2,842	2,840
	36,165	36,361
Accumulated amortisation:		
Depreciation and amortisation expense for the period	-1,177	-3,125
Accumulated depreciation	-13,875	-10,828
	-15,052	-13,953
Carrying amount	21,113	22,408

Industrial property, other rights and other intangible assets include 18,022 thousands of Euros and 14,187 thousands of Euros related to wind generation licenses of Portuguese companies and Horizon Group, respectively.

Intangible assets under development are essentially related to advances for electricity wind generation licenses acquisition.

The movement in Intangible assets from 31 December 2008 to 30 June 2009, is analysed as follows:

	Balance at 1 January Euro'000	Acquisitions Euro'000	Disposals Euro'000	Transfers Euro'000	Exchange differences Euro'000	Business Combinations/ Regularisations Euro'000	Balance at 30 June Euro'000
Cost:							
Industrial property, other rights and other intangible assets	33,521	38	-	-	-238	3	33,324
Concession rights	-	1	-	-	-	-	1
Intangible assets under development	2,840	-	-	-	-	-	2,840
	36,361	39	-	-	-238	3	36,165

	Balance at 1 January Euro'000	Charge for the year Euro'000	Disposals Euro'000	Transfers Euro'000	Exchange differences Euro'000	Business Combinations/ Regularisations Euro'000	Balance at 30 June Euro'000
Accumulated amortisation:							
Industrial property, other rights and other intangible assets	-13,953	-1,177			65	13	-15,052
	-13,953	-1,177	-	-	65	13	-15,052

No significant variations occurred in this caption during the six months ended 30 June 2008.

17. Goodwill

For the Group, the breakdown of **Goodwill** resulting from the difference between the cost of the investments and the corresponding share of the fair value of the net assets acquired, is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Electricity business:		
Goodwill booked in NEO Group	810,422	802,611
Goodwill booked in Horizon Wind Energy Group	561,225	569,777
Goodwill booked in EDP Renováveis Brazil Group	5,910	-
	1,377,557	1,372,388

EDP Renováveis Group goodwill as at 30 June 2009 and 31 December 2008 is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Horizon group	561,225	569,777
Genesa group	441,356	441,356
Ceasa group	146,469	146,469
Relax Winds group (Poland)	25,424	25,424
Enernova group	43,011	43,011
NEO Galia SAS group	45,194	45,104
Hollywell group	8,007	8,007
Ridgeside group	4,317	4,317
Romania group	64,551	64,461
NEO Catalunia	28,830	21,199
EDPR Brazil Group	5,910	-
Other	3,263	3,263
	1,377,557	1,372,388

The movements in Goodwill, by subgroup, from 31 December 2008 to 30 June 2009, are analysed as follows:

	Balance at 1 January Euro'000	Increases Euro'000	Decreases Euro'000	Impairment Euro'000	Exhange Differences Euro'000	Perimeter Variations/ Regularisations Euro'000	Balance at 30 June Euro'000
Electricity Business							
Horizon group	569,777	-	-	-	(8,552)	-	561,225
Genesa group	441,356	-	-	-	-	-	441,356
Ceasa group	146,469	-	-	-	-	-	146,469
Relax Winds group (Poland)	25,424	-	-	-	-	-	25,424
Enernova group	43,011	-	-	-	-	-	43,011
NEO Galia SAS group	45,104	90	-	-	-	-	45,194
Hollywell group	8,007	-	-	-	-	-	8,007
Ridgeside group	4,317	-	-	-	-	-	4,317
Romania group	64,461	90	-	-	-	-	64,551
Neo Catalunia	21,199	7,631	-	-	-	-	28,830
EDPR Brazil Group	-	5,415	-	-	495	-	5,910
Other	3,263	-	-	-	-	-	3,263
	1,372,388	13,226	-	-	(8,057)	-	1,377,557

The movements in Goodwill, by subgroup, from 31 December 2007 to 30 June 2008, are analysed as follows:

	Balance at 1 January Euro'000	Increases Euro'000	Decreases Euro'000	Impairment Euro'000	Other Euro'000	Perimeter Variations/ Regularisations Euro'000	Balance at 30 June Euro'000
Electricity Business							
Horizon group	539,353	-	-	-	(34,843)	-	504,510
Genesa group	459,812	1,674	(2,020)	-	-	-	459,466
Ceasa group	141,949	7,744	-	-	-	(3,964)	145,729
Relax Winds group (Poland)	57,918	1,980	-	-	-	-	59,898
Enernova group	42,971	40	-	-	-	-	43,011
NEO Galia SAS group	-	45,997	-	-	-	-	45,997
Hollywell group	-	13,877	-	-	-	-	13,877
Ridgeside group	-	7,522	-	-	-	-	7,522
Other	3,075	146	-	-	-	-	3,221
	1,245,078	78,980	(2,020)	-	(34,843)	(3,964)	1,283,231

Horizon Group

The decrease in Horizon Group goodwill occurred during the six months period ended at 30 June 2009 is related with the effect from exchange differences of EUR/USD of 8,552 thousands of Euros.

Neo Galia SAS Group

The increase in Neo Galia SAS Group goodwill is related with the acquisition of 100% of the share capital of subsidiaries Mardelle, SARL and Vallée du Moulin, SARL and 49% of the share capital of Quinze Mines, SARL.

Details of the combination cost, the net assets acquired and provisory goodwill, for the acquisition of these companies are as follows:

	Mardelle	Vallée du Moulin	Quinze Mines	Total
Combination cost				
Amount paid (or attributed value)	21	42	21	84
Directly attributable costs	-	-	-	-
Contingent purchase price	-	-	-	-
Total combination cost	21	42	21	84
Book value of net assets acquired	(2)	(2)	(2)	(6)
Goodwill (difference between the value of net assets acquired and cost of acquisition)	23	44	23	90

Romania Group

The increase in Romania Group goodwill is related with an increase in acquisition related costs that have not been included in the contingent price used to calculate the provisory goodwill.

Neo Catalunia Group

The increase in Neo Catalunia Group goodwill is related with the acquisition of 100% of the share capital of Bom Vent de L'Ebre.

Details of the combination cost, the net assets acquired and provisory goodwill, for the acquisition of Bom Vent de L'Ébre are as follows:

	Bom Vent de L'Ébre
Combination cost	
Amount paid (or attributed value)	7,686
Directly attributable costs	-
Contingent purchase price	-
Total combination cost	7,686
Book value of net assets acquired	55
Goodwill (difference between the value of net assets acquired and cost of acquisition)	7,631

EDPR Brazil Group

The increase in EDPR Brazil Group goodwill is related with the acquisition of 100% of share capital of CENAEEL in the amount of 5,415 thousands of Euros and the effect from exchange difference of EUR/BRL of 495 thousands of Euros.

Details of the combination cost, the net assets acquired and provisory goodwill, for the acquisition of CENAEEL are as follows:

	CENAEEL
Combination cost	
Amount paid (or attributed value)	12,887
Directly attributable costs	-
Contingent purchase price	-
Total combination cost	12,887
Book value of net assets acquired	7,472
Goodwill (difference between the value of net assets acquired and cost of acquisition)	5,415

The EDPR Group has evaluated the changes in the assumptions used in goodwill impairment tests as at 31 December 2008 and has concluded that no significant changes have occurred and consequently no impairment signs have been identified.

18. Investments in associates

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Investments in associates:		
Equity holdings in associates	42,336	40,782
Adjustments on investments in associates	-	-
Carrying amount	42,336	40,782

For the purpose of the condensed consolidated financial statements presentation, goodwill arising from the acquisition of associated companies is presented in this caption, included in the total amount of Equity holdings in associates.

19. Available for sale investments

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Sociedad Eólica de Andalucia, S.A.	10,854	10,854
Aprofitament D'Energies Renovables de la Terra Alta, S.A.	783	783
Wind Expert	500	500
Other	535	364
	12,672	12,501

20. Deferred tax assets and liabilities

The EDP Renováveis Group records the tax effect arising from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. No significant changes occurred in relation to the nature, amounts and maturity of deferred taxes assets and liabilities refering to those reported in 31 December 2008 consolidated annual accounts.

The main variations in deferred tax assets and liabilities for the Group during the six months ended 30 June 2009 and 2008 are analysed as follows:

	30 Jun 2009		30 Jun 2008	
	Group		Group	
	Deferred tax assets Euro'000	Deferred tax liabilities Euro'000	Deferred tax assets Euro'000	Deferred tax liabilities Euro'000
Balance as at 1 January	21,834	-303,331	16,719	-278,470
Variation on tax losses carried forward	531	-	5,957	-
Variation on fair value of financial instruments	2,348	-	-	-
Variation in allocation of acquired assets and liabilities fair values	-	-428	-	3,692
Other	1,147	-1,761	466	-1,420
Balance as at 30 June	25,860	-305,520	23,142	-276,198

21. Inventories

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Advances on account of purchases	4,014	1,915
Finished and intermediate products	5,769	10,313
Raw and subsidiary materials and consumables:		
Other consumables	149	149
	9,932	12,377

22. Trade receivables

Trade receivables are analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Short term trade receivables - Current:		
Spain	34,191	46,221
Portugal	19,052	11,050
United States of America	18,816	21,130
France	2,835	4,168
Belgium	1,294	-
Brazil	631	-
Romania	57	-
Poland	9	29
	76,885	82,598
Doubtful debts	2,347	2,347
Impairment losses	-2,347	-2,347
	76,885	82,598

23. Debtors and other assets

Debtors and other assets are analysed as follows:

	Group 30 Jun 2009 Euro'000	Group 31 Dec 2008 Euro'000
Short-term debtors - Current:		
Loans to related parties	69,232	106,625
Other debtors:		
- Amounts related to staff	16	25
- Derivative financial instruments (Hedging)	11,584	3,355
- Insurance	705	1,059
- Management fees	-	512
- Cernavoda land acquisitions	1,187	2,189
- Financial assets advanced payments	1,075	1,075
- Deferred costs for infrastructure construction	1,160	1,821
- Wind relax (Receivable VAT related with turbines acquisitions)	4,222	991
- Amounts receivabe from Eolic Partners	1,925	1,925
- Production tax credits (PTC)	343	934
- Horizon warranty claim	4,240	5,179
- Prepaid turbine maintenance	2,658	2,687
- Guarantee deposits	12,099	6,853
- Tied deposits	5,061	43,016
- Sundry debtors and other operations	18,756	17,567
	134,263	195,813
Medium and long-term debtors - Non-current:		
Loans to related parties	33,795	21,769
Notes receivable (Horizon)	11,786	10,678
Guarantees and tied deposits	34,998	33,666
Derivative financial instruments (Hedging)	6,155	6,081
Deferred costs (Enernova Group)	43,253	42,617
Deferred PPA costs (High Trail)	5,791	5,748
O&M contract valuation - Mapple Ridge I (Horizon)	7,683	7,941
Deferred Tax Equity Costs	6,209	5,002
Sundry debtors and other operations	3,824	8,038
	153,494	141,540
	287,757	337,353

Loans to related parties - Current includes an amount of 18,400 thousands of Euros related to a set of loans granted to EDP Finance, that have maturities from 1 week to 1 month and bear interest at market conditions and an amount of 49,728 thousands of Euros with EDP Branch.

Tied deposits - Current includes 5,061 thousands of Euros related to the Vento III financing agreement. Funds are required to be held in the amount sufficient to pay remaining Vento III construction related costs.

Guarantees and tied deposits - Non Current are related to project finance agreements, which of NEO Group companies obliged the companies to hold these amounts in bank accounts in order to ensure its capacity of comply with responsabilities.

Deferred costs (Enernova group) - non current relates to up-front rents and surface rights paid to land owners and up-front network rents paid to EDP Distribuição. These costs are deferred on the balance sheet and are recognised on a straight line basis over the estimated useful life of the assets.

24. Tax receivable

Tax receivable is analysed as follows:

	Group 30 Jun 2009 Euro'000	Group 31 Dec 2008 Euro'000
State and other public entities:		
- Income tax	25,714	7,755
- Value added tax (VAT)	123,485	150,569
- Other taxes	16,670	16,769
	165,869	175,093

25. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Equity securities:		
Investment funds	32,715	32,369
Debt securities:		
Bonds	3,528	3,405
	36,243	35,774

The fair value of the investment funds is calculated based on the quoted market price of the funds.

26. Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Cash:		
- Cash in hand	2	2
Bank deposits:		
- Current deposits	270,366	189,895
- Other deposits	19,084	39,783
	289,450	229,678
Cash and cash equivalents	289,452	229,680

27. Capital and Share premium

As at 30 June 2009 and 31 December 2008 the share capital of EDP Renováveis is composed of 872,308,162 shares with a nominal value of Euros 5 per share.

Earning per share attributable to the shareholders of EDP Renováveis are analysed as follows:

	Group	
	30 Jun 2009	30 Jun 2008
Profit attributable to the equity holders of the parent in thousands of Euros	65,578	49,570
Profit from continuing operations attributable to the equity holders of the parent in thousands of Euros	65,578	49,570
Weighted average number of ordinary shares outstanding	872,308,162	360,812,403
Weighted average number of diluted ordinary shares outstanding	872,308,162	360,812,403
Earnings per share (basic) attributable to equity holders of the parent in Euros	0.08	0.14
Earnings per share (diluted) attributable to equity holders of the parent in Euros	0.08	0.14
Earnings per share (basic) from continuing operations attributable to the equity holders of the parent in Euros	0.08	0.14
Earnings per share (diluted) from continuing operations attributable to the equity holders of the parent in Euros	0.08	0.14

The EDP Renováveis Group calculates its basic and diluted earnings per share attributable to equity holders of the parent using the weighted average number of ordinary shares outstanding during the period.

The company does not hold any treasury stock as at 30 June 2009.

The average number of shares was determined as follows:

	Group	
	30 Jun 2009	30 Jun 2008
Ordinary shares issued at the beginning of the year	872,308,162	1,887,298
Effect of shares issued during the six monts period	-	358,925,105
Average number of realised shares	**872,308,162**	**360,812,403**
Effect of treasury stock	-	-
Average number of shares during the six months period	872,308,162	360,812,403
Effect of stock options	-	-
Diluted average number of shares during the six months period	872,308,162	360,812,403

28. Reserves and retained earnings

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Fair value reserve (cash flow hedge)	17,942	18,669
Fair value reserve (available for sale financial assets)	7,747	7,747
Exchange differences arising on consolidation	-341	1,179
Additional paid in capital	60,666	60,666
Legal reserve	7,479	-
Other reserves and retained earnings:		
Retained earnings	98,031	1,158
	191,524	89,419

Additional paid in capital

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance, within IFRSs, the Group EDP Renováveis has adopted an accounting policy for such transactions, as considered appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated financial statements using the book values of the acquired company (subgroup). The difference between the carrying amount of the net assets received and the consideration paid is recognised in equity.

Legal reserve

The legal reserve has been appropriated in accordance with Article 214 of the Spanish Companies Act whereby companies are obliged to transfer 10% of the profits for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset losses if no other reserves are available or to increase the share capital.

Fair value reserve (cash flow hedge)

The Fair value reserve (cash flow hedge) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

Fair value reserve (available-for-sale financial assets)

This reserve includes the accumulated net change in the fair value of available-for-sale financial assets as at the balance sheet date.

Exchange differences arising on consolidation

This caption reflects the amount arising on the translation of the financial statements of subsidiaries and associated companies from their functional currency into Euros. The exchange rates used in the preparation of the condensed consolidated financial statements are as follows:

		Exchange rates as at 30 June 2009		Exchange rates as at 31 December 2008	
Currency		Closing Rate	Average Rate	Closing Rate	Average Rate
Dollar	USD	1.413	1.327	1.392	1.477
Zloty	PLN	4.452	4.531	4.154	3.486
Real	BRL	2.747	2.937	3.244	2.652
Lei	RON	4.207	4.247	4.023	3.762

29. Minority interest

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Minority interest in income statement	159	7,854
Minority interest in share capital and reserves	98,547	74,897
	98,706	82,751

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
NEO Group	91,435	82,751
Horizon Wind Energy Group	27	27
EDP Renováveis Brasil	7,244	-27
	98,706	82,751

As at 30 June 2009, the EDP Renováveis Group profit attributable to minority interests amounted to 159 thousands of Euros (31 December 2008: 7,854 thousands of Euros).

30. Financial debt

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Short-term financial debt - Current		
Bank loans:		
- NEO Group	92,749	75,950
- EDP Renováveis Brasil Group	470	-
Loans from shareholders of group entities:		
- NEO Group	-	3,956
Other loans:		
- NEO Group	2,982	3,277
Interest payable	1,726	2,982
	97,927	86,165
Medium/long-term financial debt - Non-current		
Bank loans:		
- NEO Group	414,624	451,062
- EDP Renováveis Brasil Group	7,295	-
Loans from shareholders of group entities:		
- NEO Group	-	34,394
- EDP Renováveis , S.A.	1,751,354	862,817
Other loans:		
- NEO Group	26,986	27,835
	2,200,259	1,376,108
	2,298,186	1,462,273

Financial debt - Current for EDP Renováveis, refers to a set of loans granted by EDP Branch (1,252,087 thousands of Euros) and by EDP Finance BV (499,267 thousands of Euros). These loans have an average maturity of 9.3 years and bear interest at market rates.

The Group has project finance financings that include the usual guarantees on this type of financings, namely the pledge or a promise of pledge of bank accounts and assets of the related projects. As at 30 June 2009, these financings show a total amount of 490,660 thousands of Euros (478,904 thousands of Euros as at 31 December 2008), which are already included in the total debt of the Group.

The breakdown of **Financial debt** by maturity, is as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Bank loans:		
Up to 1 year	94 945	75,950
1 to 5 years	326 320	193,750
Over 5 years	95 599	257,312
	516,864	527,012
Loans from shareholders of group entities::		
Up to 1 year	-	3,956
1 to 5 years	-	34,394
Over 5 years	1,751,354	862,817
	1,751,354	901,167
Other loans:		
Up to 1 year	2 982	6,259
1 to 5 years	26 986	7,851
Over 5 years	-	19,984
	29,968	34,094
	2,298,186	1,462,273

The fair value of EDP Renováveis Group's debt is analysed as follows:

	30 Jun 2009		31 Dec 2008	
	Carrying Value Euro'000	Market Value Euro'000	Carrying Value Euro'000	Market Value Euro'000
Short term financial debt - Current	97,927	97,927	86,165	86,165
Medium/Long financial debt - Non current	2,200,259	2,206,222	1,376,108	1,414,824
	2,298,186	2,304,149	1,462,273	1,500,989

The market value of the medium/long-term (non-current) debt and borrowings that bear a fixed interest rate is calculated based on the discounted cash flows at the rates ruling at the balance sheet date. The market value of debt and borrowing that bear a floating interest rate is considered not to differ from its book value as these loans bear interest at a rate indexed to Euribor. The book value of the short-term (current) debt and borrowings is considered to be the market value.

As at 30 June 2009, the scheduled repayments of Group's debt are as follows:

	Total Euro'000	2009 Euro'000	2010 Euro'000	2011 Euro'000	2012 Euro'000	2013 Euro'000	Subsequent years Euro'000
Medium/long-term debt and borrowings	2,200,259	-	27,451	96,679	100,431	90,382	1,885,316
Short term debt and borrowings	97,927	72,739	25,188	-	-	-	-
	2,298,186	72,739	52,639	96,679	100,431	90,382	1,885,316

The breakdown of guarantees is presented in Note 36 to the condensed consolidated financial statements.

The breakdown of Finance debt, by currency, is as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Loans denominated in Euros	1,038,334	599,456
Loans denominated in USD	1,252,087	862,817
Loans denominated in Brazilian Reais	7,765	-
	2,298,186	1,462,273

31. Employee benefits

Employee benefits balance are analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Provisions for social liabilities and benefits	-	780
Provisions for healthcare liabilities	52	382
	52	1,162

As at 30 June 2009 and 31 December 2008, "Provisions for liabilities and social benefits" refers exclusively to defined benefit plans.

The liabilities arising from pension and healthcare plans are fully covered, either by plan assets or provisions.

The responsabilities and the assets from pension and healthcare pension plans have no significant amounts.

32. Provisions

Provisions are analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Provision for legal, labour and other contingencies	278	278
Provision for customers guarantees	33	270
Dismantling and decommission provisions	53,656	47,311
Provision for other liabilities and charges	2,223	1,839
	56,190	49,698

Dismantling and decommission provisions refer to the costs to be incurred with dismantling wind farms and restoring of sites and land to their original condition, in accordance with the accounting policy described in Note 2 o). The above amount includes essentially 44,330 thousands of Euros for wind farms in the United States of America, 6,086 thousands of Euros for wind farms in Spain, 1,812 thousands of Euros for wind farms in Portugal, 218 thousands of Euros for wind farms in Brazil and the remaining 424 thousands of Euros for wind farms in France.

The EDP Renováveis Board of Directors believes that the provisions booked on the consolidated balance sheet adequately cover the risks described in this note. Therefore, it is not expected that they will give rise to liabilities in addition to those recorded.

As at 30 June 2009, the EDP Renováveis Group does not have any significant tax-related contingent liabilities or contingent assets related to unresolved disputes with the tax authorities.

33. Trade and other payables

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Short-term trade and other payables - Current:		
Suppliers	105,035	78,141
Other operations with related parties	15,221	8,837
Property and equipment suppliers	235,705	424,920
Advances from customers	56	22
Derivative financial instruments (Hedging)	383	-
Deferred income	547	857
Amounts payable to previous shareholders of Bom Vent de L'Ebre	4,879	-
Variable remuneration to employees	7,859	19,662
Other supplies and services	49,014	68,821
Management fees	8,129	5,181
Other creditors and sundry operations	30,649	41,893
	457,477	648,334

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Medium/long-term trade and other payables — Non-current:		
Payables - Group companies	34,404	-
Property and equipment suppliers	16,434	131
Amounts payable for the acquisition of the "RELAX" project	12,746	24,134
Amounts payable for the acquisition of Greenwind	252	7,114
Government grants for investments in fixed assets	14,147	15,034
Electricity sale contracts - Horizon	107,185	119,655
Derivative financial instruments (Hedging)	55,703	77,022
Sucess fees payable for the acquisition of Romania companies	39,781	63,000
Sucess fees payable for the acquisition of the "RELAX" project	18,570	16,445
Sucess fees payable for the acquisition of Greenwind	5,700	5,700
Liabilities arising from options with minority interests	265,201	258,925
Liabilities arising from institutional partnerships in US wind farms	1,097,814	1,096,668
Other creditors and sundry operations	2,002	11,559
	1,669,939	1,695,387

Derivative financial instruments (Hedging) - Non Current includes 36,436 thousands of Euros (on 31 December 2008 65,478 thousands of Euros) related to an hedge instrument of USD and Euros with EDP Branch, which was formalised in order to hedge the foreign exchange risk of the net investment held in Horizon, expressed in USD (see Note 35). In the Group accounts, EDP Renováveis Group has applied the net investment hedge model to state this transaction.

As at 31 December 2008 the liabilities arising from written put options with minority interests include the liability for the put option contracted in 2005 with Caja Madrid for a 20% interest in the Desa Group and the written put option contracted in 2007 with Caja Madrid for 20% of the Genesa Group and amount to 265,201 thousands of Euros (31 December 2008: 258,925 thousands of Euros).

Liabilities arising from institutional partnerships in US wind farms, in the amount of 1,097,814 thousands of Euros, are analysed as follows:

	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Balance as of 1 January	1,096,668	733,273
Exchange rate differences	-19,729	60,813
Proceeds from sale of partnership interests	39,289	319,986
Value of benefits provided	-121,380	-226,380
Cash distributions	-548	-219
Interest implied return	27,979	43,631
Subtotal subject to interest	1,022,279	931,104
Liability for residual interest	2,535	3,840
Non-current deferred revenue	73,000	161,724
Balance as of 30 June	1,097,814	1,096,668

The amount of Proceeds from sale of partnership interests is related with the project Vento III (39,289 thousands of Euros).

34. Tax payable

This balance is analysed as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
State and other public entities:		
- Income tax	39,597	18,153
- Withholding tax	12,926	19,832
- Value added tax (VAT)	5,195	6,380
- Other taxes	2,123	1,896
	59,841	46,261

35. Derivative financial instruments

In accordance with IAS 39, the Group classifies the derivative financial instruments as a fair value hedge of an asset or liability recognised and as a cash flow hedge of recorded liabilities and forecast transactions considered highly probable.

The fair value of the derivatives portfolio as at 30 June 2009 and 31 December 2008 is as follows:

	Group	
	30 Jun 2009 Euro'000	31 Dec 2008 Euro'000
Net investment hedge		
Currency swaps	-36,436	-65,478
Cash flow hedge		
Power price swaps	7,868	7,807
Interest rate swaps	-16,199	-10,481
Currency forwards	6,507	1,527
Options purchase and sold	-1,487	-961
Not qualifiable for hedging accounting		
Power price swaps	1,400	-
	-38,347	-67,586

The fair value of derivative financial instruments is recorded under Debtors and other assets (note 23) or Trade and other payables (note 33), if the fair value is positive or negative, respectively.

The power price swaps are related to the hedging of the electricity sales price for 2009 in subgroup NEO.

36. Commitments

As at 30 June 2009 and 31 December 2008, the financial commitments not included in the balance sheet in respect of financial and real guarantees provided, are analysed as follows:

Type	Group 30 Jun 2009 Euro'000	Group 31 Dec 2008 Euro'000
Guarantees of a financial nature		
- NEO Energia Group	6,341	6,341
- Horizon Wind Energy Group	3,184	3,233
	9,525	9,574
Guarantees of an operational nature		
- NEO Energia Group	288,410	401,647
- Horizon Wind Energy Group	775,591	907,363
	1,064,001	1,309,010
Total	1,073,526	1,318,584
Real guarantees	6,405	719

The EDP Renováveis Group financial debt, lease and purchase obligations by maturity date are as follows:

	30 Jun 2009 Total Euro'000	Debt capital by period: Up to 1 year Euro'000	1 to 3 years Euro'000	3 to 5 years Euro'000	More than 5 years Euro'000
Financial debt (including interests)	3,253,553	172,599	255,425	295,988	2,529,541
Operating lease rents not yet due	641,574	33,187	75,157	65,381	467,849
Purchase obligations	2,657,501	2,069,268	567,103	17,614	3,516
	6,552,628	2,275,054	897,685	378,983	3,000,906

	31 Dec 2008 Total Euro'000	Debt capital by period: Up to 1 year Euro'000	1 to 3 years Euro'000	3 to 5 years Euro'000	More than 5 years Euro'000
Financial debt (including interests)	1,966,109	153,302	219,729	208,100	1,384,978
Operating lease rents not yet due	485,485	28,774	59,248	54,858	342,606
Purchase obligations	1,856,876	1,311,393	347,409	172,068	26,005
	4,308,470	1,493,469	626,386	435,026	1,753,589

Purchase obligations include debts related with long-term agreements of product and services supply related to the Group operational activity. When prices are defined under "forward" contracts, these are used in estimating the amounts of the contractual commitments.

As at 30 June 2009 the Group has the following contingent liabilities/rights related with call and put options on investments:

- EDP Renováveis, through its subsidiary NEO, holds a call option over Caja Madrid for all the shares held by Caja Madrid on companies of the NEO sub-group (20% of Genesa). Caja Madrid holds an equivalent put option on these shares over EDP Renováveis. The price of exercising these options will be determined under an investment bank valuation process. The options can be exercised between 1 January 2010 and 1 January 2011, inclusively (see note 33).

- EDP Renováveis, through its subsidiary NEO, holds a call option over Cajastur for all the shares held by Cajastur on company "Quinze Mines" (51% of share capital). Cajastur holds an equivalent put option on these shares over EDP Renováveis. The price of exercising these options will be determined under an investment bank valuation process. The options can be exercised between 1 January 2012 and 1 January 2013, inclusively.

- EDP Renováveis, through its subsidiary Veinco Energía Limpia, S.L., holds a call option over Jorge, S.L. for 8.5% of interest held by Jorge, S.L. on company "Apineli Aplicaciones industriales de energías limpias, SL". The price of exercising these options is 900 thousands of Euros. The option can be exercised when Jorge, S.L. obtain the licenses to amplify the windfarms "Dehesa del Coscojar" and "El Águila", until 30 days after the notification of the suspensive condition with a limit date of 18 April 2014.

- EDP Renováveis, through its subsidiary NEO, holds a call option over Copcisa for all the shares held by Copcisa on company "Neo Cataluña" (49% of share capital) (see note 17).

- EDP Renováveis, through its subsidiary NEO, holds a call option over Renovatio Group Limited for the interests held by Renovatio Group Limites on companies "Renovatio" and "Cernavoda" (see note 17).

37. Related parties

Main shareholders and shares held by company officers:

EDP Renováveis, S.A..'s shareholder structure as at 30 June 2009 is analysed as follows:

	N.º of Shares	% Capital	% Voting rights
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	541,027,156	62.02%	62.02%
Hidroeléctrica del Cantábrico, S.A.	135,256,700	15.51%	15.51%
Other shareholders	196,024,306	22.47%	22.47%
	872,308,162	100.00%	100.00%

Remuneration of company officers

In accordance with the Company's by-laws, the remuneration of company officers is set by a Remuneration Committee appointed by the Shareholders' General Meeting, except for the fixed and variable remuneration of the members of the Executive Board of Directors, which is set by a Remuneration Committee appointed by the Board of Directors (EBD).

The remuneration attributed to the members of the Executive Board of Directors (EBD) 2009 and Key management was as follows:

	Euros
CEO and Board members	835,700
Key management	2,116,810
	2,952,510

Balances and transactions with related parties

As at 30 June 2009, assets and liabilities with related parties, are analysed as follows:

	Assets Euro'000	Liabilities Euro'000	Net Euro'000
EDP Energias de Portugal, S.A.	1,276	9,701	(8,425)
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	56,298	1,292,355	(1,236,057)
EDP Group companies	44,529	500,452	(455,923)
Hidrocantábrico Group companies	13,610	6,202	7,408
Associated companies	29,388	-	29,388
Jointly controlled entities	8,307	840	7,467
Other	-	219	(219)
	153,408	1,809,769	(1,656,361)

Liabilities includes essentially loans obtained by EDP Renováveis from EDP Branch and EDP Finance BV in the amount of 1,252,087 and 499,267 thousands of Euros, respectively.

As at 31 December 2008, assets and liabilities with related parties, are analysed as follows:

	Assets Euro'000	Liabilities Euro'000	Net Euro'000
EDP Energias de Portugal, S.A.	6,684	10,965	(4,281)
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	24,416	931,140	(906,724)
Group EDP companies	120,943	2,000	118,943
Hidrocantábrico Group companies	21,464	6,154	15,310
Associated companies	14,018	-	14,018
Jointly controlled entities	8,344	840	7,504
Other	-	185	(185)
	195,869	951,284	(755,415)

Transactions with related parties for the six months period ended 30 June 2009 and 2008, are analysed as follows:

	Operating income Euro'000	Financial income Euro'000	Operating expenses Euro'000	Financial expenses Euro'000
EDP Energias de Portugal, S.A.	11,876	-	(1,412)	(16)
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	5,990	(1,489)	(25,131)
EDP Group companies	53,704	98	(1,691)	(4,916)
Hidrocantábrico Group companies	77,862	-	(1,785)	(21)
Associated companies	472	597	-	-
Jointly controlled entities	299	656	-	-
Other	-	-	-	-
	144,213	7,341	(6,377)	(30,084)

	Operating income Euro'000	Financial income Euro'000	Operating expenses Euro'000	Financial expenses Euro'000
Nuevas Energias de Occidente, S.L. (NEO)	-	14,860	-	-
EDP Energias de Portugal, S.A.	-	-	-	1,257
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	11,630	-	42,331
Hidrocantábrico Group companies	7,203	-	1,422	464
Group EDP companies	51,033	-	2,107	-
	58,236	26,490	3,529	44,052

Additionally to the liabilities related to existing put options between NEO and Caja Madrid, of 270,964 thousand of Euros, which are stated in the caption Trade and other payables (see Note 33), NEO holds loans with Caja Madrid of approximately 91,205 thousand of Euros. These loans bear interest at market rates.

With the purpose of hedging the foreign exchange risk existing in the company and Group accounts of EDP Renováveis and in the company accounts of EDP Branch, the EDP Group settled a CIRS in USD and Euros between EDP Branch and EDP Renováveis. At each reporting date, this CIRS is revalued to its market value, which corresponds to a spot foreign exchange revaluation, resulting in a perfect hedge (revaluation of the investment in Horizon and of the USD external financing). As at 30 June 2009, the amount payable by EDP Renováveis to EDP Branch related to this CIRS amounts to 36,436 thousands of Euros (see note 33).

As part of its operational activities, the EDP Renováveis Group must present guarantees in favour of certain suppliers. Usually, these guarantees are granted by EDP, S.A., through EDP Branch. As at 30 June 2009, EDP, S.A. and Hidrocantábrico granted financial (30.609 thousands of Euros) and operational (701.763 thousands of Euros) guarantees to suppliers in favour of NEO and Horizon. The operational guarantees are issued following the commitments assumed by NEO and Horizon in relation to the acquisition of property, plant and equipment, namely turbines (see note 36).

38. Fair value of financial assets and liabilities

The fair values of assets and liabilities as at 30 June 2009 is analysed as follows:

	30 June 2009 Group			31 December 2008 Group		
	Carrying amount Euro'000	Fair value Euro'000	Difference Euro'000	Carrying amount Euro'000	Fair value Euro'000	Difference Euro'000
Financial assets						
Available for sale investments	12,672	12,672	-	12,501	12,501	-
Trade receivables	76,885	76,885	-	82,598	82,598	-
Derivative financial instruments	11,584	11,584	-	3,355	3,355	-
Financial assets at fair value through profit or loss	36,243	36,243	-	35,774	35,774	-
Cash and cash equivalents (assets)	289,452	289,452	-	229,680	229,680	-
	426,836	426,836	-	363,908	363,908	-
Financial liabilities						
Financial debt	2,298,186	2,304,149	5,963	1,462,273	1,500,989	38,716
Suppliers	357,174	357,174	-	503,192	503,192	-
Derivative financial instruments	383	383	-	-	-	-
	2,655,743	2,661,706	5,963	1,965,465	2,004,181	38,716

39. Relevant subsequent events

No relevant subsequent events have occurred after 30 June 2009 until the date of financial statements approval by the Board of Directors (29 July as referred in the note 2).

40. Recent accounting standards and interpretations used

The Group has not opted for early application of the following standards endorsed by the European Union in 2009 but not yet mandatory until 30 June 2009:

- Amendments to IFRS 3 "Business Combinations and to IAS 27 "Consolidate and Separate Financial Statements"
- IFRIC 12 "Service Concession Arrangements";
- IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"

The potential impact of all of these standards, amendments and interpretations is currently being evaluated.

The Group has also decided against early application of the following standards and interpretations, which are expected to be endorsed by the European Union in 2009:

- Revised IFRS 1, "First-time Adoption of International Financial Reporting Standards";
- IFRIC 15, "Agreements for the Construction of Real Estate";
- IFRIC 17, "Distributions of Non-cash Assets to Owners",
- IFRIC 18, "Transfers of Assets from Customers"
- Amendments to IAS 39 "Financial instruments: recognition and measurement — Eligible hedged items";
- Amendments to IAS 39 "Reclassification of Financial Assets: Effective Date and Transition";
- Amendments to IFRS 7 "Improving Disclosures about Financial Instruments";
- Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives".

The potential impact of all of these standards, amendments and interpretations is currently being evaluated.

41. Segmental reporting

A business segment is an identifiable component of the Group, aimed at providing a single product or service, or a group of related products or services, and it is subject to risks and returns that can be distinguished from those of other business segments.

A geographical segment is an identifiable component of the Group, aimed at providing a single product or service, or a group of related products or services, within a specific economic environment, and it is subject to risks and returns that can be differentiated from those that operate in other economic environments.

The Group generates energy from renewable resources in several locations and its activity is managed based on the following business segments:

- Portugal - Includes essentially the Enernova Group companies;
- Spain - Includes the Neo subgroup companies that operates in Spain;
- Rest of Europe - Includes the Neo subgroup companies that operate in France, Poland, Belgium and Romania;
- United States of America includes the Horizon subgroup companies.
- Other - Includes the EDP Renováveis Brasil subgroup companies, the financial investments and remain activities (Biomass and mini-hydric generation plants) not included in the business segments.

The segment "Adjustments" corresponds to the adjustments related to the anullation of financial investments in subsidiaries of EDPR Group and to the other consolidation and intra-segment adjustments.

Segment definition

The reported amounts for each business segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter and the anullation of the intra-segment transactions.

The statement of financial position of each subsidiary and business unit is determined based in the amounts booked directly in the subsidiaries that compose the segment, including the intra-segment anullations, without any inter-segment allocation adjustment.

The income statement for each segment is determined based on the amounts booked directly in the subsidiaries financial statements and business units, adjusted by the intra-segments anullations.

For comparative purposes the assumptions used in the preparation of segment reporting of 30 June 2009 have also been used to reexpress the 30 June 2008 amounts.

EDP Renováveis, S.A.

Group Activity by Operating Segment

Operating Segment Information for the six months period ended 30 June 2009

(Thousands of Euros)

	WIND ENERGY OPERATIONS								
	EUROPE						U. S. A.		
	Portugal	Spain	Rest of Europe	Others	Adjustments	Total		Other and Adjustments	EDP Renováveis Group
Revenue	**55,413**	**121,876**	**13,579**	**12,736**	**-919**	**202,685**	**110,062**	**1,169**	**313,916**
External customers	55,413	120,904	13,579	11,989	-	201,885	110,062	1,300	313,247
Other operating segments	-	972	-	747	-919	800	-	-131	669
Cost of consumed electricity	-105		-	-	-	-105	-527	-26	-658
Changes in inventories and cost of raw materials and consumables used	12	-4,313	-128	-12	440	-4,001	-	-	-4,001
	55,320	117,563	13,451	12,724	-479	198,579	109,535	1,143	309,257
Other operation income / (expenses):									
Other operating income	435	3,431	228	286	-160	4,220	63,380	97	67,697
Supplies and services	-6,514	-16,662	-2,561	-2,762	640	-27,859	-32,683	-7,099	-67,641
Personnel costs	-813	-4,286	-376	-2,234	-	-7,709	-10,158	-2,464	-20,331
Employee benefits expenses	974	-10	-	-65	-	899	-891	-8	-
Other operating expenses	-2,542	-3,315	-1,019	-19	-	-6,895	-11,049	-212	-18,156
	-8,460	-20,842	-3,728	-4,794	480	-37,344	8,599	-9,686	-38,431
	46,860	96,721	9,723	7,930	1	161,235	118,134	-8,543	270,826
Provisions	258	12	-50	-12	-	208	-	-	208
Depreciation and amortisation expense	-14,532	-47,873	-6,966	-418	-	-69,789	-72,845	-376	-143,010
properties received under concessions	329	77	-	1	-	407	-	-	407
	32,915	48,937	2,707	7,501	1	92,061	45,289	-8,919	128,431
Gains / (losses) from the sale of financial assets	-	268	-	-	-	268	-	-	268
Other financial income	-	138	4,485	-9	-	4,614	4,161	475	9,250
Interest income	1,018	2,051	20	51,375	-51,342	3,122	419	6,170	9,711
Other financial expense	-22	-1,035	-2,113	-6,517	-76	-9,763	-31,545	-644	-41,952
Interest expense	-11,075	-30,437	-7,262	-80,217	51,418	-77,573	1,751	54,660	-21,162
Share of profit of associates	-	1,901	-	-	-	1,901	-150	-	1,751
Profit before tax	22,836	21,823	-2,163	-27,867	1	14,630	19,925	51,742	86,297
Income tax expense	-5,874	-5,623	-1,400	6,872	-	-6,025	-	-14,535	-20,560
Profit (loss) for the period	**16,962**	**16,200**	**-3,563**	**-20,995**	**1**	**8,605**	**19,925**	**37,207**	**65,737**
Attributable to:									
Equity holders of the parent company	16,777	12,910	-3,059	-18,214	1	8,415	19,925	37,238	65,578
Minority interest	185	3,290	-504	-2,781	-	190	-	-31	159
Profit (loss) for the period	**16,962**	**16,200**	**-3,563**	**-20,995**	**1**	**8,605**	**19,925**	**37,207**	**65,737**
Assets									
Property, plant and equipment	526,673	2,784,112	596,724	93,894	-	4,001,403	3,750,009	18,531	7,769,943
Intangible assets and Goodwill	48,662	134,657	45,460	76	590,949	819,804	560,231	18,635	1,398,670
Associated companies	-	4,602	-	-	35,875	40,477	1,859	-	42,336
Current assets	62,982	774,023	49,921	825,890	-1,172,288	540,528	144,530	28,556	713,614
Equity and Liabilities									
Equity and Minority Interests	60,261	352,267	21,164	185,550	-196,290	422,952	3,143,297	1,703,135	5,269,384
Current Liabilities	87,583	914,714	157,460	267,804	-744,958	682,603	104,855	-172,213	615,245
Other information:									
Increase of the period									
Property, plant and equipment	44,520	244,264	182,189	20,443	-2,036	489,380	424,270	2,062	915,712
Intangible assets and Goodwill	-	7,632	218	-	-	7,850	-	5,415	13,265

EDP Renováveis, S.A.

Group Activity by Operating Segment

Operating Segment Information for the six months period ended 30 June 2008

(Thousands of Euros)

	WIND ENERGY OPERATIONS								
	EUROPE						U. S. A.	Other and Adjustments	EDP Renováveis Group
	Portugal	Spain	Rest of Europe	Others	Adjustments	Total			
Revenue	**51,263**	**134,283**	**8,601**	**2,491**	**-2,617**	**194,021**	**64,445**	**-**	**258,466**
External customers	51,263	129,821	8,601	47	-	189,732	64,445	-	254,177
Other operating segments	-	4,462	-	2,444	-2,617	4,289	-	-	4,289
Cost of consumed electricity	-94	-98	-	-	-	-192	-145	-	-337
Changes in inventories and cost of raw materials and consumables used	25	-2,233	939	-1	-218	-1,488	-	-	-1,488
	51,194	131,952	9,540	2,490	-2,835	192,341	64,300	-	256,641
Other operation income / (expenses):									
Other operating income	192	644	66	1,687	-1,015	1,574	43,349	-563	44,360
Supplies and services	-5,434	-16,302	-2,281	-6,523	3,630	-26,910	-18,853	-67	-45,830
Personnel costs	-1,382	-4,833	-780	-2,578	-	-9,573	-7,342	342	-16,573
Employee benefits expenses	-5	-11	-	-60	-	-76	-410	-	-486
Other operating expenses	-2,860	-2,306	-914	-11	1	-6,090	-5,279	-	-11,369
	-9,489	-22,808	-3,909	-7,485	2,616	-41,075	11,465	-288	-29,898
	41,705	109,144	5,631	-4,995	-219	151,266	75,765	-288	226,743
Provisions	-	-	-	-	-	-	-817	-	-817
Depreciation and amortisation expense	-12,897	-39,022	-3,026	-117	-	-55,062	-38,564	-	-93,626
properties received under concessions	273	77	-	1	-	351	-	-	351
	29,081	70,199	2,605	-5,111	-219	96,555	36,384	-288	132,651
Gains / (losses) from the sale of financial assets	-	2,363	-	-	-	2,363	-	-	2,363
Other financial income	-	608	276	3	-	887	401	11,630	12,918
Interest income	513	2,688	44	32,112	-32,155	3,202	994	1,912	6,108
Other financial expense	15	-188	-187	-284	50	-594	-20,416	7	-21,003
Interest expense	-10,850	-28,549	-4,247	-59,224	32,104	-70,766	-3,187	13,528	-60,425
Share of profit of associates	-	2,212	-	54	-	2,266	-26	-	2,240
Profit before tax	18,759	49,333	-1,509	-32,450	-220	33,913	14,150	26,789	74,852
Income tax expense	-4,964	-16,404	-70	9,054	-	-12,384	-	-7,989	-20,373
Profit (loss) for the period	**13,795**	**32,929**	**-1,579**	**-23,396**	**-220**	**21,529**	**14,150**	**18,800**	**54,479**
Attributable to:									
Equity holders of the parent company	13,746	24,323	-1,513	-17,704	-220	18,632	14,150	16,788	49,570
Minority interest	49	8,606	-66	-5,692	-	2,897	-	2,012	4,909
Profit (loss) for the period	**13,795**	**32,929**	**-1,579**	**-23,396**	**-220**	**21,529**	**14,150**	**18,800**	**54,479**
Assets									
Property, plant and equipment	466,632	1,306,989	185,574	79,203	971,206	3,009,604	2,398,218	-	5,407,822
Intangible assets and Goodwill	49,815	105,829	53,782	78	579,823	789,327	503,303	12,724	1,305,354
Associated companies	-	3,856	-	-	26,976	30,832	1,884	-77	32,639
Current assets	27,081	491,712	28,090	262,239	-434,061	375,061	83,036	581,348	1,039,445
Equity and Liabilities									
Equity and Minority Interests	50,220	265,854	9,013	207,606	-138,706	393,987	1,697,222	3,021,704	5,112,913
Current Liabilities	40,027	529,448	29,797	211,258	-231,380	579,150	334,361	-106,966	806,545
Other information:									
Increase of the period									
Property, plant and equipment	31,118	277,081	14,201	37,357	-	359,757	415,132	-	774,889
Intangible assets and Goodwill	40	9,417	69,845	-	-	79,302	149	-	79,451