REN Finance B.V.
Amsterdam

Annual accounts
for the year 2015

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Index

	Page
Annual accounts 2015	3
Management Board's report	4
Financial statements	7
Statement of comprehensive income for year 2015	8
Statement of financial position as at 31 December 2015	9
Statement of changes in equity for the year 2015	10
Statement of cash flows for the year 2015	11
Notes to the financial statements	12
Other information	22

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Annual accounts 2015

- Management Board's report
- Financial statements
- Other information

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Management Board's report

Management herewith presents to the shareholder the annual accounts of REN Finance B.V. (hereinafter "the Company") for the year 2015.

General

REN Finance B.V. (referred to in this document as "REN B.V." or "the Company"), with head office in De Cuserstraat 93, 1081 CN Amsterdam, The Netherlands, was established by deed of incorporation executed on 10 May 2013 with legal seat in Amsterdam.

The objects of the Company are:
- to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises;
- to provide advice and other services;
- to acquire, use and /or assign industrial and intellectual property rights and real property;
- to provide guarantees and security, warrant performance or otherwise assume liability, whether jointly and severally or otherwise, for or in respect of obligations of group companies;
- to provide security for the debts of legal persons or of other companies with which the Company is affiliated or for the debts of third parties;
- to invest funds; and
- to undertake all actions that are deemed to be necessary to the foregoing, or in furtherance thereof.

The Company belongs to a corporate group controlled by REN - Redes Energeticas Nacionais, SGPS, S.A., ("REN SGPS") set up in Lisbon, Portugal, which holds 100% of the Company's shares.

The financial statements of the Company are included in the consolidated financial statements of the Shareholder, REN SGPS.

Overview of activities

On 15 October 2013, the Company has issued a EUR 400,000,000 4.750% fixed rate Notes, due 16 October 2020, under the EUR 5,000,000,000 Euro Medium Term Programme (the "Programme"). Both the Company and REN SGPS act as issuer under the programme.

The proceeds of the issued Notes were used to subscribe internal Notes issued by REN SGPS.

More details about the EUR 5,000,000,000 Euro Medium Term Programme can be found in the prospectus which discloses information on the terms of the Notes.

On 11 November 2013 the Company furthermore entered with REN SGPS into a EUR 160,000,000 facility agreement with Industrial and Commercial Bank of China (Europe) S.A. Sucursal Espana ("ICBC"). The proceeds of the loan received were used to subscribe internal Notes issued by REN SGPS. Above mentioned facility agreement was repaid and ended on 2 November 2015.

On 23 November 2013 the Company also entered with REN SGPS into a EUR 400,000,000 facility agreement with China Development Bank Corporation ("CDB"). The proceeds of the loan received were used to subscribe internal Notes issued by REN SGPS. The facility agreement were repaid and ended during 2015.

On 10 April 2014 the Company furthermore entered with REN SGPS into a EUR 200,000,000 facility agreement with Bank of China ("BOC"). The proceeds of the loan received were used to subsrcibe internal Notes issued by REN SGPS.

On 12 February 2015, the Company has issued an EUR 300,000,000 2.50% fixed rate Note, due 12 February 2025, under the EUR 5,000,000,000 Euro Medium Term Programme. The proceeds of the issued Notes were used to subscribe internal Notes issued by REN SGPS.

On 2 November 2015 the Company furthermore entered with REN SGPS into a EUR 120,000,000 facility agreement with Industrial and Commercial Bank of China (Europe) S.A. Sucursal Espana ("ICBC"). The proceeds of the loan received were used to subscribe internal Notes issued by REN SGPS.

The Company has concluded an Advance Pricing Agreement (APA) with the Dutch Tax Authorities concerning the minimum margin required between the proceeds as received from the loans (Notes) and the loans granted to REN SGPS. The APA was signed on 10 July 2013. According to the APA 8% of the loans provided to Shareholder should be held as equity on the balance sheet of the Company. Therefore the Company received for a total amount of EUR 59,600,000 (2014: EUR 46,800,000) share premium from REN SGPS. EUR 59,600,000 of the proceeds were used to subscibe CP issued by REN SGPS according to the EUR 300,000,000 Commercial paper programme between the Company and REN SGPS.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Results
The profit for the year 2015 amounts to EUR 3,724,902 (2014: EUR 2,682,905). The net income was caused by the margin between the interest income and interest expense and the incurring of costs like fees.

Audit committee
The Company is a so-called Public Interest Entity ("Organisatie van Openbaar Belang") which requires the establishment of an audit committee. The Company however makes use of an exemption regulation according to Article 41 (1) of Directive 2006/43/EC of the European Parliament and of the Council, whereby the Parent Company's audit committee fulfills the required tasks.

Financial risk management

Financial instruments
The Company's principal financial instruments comprise loans granted, borrowings and bank balances. During the financial year 2015 the Company did not undertake trading in financial instruments.

Currency risk
The Company's cash inflows and outflows, as well as receivable and payable balances are denominated in Euro.
The currency risk exposure is therefore nill.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The interest rate risk for the Company is limited due to the fact that the principle activity is to obtain funding to finance group companies. Funding raised is lent out to group companies on a 1-to-1 base. Terms of funding obtained are mirrored by the terms of the loans given to group companies. The only distinction is the fixed margin between the interest on the amounts borrowed and the interest on the amounts that have been lent out.

Furthermore, the Company actively monitors changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

Given the size and nature of the interest rate risk, the Company has decided not to hedge the interest rate risk exposure.

Credit risk
Financial instruments, which potentially subject the Company to credit risk, consist primarily of loans receivable. While the Company may be subject to losses up to the contract value of the instruments in the event of non-performance by its counterparts, it does not expect such losses to occur. No collateral is required by the Company to support financial instruments subject to credit risk. Cash is placed in financial institutions, which are considered at the time of deposit to have minimal risk of default.

REN SGPS unconditionally and irrevocably guaranteed the due and punctual payment of all amounts at any time becoming due and payable in respect of the Notes.

As the net equity of these group companies as per 31 December 2015 is higher than the amount of the loans receivable, there is no indication that the loans given to the group companies will be impaired in the near future or that the loans receivable will not be received.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Liquidity risk management
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial liabilities.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

As funding of the Company is solely used to finance group companies, the terms of loans taken are mirrored by the terms of loans given to group companies. As such, when loans taken are due, loans given to group companies are due as well. Furthermore, the interest due dates for loans taken and loans given are equal while the Company earns a fixed spread.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Companies short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Future outlook
Funding and re-financing of existing loans will take place in the near future as the market continues to be favorable from an interest perspective.

Management is of the opinion that the present level of activities will be maintained in the near future and no changes in number of employees are expected.

No circumstances are expected which will affect future turnover and profitability. Also no activities in the field of research and development are expected in the near future.

Amsterdam, 26 February 2016

Board of Managing Directors:

Mr. E. van Ankeren (appointed as per 31 December 2015)

Mr. N.M. da Silva Alves do Rosario

Mr. P.M. Blöte

Mr. G.J. Figueira Morais Soares

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Financial statements

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

Statement of comprehensive income for year 2015

	Note	2015	2014
		EUR	EUR
Continuing operations:			
Interest income gross		42.940.395	32.002.358
Interest income net	6	42.940.395	32.002.358
Interest expense	7	(37.531.280)	(28.185.932)
Gross margin		5.409.115	3.816.426
Foreign exchange result		0	(8)
Other income	8	764.006	0
Salaries, wages and taxes	9	-70.233	-73.003
General and administrative expenses	10	(1.149.572)	(179.542)
Profit before taxation		4.953.317	3.563.873
Corporate income tax	11	(1.228.414)	(880.968)
Net Profit for the year		3.724.902	2.682.905
Other comprehensive income, net of income tax		0	0
Total comprehensive income for the year		3.724.902	2.682.905
Profit attributable to owners of the company		3.724.902	2.682.905
Total comprehensive income attributable to owners of the company		3.724.902	2.682.905

The accompanying notes are an integral part of these financial statements.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Statement of financial position as at 31 December 2015
(Before appropriation of current year's result)

	Note	31-dez-15	31-dez-14
		EUR	EUR
Assets			
Non-current assets			
Long-term loans to group companies	12	743.799.535	571.380.640
Current assets			
Taxation	13	7.440	0
Current-term loans to group companies	14	61.100.000	58.625.000
Receivables on group companies	15	12.969.312	5.454.657
Other receivables	16	3.468.162	3.430.142
Cash and cash equivalents	17	241.432	143.366
Total current assets		77.786.346	67.653.165
Total assets		821.585.881	639.033.805
Shareholder's equity and liabilities			
Capital and reserves			
Share capital		20.000	20.000
Share premium		59.600.000	46.800.000
Other reserves		2.801.333	118.428
Profit for the year		3.724.902	2.682.905
Total equity		66.146.235	49.621.333
Non-current liabilities			
Long-term borrowings	18	739.634.561	569.096.837
Current liabilities			
Taxation	19	1.231.535	910.737
Short-term borrowings	20	0	11.250.000
Accrued interest	21	10.923.198	4.532.520
Intercompany payables	22	3.522.459	3.546.391
Other liabilities and accrued expenses	23	127.893	75.987
Total current liabilities		15.805.085	20.315.635
Total equity and liabilities		821.585.881	639.033.805

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Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Statement of changes in equity for the year 2015

	Share Capital	Share premium	Other reserves	Profit for the year	Total
31-Dec-14	20.000	46.800.000	118.428	2.682.905	49.621.333
Capital contributions (netted)	0	12.800.000	0	0	12.800.000
Appropriation of profit	0	0	2.682.905	-2.682.905	0
Profit for the year	0	0	0	3.724.902	3.724.902
31-Dec-15	20.000	59.600.000	2.801.333	3.724.902	66.146.235

The authorized share capital of the Company amounts to EUR 20,000 and is divided into 20,000 common shares of EUR 1 each. Issued and paid in are 20,000 shares. During 2015 the Company also received share premium for a total amount of EUR 12,800,000. In the general meeting of shareholders, held on the 9th of April 2015, it was decided to add the profit for the year 2014 to the other reserves.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Statement of cash flows for the year 2015

	2015	2014
	EUR	EUR
Cash flows from operating activities:		
Interest received	32.639.997	30.227.503
Interest paid	(27.525.087)	(26.258.054)
General and administrative expenses	(1.106.825)	(421.376)
Corporate Income Tax paid	(881.053)	(29.607)
Value Added Tax paid	(40.784)	(22.812)
Proceeds from issue of notes and long-term borrowings	332.504.000	75.000.000
Fees paid	(120.000)	(1.600.000)
Long-term loans provided to group companies	(335.000.000)	(75.000.000)
Fees received	120.000	1.600.000
Short-term loans provided to group companies	(157.400.000)	(62.125.000)
Repayments short-term and long-term loans to group companies	318.675.000	50.600.000
Repayment loans from third parties	(175.000.000)	0
Income from other fees received	2.144.610	4.256.594
Expense from other fees paid	(1.711.791)	(2.355.917)
Net cash used in operating activities	(12.701.934)	(6.128.669)
Cash flows from financing activities:		
Capital increases	24.800.000	6.000.000
Capital decreases	(12.000.000)	0
Net cash generated by financing activities	12.800.000	6.000.000
Net change in cash and cash equivalents	98.066	(128.669)
Cash and cash equivalents at the beginning of the year	143.366	272.035
Cash and cash equivalents at the end of the year	241.432	143.366

The accompanying notes are an integral part of these financial statements.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Notes to the financial statements

1. General

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The objects of the Company are:
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- to provide advice and other services;
- to acquire, use and /or assign industrial and intellectual property rights and real property;
- to provide guarantees and security, warrant performance or otherwise assume liability, whether jointly and severally or otherwise, for or in respect of obligations of group companies;
- to provide security for the debts of legal persons or of other companies with which the Company is affiliated or for the debts of third parties;
- to invest funds; and
- to undertake all actions that are deemed to be necessary to the foregoing, or in furtherance thereof.

The Company belongs to a corporate group controlled by REN - Redes Energeticas Nacionais, SGPS, S.A., set up in Lisbon, Portugal, which holds 100% of the Company's shares.

The financial statements of the Company are included in the consolidated financial statements of the Shareholder, REN SGPS.

2.1 Functional currency

The functional currency of the Company is the currency of the primary economic environment in which the Company operates. The functional currency and the presentation currency of the Company is euro.

2.2 Comparability

If deemed necessary, comparative amounts have been reclassified or restated to conform to the current year's presentation.
During 2015 general expenses and other income and expenses in profit and loss, as well as, some items of statement of financial position (Receivable from Group and third parties, Payable to Group and third parties and Borrowings) were reclassified to give a better insight of the financial statements.

Adjustment of received and paid amounts in items of operational cash flow have also been processed in cash flows statement to give a better understanding of the actual cash flows.

All adjustments do not have effect on the result or equity.

In addition, the estimated fair value of the items Loans to Group companies and Borrowings, in statement of financial position, were changed to the discounted cash flows methodology. Thus, the amounts disclosued in 2014 were amended accordingly.

3. Summary of significant accounting policies

Basis of preparation
These financial statements have been prepared in accordance with IFRS as adopted by the EU and also in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements have been prepared under the historical cost convention. In principle, unless otherwise stated, assets and liabilities are stated at amortised cost.

The financial statements are presented in euro.

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 14	Regulatory deferral accounts
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to IFRS 10	Consolidated financial statements
Amendments to IFRS 12	Disclosures of investments in other entities
IAS 28	Investments in associates and join ventures

Effective for annual periods beginning on or after 1 January 2016

Management anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company.

Notes to the financial statements - Continued

3.1 Transactions in foreign currencies
During the preparation of the financial information transactions in currencies other than the functional currency ("foreign currencies ") are recognized at the exchange rates effective as at the transaction date. Monetary items denominated in foreign currencies are converted into the functional currency at the exchange rate prevailing at the reporting date.

Financial assets
The Company has the following financial assets: subscribed Notes, subscribed CP, receivables and cash and bank balances. The Company's subscribed Notes to REN SGPS are classified as long-term Notes. These subscribed Notes are non-derivative financial assets with fixed payments that are not quoted in an active market, whose recoverability is based solely on the credit risk of the related company and where the Company has no intention of trading the subscribed Notes. Loans are measured at amortized cost using the effective interest method less any impairment. Interest income is recognized by applying the effective interest rate. The discount and fees costs are amortized on a linear basis over the term of the bond instead of at amortised cost, using the effective interest rate method. The difference is however not significant.

Financial instruments
The Company recognizes financial assets and liabilities on its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instruments. Financial assets and liabilities are recognized using settlement date accounting.

Financial assets and liabilities are initially recognized at cost, which is the fair value of the consideration given or received, respectively, including any transaction costs incurred. Any gain or loss at initial recognition is decognized in the current period's statement of comprehensive income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Interest bearing loans and borrowings are subsequently measured at cost.

Finally, costs related to the note issuance are amortised over the term of the note in accordance with the effective interest rate method.

Other receivables
Other receivables are recognized and carried at original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection on the full amount is no longer probable. Bad debts are written-off when the period for allowed claims has expired.

Cash and cash equivalents
Cash and cash equivalents are defined as cash on hand, demand deposits, short-term and highly liquid investments with original maturity of not more than three months readily convertible to known amount of cash and subject to insignificant risk of change in value.

Statement of cash flows.
The statement of cash flows is presented using the direct method.

Loans and borrowings
Loans and borrowings are initially recognized at cost, being the fair value of the consideration received, net of transaction costs incurred.

After initial recognition, loans and borrowings are measured at amortized cost using the amortization based on the effective interest rate method. Amortized cost is calculated by taking into account any issuance costs and any discount or premium on settlement.

Depending on the maturity date of the contract, the loans and borrowings are classified as current or non-current.

The borrowings fair value is calculated with the discounted cash flows method, using the interest rate curve on the date of the financial position statement in accordance with each loan characteristics.
The range of market rates used to calculate the fair value ranges between -0.21% and 0.90% (maturities of one month and ten years, respectively).

Liabilities and other payables
Liabilities and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Notes to the financial statements - Continued

Revenue recognition
Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate method, which is the rate that exactly discounts estimated future risk receipts through the expected life of the financial asset to that asset's net carrying amount.

The effective interest rate method calculates the amortized cost of a financial asset or liability and allocates the interest income or interest expense over the relevant period.

Expenses recognition
Expenses are recognized as incurred and are reported in the financial statements in the period to which they relate.

Corporate income tax
Corporate income tax is calculated at the applicable rate based on income reported in these financial statements, taking into account permanent differences between profit calculated according to the statement of comprehensive income and profit calculated for taxation purposes. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilized and deferred tax assets realized.

Accounting estimates and judgements
The preparation of the financial statements in conformity with IFRSs requires mananagement to make judgements, estimates and assumptions that affect the implication of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recogized in the period in which the estimates is revised and in any future periods affected.

4. Significant accounting judgments and estimates and key sources of estimation uncertainty
The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent liabilities. Actual results may differ from management's estimates made at the time of preparing these financial statements.

4.1 Capital management
The objective relating to the capital management, which is a broader concept than the equity disclosed on the face of the statement of financial position, is to maintain an optimal equity structure, through rational use of debt.

The necessity of debt increases are analyzed periodically considering the Group financing needs and its liquidity position.

5. Financial instruments
The Company's principal financial instruments comprise loans granted, borrowings and bank balances. During the financial year 2015 the Company did not undertake trading in financial instruments.

Currency risk
The Company's cash inflows and outflows, as well as receivable and payable balances are denominated in Euro.
The currency risk exposure is therefore nill.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The interest rate risk for the Company is limited due to the fact that the principle activity is to obtain funding to finance group companies. Funding raised is lent out to group companies on a 1-to-1 base. Terms of funding obtained are mirrored by the terms of the loans given to group companies. The only distinction is the fixed margin between the interest on the amounts borrowed and the interest on the amounts that have been lent out.

Furthermore, the Company actively monitors changes in interest rates in the currencies in which its cash, investments and borrowings are denominated.

Given the size and nature of the interest rate risk, the Company has decided not to hedge the interest rate risk exposure.

Credit risk
Financial instruments, which potentially subject the Company to credit risk, consist primarily of loans receivable. While the Company may be subject to losses up to the contract value of the instruments in the event of non-performance by its counterparts, it does not expect such losses to occur. No collateral is required by the Company to support financial instruments subject to credit risk. Cash is placed in financial institutions, which are considered at the time of deposit to have minimal risk of default.

REN SGPS unconditionally and irrevocably guaranteed the due and punctual payment of all amounts at any time becoming due and payable in respect of the Notes.

As the net equity of these group companies as per 31 December 2015 is higher than the amount of the loans receivable, there is no indication that the loans given to the group companies will be impaired in the near future or that the loans receivable will not be received.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

Notes to the financial statements - Continued

Liquidity risk management
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial liabilities.

Liquidity requirements are monitored on a regular basis and management ensures that sufficient funds are available to meet any commitments as they arise.

As funding of the Company is solely used to finance group companies, the terms of loans taken are mirrored by the terms of loans given to group companies. As such, when loans taken are due, loans given to group companies are due as well. Furthermore, the interest due dates for loans taken and loans given are equal while the Company earns a fixed spread.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Companies short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables
The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

31 December 2015	Less than 1 year	1-5 years	Over 5 years	Total
	EUR	EUR	EUR	EUR
Bank borrowings	858.200	47.818.768	0	48.676.968
Bonds	26.500.000	503.413.889	331.895.833	861.809.722
	27.358.200	551.232.657	331.895.833	910.486.690
Trade and other payables	4.881.887	0	0	4.881.887
Total	32.240.087	551.232.657	331.895.833	915.368.577

31 December 2014	Less than 1 year	1-5 years	Over 5 years	Total
	EUR	EUR	EUR	EUR
Bank borrowings	19.745.400	67.815.299	153.627.900	241.188.599
Bonds	19.000.000	76.000.000	416.677.778	511.677.778
	38.745.400	143.815.299	570.305.678	752.866.377
Trade and other payables	4.533.116	0	0	4.533.116
Total	43.278.516	143.815.299	570.305.678	757.399.493

Fair values
The fair values of financial instruments, consisting of cash, receivables, payables and obligations under debt instruments, are considered to be equal to their carrying values, unless otherwise stated.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

6. Interest income net
Specification:

	2015	2014
	EUR	EUR
Bank interest current account	0	97
Interest on bonds	38.013.420	29.230.083
Interest on commercial paper	1.820.498	1.448.467
Amortisation of fees	3.106.477	1.323.711
	42.940.395	32.002.358

7. Interest expense
Specification:

	2015	2014
	EUR	EUR
Interest on bank borrowings	8.152.022	7.467.174
Interest on bonds issued	25.626.035	19.000.055
Amortisation of fees	3.721.307	1.717.842
Interest taxation	31.916	862
	37.531.280	28.185.933

8. Other income
Specification:

	2015	2014
	EUR	EUR
Invoices recharged to REN SGPS	764.006	0
	764.006	0

9. Salaries, wages and taxes
Specification:

	2015	2014
	EUR	EUR
Salary	72.352	70.003
Performance bonus	(2.119)	3.000
	70.233	73.003

During 2015 and 2014 the Company had one employee and hence incurred salaries and related social security charges during the reporting period. The company did not pay any pension premium in 2015 and 2014.

10. General and administrative expenses
Specification:

	2015	2014
	EUR	EUR
External suppliers		
Office rent	10.141	12.476
Audit fees(*)	26.620	51.474
Tax advise fees	62.956	21.553
Law firm fees	232.644	24.761
Rating agency fees	663.500	0
Other fees and expenses	93.204	78.265
Invoices recharged by REN SGPS	54.298	116.249
Reversed VAT charge	6.210	(125.236)
	1.149.572	179.542

* Audit fees are solely related to Deloitte Accountants B.V., Amsterdam. No other services are provided by Deloitte Accountants B.V.

	Deloitte Auditors	Other Auditors	Total network
	EUR	EUR	EUR
2014			
Audit of the financial statements	31.240	0	31.240
Other audit engagements	20.234	0	20.234
	51.474	0	51.474
2015			
Other audit engagements	0	0	0
Audit of the financial statements	26.620	0	26.620
	26.620	0	26.620

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

11. Income tax
Specification:

	2015	2014
	EUR	EUR
Adjustments of CIT from previous periods	85	0
2015 CIT	1.228.329	880.968
	1.228.414	880.968

The Company has concluded an Advance Pricing Agreements (APA) with the Dutch Tax Authorities concerning the minimum margin required between the proceeds as received from the loans (Notes) and the loans granted to group companies. The APA was signed on 10 July 2013. Furthermore, 8% of the loans provided to group companies should be held as equity on the balancesheet of the Company. The 2015 income tax due has been calculated based on the results reported in these financial statements and the APA as concluded with the Dutch Tax Authorities.

A taxable income for 2015 was calculated of EUR 4,953,314, 20% corporate income tax has been calculated for the first EUR 200,000 and 25% income tax has been calculated for the remainder of EUR 4,753,314, which resulted in a payable CIT of EUR 1,228,329.

12. Long- term loans to group companies

Specification long-term:

	31-Dec-15	31-Dec-14
	EUR	EUR
Bonds	743.799.535	571.380.640
	743.799.535	571.380.640

Bonds		
Movement during the financial year		
Opening balance	571.380.640	510.000.000
Reclass	0	(11.250.000)
Bonds subscribed	335.000.000	75.000.000
Bonds repaid	-163.750.000	0
Movement capitalized deferred expenses	1.168.895	(2.369.360)
Closing balance	743.799.535	571.380.640

The interests rate on the loans to group companies, in long and short term, are between 1.29% - 5.28% (31 December 2014: 3.01% - 5.28%) and the average interest is 3.97% (in December of 2014: 5.06%).

On 15 October 2013 the Company subscribed internal Notes issued by REN SGPS according to the EUR 400,000,000 Subscription Agreement between the Company (Sole Subscriber) and REN SGPS (Issuer). The subscribed internal Notes will mature on 16 October 2020.

On 6 December 2013 the Company subscribed internal Notes issued by REN SGPS according to the EUR 100,000,000 Subscription Agreement between the Company and REN SGPS. The subscribed internal notes were early repaid during 2015.

On 10 April 2014 the Company subscribed internal Notes issued by REN SGPS according to the EUR 200,000,000 Programme Agreement between the Company and REN SGPS. The subscribed internal notes were early repaid during 2015.

On 12 February 2015 the Company subscribed internal Notes issued by REN SGPS according to the EUR 300,000,000 Subscription Agreement between the Company (Sole Subscriber) and REN SGPS (Issuer). The subscribed internal Notes will mature on 12 February 2025.

On 2 November 2015 the Company subscribed internal Notes issued by REN SGPS according to the EUR 120,000,000 Programme Agreement between the Company and REN SGPS. The subscribed internal Notes will mature on 2 November 2020.

Fair value
The fair value of the bonds is:

	31-Dec-15	31-Dec-14
	EUR	EUR
Bonds	758.019.089	635.787.703

The fair value of the subscribed Internal Notes is calculated using the implied spreads of the Notes. The fair value calculation assumes the credit risk to be equal between the issuer and guarantor of the bond, since both are part of the same group.

Credit risk
The Company's maximum exposure of credit risk relates to subscribed internal Notes and CP to REN SGPS (note 11 and 12).

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

13. Taxation
Specification:

	31-Dec-15	31-Dec-14
	EUR	EUR
VAT	7.440	0
	7.440	0

14. Current-term loans to group companies
Specification current-term:

	31-Dec-15	31-Dec-14
	EUR	EUR
Bonds	0	11.250.000
Commercial paper	61.100.000	47.375.000
	61.100.000	58.625.000

Commercial paper		
Movement during the financial year		
Opening balance	47.375.000	35.850.000
CP subscribed	157.400.000	62.125.000
CP repaid	-143.675.000	-50.600.000
Closing balance	61.100.000	47.375.000

The interests rate on the loans to group companies, in long and short term, are between 1.29% - 5.28% (31 December 2014: 3.01% - 5.28%) and the average interest is 3.97% (in December of 2014: 5.06%).

During 2013 the Company subscribed CP issued by REN SGPS according to the EUR 300,000,000 Commercial paper programme between the Company and REN SGPS.

Fair value
The fair value of the loans is:

	31-Dec-15	31-Dec-14
	EUR	EUR
Bonds	0	11.250.000
Commercial paper	62.189.523	47.375.000

The fair value calculation assumes the credit risk to be equal between the issuer and guarantor of the CP, since both are part of the same group.

15. Receivables on group companies

Specification:

	31-Dec-15	31-Dec-14
	EUR	EUR
Interest receivable bonds	12.559.094	4.815.307
Interest receivable commercial paper	38.737	442.933
Receivable fees	188.458	196.417
Receivable recharged invoices from SGPS	183.023	0
	12.969.312	5.454.657

16. Other receivables

Specification:

	31-Dec-15	31-Dec-14
	EUR	EUR
Receivable Portuguese withholding tax	3.468.162	3.430.142
	3.468.162	3.430.142

17. Cash and equivalents

	31-Dec-15	31-Dec-14
	EUR	EUR
Current account EUR	241.432	143.366
	241.432	143.366

The funds maintained in the current account are freely available.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

18. Non-current borrowings

Specification long-term borrowings third parties:

	31-Dec-15	31-Dec-14
	EUR	EUR
Bank borrowings	43.799.535	171.380.640
Bonds	695.835.026	397.716.197
	739.634.561	569.096.837

Bank borrowings		
Movement during the financial year		
Opening balance	171.380.640	108.800.680
Reclass	11.250.000	-11.250.000
Loans received	35.000.000	75.000.000
Loans repaid	-175.000.000	0
Movement capitalized deferred expenses	1.168.895	-1.170.040
Closing balance	43.799.535	171.380.640

Bonds		
Movement during the financial year		
Opening balance	397.716.197	397.322.066
Bonds issued	300.000.000	0
Movement capitalized deferred expenses	-1.881.171	394.131
Closing balance	695.835.026	397.716.197

The interests rates charged on the borrowings from third parties are between 1.50% - 4.75% (31 December 2014: 3.33% - 4.75%) and the average interest is 3.67% (31 December 2014: 4.70%).

On 11 November 2013 the Company furthermore entered with REN SGPS into a EUR 160,000,000 facility agreement with Industrial and Commercial Bank of China (Europe) S.A. Sucursal Espana ("ICBC"). The proceeds of the loan received were used to subscribe internal Notes issued by REN SGPS. Above mentioned facility agreement was repaid and ended on 2 November 2015.

On 23 November 2013 the Company also entered with REN SGPS into a EUR 400,000,000 facility agreement with China Development Bank Corporation ("CDB"). The proceeds of the loan received were used to subscribe internal Notes issued by REN SGPS. The facility agreement were repaid and ended during 2015.

On 10 April 2014 the Company furthermore entered with REN SGPS into a 5 year EUR 200,000,000 facility agreement with Bank of China ("BOC"). The proceeds of the loan received were used to subsrcibe internal Notes issued by REN SGPS.

On 15 October 2013, the Company has issued a EUR 400,000,000 4.750% fixed rate Notes, due 16 October 2020, under the EUR 5,000,000,000 Euro Medium Term Programme (the "Programme"). Both the Company and REN SGPS act as issuer under the programme.

On 12 February 2015, the Company has issued a EUR 300,000,000 2.50% fixed rate Notes, due 12 February 2025, under the EUR 5,000,000,000 Euro Medium Term Programme. The proceeds of the issued Notes were used to subscribe internal Notes issued by REN SGPS.

On 2 November 2015 the Company furthermore entered with REN SGPS into a 5 year EUR 120,000,000 facility agreement with Industrial and Commercial Bank of China (Europe) S.A. Sucursal Espana ("ICBC"). The proceeds of the loan received were used to subscribe internal Notes issued by REN SGPS.

The borrowings fair value is:

	31-Dec-15	31-Dec-14
	EUR	EUR
Bank borrowings	47.213.342	211.443.769
Bonds issued	710.805.748	421.905.949

The borrowings fair value are calculated by the discounted cash flows method, using the interest rate curve on the date of the statement of financial position in accordance with the characteristics of each loan.

Market (interest) risk:
The interest is fixed and, therefore, change in market interest will not affect any income or expense.

Deloitte Accountants B.V.
For identification purposes only
Related to auditor's report
dated February 26, 2016

19. Taxation
Specification:

	31-Dec-15	31-Dec-14
	EUR	EUR
Wage Tax	3.206	2.635
Corporate Income Tax	1.228.329	880.968
VAT	0	27.134
	1.231.535	910.737

20. Short-term borrowings
Specification:

	31-Dec-15	31-Dec-14
	EUR	EUR
Bank borrowings	0	11.250.000
	0	11.250.000

More details about this loan can be found under Note 17.

21. Accrued interest
Specification:

	31-Dec-15	31-Dec-14
	EUR	EUR
Payable interest on bank loans	100.486	327.884
Payable interest on bonds	10.634.254	4.008.219
Payable fees	188.458	196.416
	10.923.198	4.532.520

22. Intercompany payables
Specification:

	31-Dec-15	31-Dec-14
	EUR	EUR
Payable withholding tax to REN SGPS	3.468.161	3.430.142
Payable recharged invoices by SGPS	54.298	116.249
	3.522.459	3.546.391

23. Other liabilities and accrued expenses
Specification:

	31-Dec-15	31-Dec-14
	EUR	EUR
Tax advisor fees	47.795	10.391
Audit fees	26.620	26.620
Law firm fees	33.488	0
Administration fees	7.162	35.966
Other expenses	12.828	10
Performance bonus	0	3.000
	127.893	75.987

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For identification purposes only
Related to auditor's report
dated February 26, 2016

24. Contingent liabilities

In the opinion of management, there are no current legal proceedings or other claims outstanding, which could have a material effect on the result of operations or financial position of the Company and which have not been accrued or disclosed in these financial statements.

25. Related-party transactions

The Company is wholly owned by REN SGPS since May 10, 2013, which holds 100% of its issued and outstanding shares.

During the year, there were various related party transactions between the Company and its Shareholder, REN SGPS.
The related party transactions are disclosed under Note 6, 8, 10, 12, 14, 15, 22 and 26.

Intertrust (Netherlands) B.V. provides several services to REN Finance, including management services, namely has two members of the Board of Directors.

Intertrust (Netherlands) B.V. also provides administrative services to the Company. During the year, Intertrust (Netherlands) B.V. charged EUR 61,146 (2014: 64,240) for administrative services.

All loans to group companies are provided against an at arms' length mark-up. The administrative services and directorship are charged at an at arms' length fee.

26. Directors

The Board of Managing Directors consists of:

Mr. E. van Ankeren

Mr. P.M. Blöte

Mr. N.M. da Silva Alves do Rosario

Mr. G.J. Figueira Morais Soares

The remuneration paid to the Directors was EUR 8,977 (2014; EUR 8,930). The Directors who receive remuneration from the parent company do not receive any remuneration from the Company for their directorship.

27. Subsequent event

No events have occurred since the balance sheet date, which would change the financial position of the Company and which would require adjustments of or disclosure in the the financial statements now presented.

28. Approval of the financial statements

The financial statements were approved by the Board of Managing Directors and authorized for issue on 26 February 2016.

Board of Managing Directors:

Amsterdam, 26 February 2016

Mr. E. van Ankeren (appointed as per 31 December 2015)

Mr. N.M. da Silva Alves do Rosario

Mr. P.M. Blöte

Mr. G.J. Figueira Morais Soares

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For identification purposes only
Related to auditor's report
dated February 26, 2016

Other information

Independent auditor's report
The independent auditor's report is recorded on the next page.

Statutory rules concerning appropriation of the profit
According to Article 16 of the Company's Articles of Association, the net profit for the year is at the disposal of the shareholder.

Proposed appropriation of the profit
Management proposes to add the net profit for the year 2015 amounting to EUR 3,724,902 (2014 2,682,905) to the retained earnings.

Post balance sheet event
No events have occurred since the balance sheet date, which would change the financial position of the Company and which would require adjustments of or disclosure in the the financial statements now presented.

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For identification purposes only
Related to auditor's report
dated February 26, 2016

Deloitte.

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Independent auditor's report

To: The Shareholders of REN Finance B.V.

Report on the Audit of the Financial Statements 2015

Our Opinion

We have audited the accompanying financial statements 2015 of REN Finance B.V. (The Company), based in Amsterdam.

In our opinion, the company financial statements give a true and fair view of the financial position of REN Finance B.V. as at December 31, 2015, and of its result and its cash flows for 2015 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The company financial statements comprise:

1. The company statement of financial position as at December 31, 2015.

2. The following statements for 2015: statements of comprehensive income, changes in equity and cash flows for the year then ended.

3. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of REN Finance B.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Materiality

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 8,200,000. The materiality is based on 1% of the loans issued to group companies. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Board of Directors that misstatements in excess of EUR 420,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter
Key audit matter is the risk associated with the possible impairment of the receivables on the (ultimate) parent company, which are measured against amortized cost, and the disclosure of the fair value of these receivables. Reference is made to note 12, 14 and 15 of the financial statements of REN Finance B.V. as per December 31, 2015.

Response
We obtained the most recent financial information of the (ultimate) parent company and obtained information from the group auditor. Based on the information received we evaluated valuation of the receivables on the (ultimate) parent company.

Based on the procedures performed, as described above, we observed that the valuation of these receivables is appropriate. We also determined that the disclosure of the fair value in relation to these receivables is appropriate.

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Responsibilities of the Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Board of Directors is responsible for overseeing the company's financial reporting process.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud. Please refer to Appendix A for a summary of our responsibilities.

Report on other legal and regulatory requirements

Report on the management board report and the other information
Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the management board report and other information):

- We have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.

- We report that the management board report, to the extent we can assess, is consistent with the financial statements.

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Engagement
We were engaged by the Board of Directors as auditor of REN Finance B.V. for 2015 on December 14, 2015, and we have been the auditor of REN Finance B.V. as of year 2013.

Amsterdam, February 26, 2016

Deloitte Accountants B.V.

Initial for identification purposes:

A.J. Kernkamp

Deloitte.

Appendix A

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, when non-mentioning is in the public interest.